

An aerial photograph of a city street intersection. The central focus is a large, modern building with a distinctive, curved, blue-tinted roof structure. Surrounding it are other multi-story buildings, some with flat roofs and others with gabled roofs. The streets are paved, and there are several cars parked and driving. The overall scene is a dense urban environment.

Vontobel

ESG Integration and Stewardship

Report 2025

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Foreword

Stewardship is, to me, inseparable from good investing. In 2025, markets again demanded discipline: navigating geopolitical uncertainty, divergent policy paths and fast-moving sustainability expectations required active judgment, clear priorities and a constant focus on risk. Against that backdrop, our approach remained practical and investment-led. We seek to understand the factors that can shape long-term value, resilience and capital preservation, and to reflect them in the way we research issuers, construct portfolios, engage with companies and exercise our rights responsibly.

At Vontobel, stewardship is not a separate overlay. It is embedded in the way our investment teams work. ESG specialists sit alongside analysts and portfolio managers, and their expertise is integrated into investment discussions, issuer monitoring and engagement activity. That structure matters. It helps us connect sustainability-related considerations with financial analysis, challenge assumptions early and make better-informed decisions for clients across strategies and asset classes.

Our role, however, is not to pursue stewardship in the abstract. It is to do so in a way that is relevant to our clients' objectives. In 2025, we continued to engage with clients on how stewardship, ESG integration and sustainability-related risks and opportunities affect portfolios and reporting. Those conversations are important: they sharpen our priorities, improve transparency and help ensure that our stewardship remains grounded in fiduciary responsibility and focused on long-term value creation.

The broader sustainability landscape also continued to evolve. Vontobel's six Sustainability Commitments remain an important point of orientation for the firm, supported by a governance framework that keeps sustainability topics connected to strategy, risk management and oversight. For me, that combination of investment discipline, embedded expertise and strong governance is what makes stewardship effective. This report sets out how we have applied that approach during the 2025 reporting year and how stewardship continues to support our responsibility as active investors.

—

Andrew Jackson

Head Investments

Introduction



Our profile

About Vontobel

We are an international investment firm providing investment, advisory, and solution capabilities to private and institutional clients. Headquartered in Zurich, Switzerland, we operate across 28 locations worldwide. Vontobel Holding AG shares are listed on the SIX Swiss Exchange and are majority-owned by the Vontobel families. A long-term majority shareholding enables Vontobel to think and act with a long-term perspective. Entrepreneurial independence is key to our business, and the resulting freedom comes with a responsibility to uphold social responsibility.

With our investment-led approach focused exclusively on the buy-side business, we think and act purely from the client's perspective—investors serving investors. Our proven and unique investment capabilities form the foundation of our business model. This structure allows us to develop exceptional investment approaches in a robust and replicable manner. Vontobel has built a strong and well-diversified range of investment boutiques, making targeted investments in recent years. We have approximately 250 specialists working in our investment hubs in Switzerland, Europe, Asia and the US, managing strategies and solutions across equities, fixed income, quantitative, multi-asset, and private markets. Our conviction that successful investing begins with personal responsibility drives us to empower employees, enabling them to unlock their potential, take ownership of their work, and bring opportunities to life. We continuously assess our achievements as we strive to exceed client expectations.

For Institutional Clients, we offer asset management expertise and services tailored to sophisticated investors and intermediaries, such as banks, insurance companies, and asset managers. The combination of our local presence and international reach plays a key role in serving our clients, underpinned by strong independent investment capabilities. As active managers, we invest with high conviction, supported by innovative research and robust risk management, aiming to deliver excellent performance for our clients.

In our Annual Report, we highlight our priorities for 2025–2026 on page 75.

110.1

billion CHF
assets under management¹

over 20

strategies with ESG criteria

20

locations
across the globe

5

independent
investment boutiques

over 250

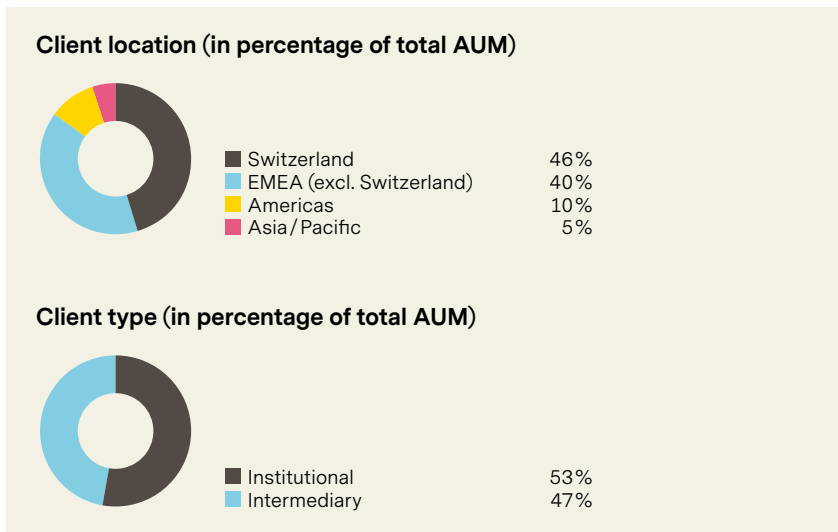
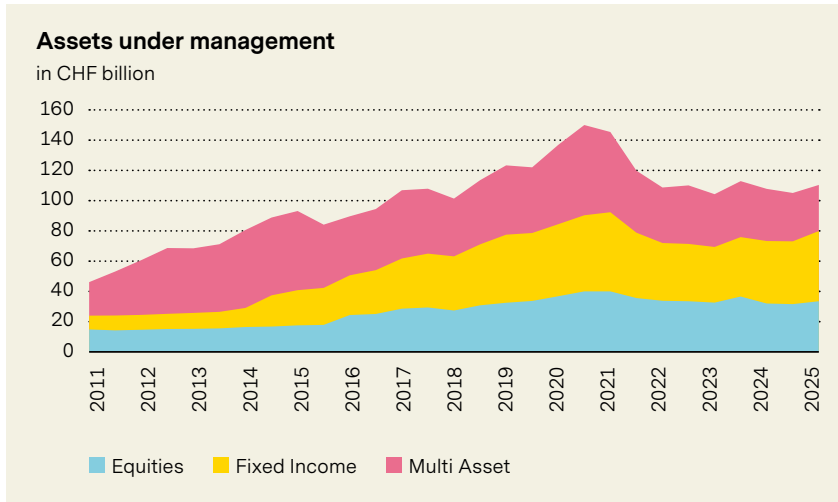
investment specialists

50.9

percent
family-owned

¹ Vontobel Institutional Clients only, adjusted to include double counts with other segments of Vontobel. Source: Vontobel, as of 31.12.2025.

Key facts and figures



→ More information about our financial reporting can be found under vontobel.com/financial-reporting.

Sustainability at Vontobel

Our company

At Vontobel, all our clients have one thing in common: they come to us for active investment solutions and advice.

We are a client-centric, investment-led firm whose objective is to deliver distinctive, independent solutions across equities, fixed income, quantitative investments, multi-asset strategies and private markets. As a recognized leader in financial products, we also provide access to our structured solutions expertise and a broad suite of wealth planning services. Guided by high-conviction active management, innovative research and rigorous risk management, we strive to exceed the expectations of our clients.

Founded in Zurich in 1924, Vontobel has been listed on the SIX Swiss Exchange since 1986 and remains majority-owned by the Vontobel families. The family's close ties to the company ensure our long-term perspective and entrepreneurial independence, and the resulting freedom is also an obligation to fulfill our responsibility to society.

Vontobel operates a unique, integrated model: a pure-play active investment firm with a single investment engine that serves two complementary Client Segments: Private Clients and Institutional Clients. This setup ensures that every client, wherever they are and whatever their needs, benefits from the full breadth of our investment capabilities from our teams in Investment Solutions.

Private Clients: Offers comprehensive wealth management services to high-net-worth and ultra-high-net-worth individuals, as well as to financial intermediaries such as family offices and external asset managers.

Institutional Clients: Provides asset management expertise and services to sophisticated investors and intermediaries, including banks, insurance companies and asset managers.

Vontobel is committed to contributing to a more sustainable economy society

- **1998**
First ESG product launched.
- **2007**
Vontobel defines its 10 "Sustainability principles".
- **2008**
Vontobel becomes a signatory to the Carbon Disclosure Project (CDP) and a founding member of Swiss Climate Foundation. The firm launches its first environmental investment solution.
- **2009**
Vontobel is offsetting all its operational carbon emissions (Scope 1 – 3) through purchase of CO₂-certificates.
- **2010**
Vontobel becomes a signatory to the Principles for Responsible Investments.
- **2011**
Group-wide exclusion of controversial weapons.
- **2014**
Vontobel becomes a founding member of Swiss Sustainable Finance.
- **2017**
Commitment to support the UN Global Compact Principles.
- **2019**
Vontobel publishes its ESG Investing and Advisory Policy.
- **2021**
Vontobel becomes a signatory to the UK Stewardship Code.
- **2022**
Vontobel replaces "Sustainability principles" from 2007 with Sustainability Positioning and six Commitments.
- **2024**
Nomination of "Sustainability Spokesperson" in the Vontobel Board of Directors.

Sustainability positioning and long-term vision

Vontobel's dedication to sustainability and corporate responsibility is supported by our unique ownership structure: As a listed company that is majority-owned by the founding family, Vontobel has the opportunity to focus on long-term growth with a conservative risk profile. Since its founding in 1924, the Vontobel family has always been a promoter of long-term value creation, which is important for our path towards sustainability.



“As owners thinking for the long term, we support Vontobel’s efforts to play an active role in the sustainable transformation of our economy and society for future generations.”

—
Maja Baumann
Member of the Board of Directors

Our Sustainability Positioning

“Sustainability has always been a focus for our owner families, now in their fourth generation. As corporate citizens, we honor their commitment by contributing to the health of our local communities. As an investment firm, we empower investors with the necessary knowledge, tools and investment options to consider sustainability in building their better futures. Through these efforts, we contribute to the UN’s SDGs and aim for our impact to be proportionate to our reach.”



Vontobel's six Sustainability Commitments and progress

Throughout the years, Vontobel has continued to empower clients to build better futures. In 2022, the Board of Directors (BoD) laid the strategic foundation for Vontobel's sustainability journey from 2023 onwards. In collaboration with the Executive Committee (ExCo), the BoD revised the previous sustainability principles and defined the Group's Sustainability Positioning and six Sustainability Commitments instead. The Sustainability Commitments set out the key levers we have as an investment firm and as a corporate citizen to deliver on the promise we have made based on our Sustainability Positioning. We work systematically across our Client Segments and Centers of Excellence to deliver on our six Sustainability Commitments and, in doing so, help to drive the transition to a more sustainable economy and society.

Corporate sustainability and the ESG investment landscape are rapidly evolving, largely driven by regulatory changes, but also by evolving investor expectations. To ensure our six Sustainability Commitments remain relevant and provide an appropriate base for engaging in dialogue with our stakeholders about sustainability, we have instituted a biennial review process.

As the review is conducted every two years, with the first one having taken place in 2024, no review of the six Sustainability Commitments took place in this reporting period. The next review will be carried out in 2026. Therefore, the commitments, targets and KPIs refined during the inaugural review in 2024 remain applicable for the current reporting period.

The inaugural review in 2024 enabled us to not only ensure the adequacy of our Sustainability Commitments but also to validate that our internal processes and management systems are effective. As presented in last year's report, the CSC discussed and defined the outcome of the review, which was submitted to the ExCo and ultimately to the BoD. The commitments have been refined with clearer targets and internal key performance indicators (KPIs) that serve as the underlying metrics to monitor our progress. The refined targets and KPIs are a key measure in ensuring the effectiveness of the progress management of the commitments.

We have made a conscious decision to eliminate terms like "net zero" from our commitments due to varying interpretations among different stakeholder groups. In the reviewed commitments, our aim is to provide a transparent depiction of our goals and actions. Consequently, we now refer to our reduction path and GHG emission reduction targets when discussing our climate ambitions within our operations and own investments in banking and trading books. Our climate transition plan provides further information on how we aim to achieve these targets.

Our six Sustainability Commitments



Empower our stakeholders to challenge us through governance and transparency.

We see transparency as a key tool for empowering our stakeholders to track how we deliver on our sustainability ambitions. We see good governance (the “G” in ESG) as a key mechanism to ensure delivery of our ESG strategy, at both the product and corporate levels. We report on our sustainability-related performance using state-of-the-art reporting standards.



Incorporate ESG consideration into active investment decisions.

We believe that ESG consideration is part of our fiduciary duty, requires investment team accountability and demands transparency. For this reason, our investment teams subscribe to four ESG Investment Principles. This foundation enables us to offer a wide range of ESG solutions, in response to our clients’ desired investment objective(s), which can be any one, or a balance of, the following:

1. optimizing risk-adjusted performance through the consideration of financially material ESG issues;
2. mitigating negative environmental and social impact from investments; and
3. investing in companies that provide products and services that aim to actively and positively contribute to the UN Sustainable Development Goals (SDGs).



Advise our private clients on the benefits, opportunities and risks of ESG investments.

We advise our private clients on the benefits, opportunities and risks of ESG investments to help them build portfolios that meet their beliefs and needs. Thus, we want to offer them an ESG product shelf to choose from. Our Private Clients ESG framework sets the basis to map our ESG investment solutions to individual client ESG preferences.



Taking significant steps to reduce greenhouse gas emissions across our operations and in our banking and trading books.

We are taking significant steps to reduce greenhouse gas emissions across our operations and in our banking and trading books. In doing so, we aim to contribute to the goals outlined in the Paris Agreement¹. We have set interim targets for our decarbonization pathway for the bond investments in our banking and trading books and aim to offset all our operational emissions for Scopes 1–3. We strive to continue to improve our practices and report meaningful progress to our stakeholders.



Continue creating a great workplace where everyone can thrive.

Our work practices advance equality, diversity and inclusion and foster a workplace environment where everyone has the opportunity to develop and reach their full potential. Mutual respect and openness, without discrimination, shape our culture.



Be an active member of the local community.

Vontobel operates with the spirit of citizenship to foster quality of life in the places we live and work. We do this by providing jobs and enabling and encouraging our employees to play an active role in their local communities. Vontobel and the charitable Vontobel Foundation have sponsored projects in the areas of social welfare, medical research, nature and culture since 1993.

Sustainability Report

Our Sustainability Report, which is an integral part of our annual report, details our progress on our six Sustainability Commitments. It also explains how we have identified and prioritized material sustainability topics that are critical to our business and stakeholders, requiring active management.

→ Refer to page 75–77 of our Annual Report.



¹ In this context, we specifically refer to Article 2, 1. (a) of the Paris Agreement as adopted in December 2015, which states: “Holding the increase in the global temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels, recognizing that this would significantly reduce risks and impacts of climate change”.

Oversight



ESG Governance

Sustainability governance and oversight

Our Group-level sustainability governance remains a vital instrument for us to fulfill our commitments. We are convinced that effective governance with clearly allocated roles and responsibilities is a key feature in steering and managing sustainability-related activities and necessary for an organization to operate efficiently.

Board of Directors

The Board of Directors (BoD) of Vontobel Holding AG is responsible for defining the overall strategic direction of Vontobel and for the approval of the strategy. As such, the BoD has a decisive influence on Vontobel's strategy, structure and culture. In order for the Board of Directors to perform these duties credibly and to act independently from the Executive Committee (ExCo), it must be composed of qualified and experienced members (please refer to the Annual Report for a detailed description of the governance bodies at Vontobel and page 31 for the skill matrix of the BoD members that includes sustainability/ ESG).

Without ESG

The BoD also oversees the operational work of the CSC, which includes the due diligence process to identify and manage the material impacts, risks and opportunities. Specifically, the BoD approved the initial double materiality assessment (i.e., DMA) results in 2024. The DMA was finalized in 2025 (further information on the DMA process can be found in the section "Material topics" on page 78). The BoD reviews and approves the Sustainability Report (further information can be found in the section "Approval process" on page 145).

Regarding sustainability, the BoD, together with the ExCo, defined Vontobel's Sustainability Positioning and our six Sustainability Commitments in 2022. These Commitments lay out the foundation for our sustainability strategy, contain the goals in this area and are our key levers for delivering on our Sustainability Positioning. The six Sustainability Commitments are set to be reviewed every two years with the next review scheduled for 2026. The regular reviews of the six Sustainability Commitments are an important feature in ensuring that the commitments can be managed adequately throughout the organization, and thus facilitate the effectiveness of our internal processes.

The Board oversees the implementation of the Sustainability Commitments with respect to their targets and KPIs via the defined governance process (CSC – ExCo – BoD). As part of this process, sustainability matters, including climate-related issues, are thematized in the ordinary BoD meetings. In this way, the BoD is informed of and able to monitor our progress against our sustainability ambitions and our main impacts on economy, environment and people. Over the past reporting year, sustainability, as a theme of importance, figured in five BoD meetings.

The BoD also oversees the operational work of the CSC, which includes the due diligence process to identify and manage the material impacts, risks and opportunities. Specifically, the BoD approved the initial DMA results in 2024. The DMA was finalized in 2025 (further information on the DMA process can be found in the section "Material topics" on page 78). The BoD reviews and approves the Sustainability Report (further information can be found in the section "Approval process" on page 145).

The BoD regularly engages with our key stakeholders. An overview of our interaction with stakeholders can be found in the section "Stakeholder engagement" on page 91.

The BoD receives dedicated trainings, including some by external consultants. The next sustainability-related training is scheduled for 2026 and will focus on the topics of ESG investing and nature-related financial risks.

In addition to its ordinary meetings, the BoD holds an annual strategy workshop at which it addresses focus topics that may include sustainability-related topics, and that are important for Vontobel's development over the medium and long term. The BoD consults with external experts, depending on the topic.

In 2025, the role of Sustainability Spokesperson in the BoD has continued to be a relevant function to ensure adequate focus on sustainability-related topics. The Sustainability Spokesperson takes on the role as a Board champion on sustainability-related topics and is the Board's point of contact on the subject. While the entire BoD maintains overall responsibility for sustainability-related topics, we believe that this dedicated role strengthens our oversight.

Active Board engagement is essential to embedding sustainability at the core of our firm’s strategy, governance and long-term value creation. As a publicly traded Swiss institution, our stakeholders, including clients, regulators, employees, investors and the communities in which we operate, all expect transparency, accountability and measurable progress on sustainability matters.

The involvement and oversight of Vontobel’s entire Board, and the appointment of a Sustainability Spokesperson, therefore ensure that the importance of sustainability is threaded across the organization, and into the decisions related to the strategic direction we make in parallel with the firm’s leadership. Particularly, the Sustainability Spokesperson plays a significant role and acts as a focal point for all Board-related sustainability matters and as a bridge between the Board and the operational sustainability team.

As sustainability is closely linked to the firm’s values, the collaboration across the Board and its sub-committees aligns well with the sustainability commitments we have established. Regular engagement, including an upcoming Board training and the updates we receive from the firm’s leadership on the progress against Vontobel’s six commitments, ensure they help strengthen our firm’s long-term resilience and align with emerging global sustainability standards and the transition that comes with them.

Strong Board alignment is good governance, and it is strategically important to safeguard the values we, as a 100-year-old firm, hold dear, while supporting long-term value creation.



—
Mary Pang

Member of the Board of Directors & Board of Directors’ Sustainability Spokesperson

Corporate Sustainability Committee

On an operational level, the Corporate Sustainability Committee (CSC) is the main governance and decision-making body for corporate sustainability. It has delegated authority from the Executive Committee and is responsible for governing and overseeing the Group-wide sustainability initiatives, including ongoing activities (“run”) and “change” oversight. The CSC is operationally responsible for the supervision and implementation of the six Sustainability Commitments, which are our strategic framework to address our main impacts on the economy, environment and people. Further, the CSC is responsible for implementing external regulatory frameworks and for implementing measures to avoid any form of greenwashing. The CSC is also responsible for proposing and pre-screening the overall ESG risk management approach (see section “Risk management” for more details). It approves policies in scope of its responsibilities and decides on the delegation of their ownership. As part of its operational responsibilities, the CSC is responsible for identifying and managing material impacts, risks and opportunities at Vontobel. In the year under review, the CSC has approved a granular assessment of impacts, risks and opportunities (see section “Material topics” and refer to page 78–80 of our Annual Report).

The Investment Management Committee (IMC) is on the same level as the CSC, also with delegated authority from the ExCo. While the CSC treats topics related to corporate sustainability, the IMC is the main governance and decision-making body for sustainability-related topics within products. The integration of ESG factors in our investment solutions is managed directly within the respective investment teams Mary Pang, Member of the Board of Directors & Board of Directors’ Sustainability Spokesperson under the oversight of the IMC. The Head Investments is a member of both the IMC and the CSC and provides regular updates to the CSC regarding these topics.

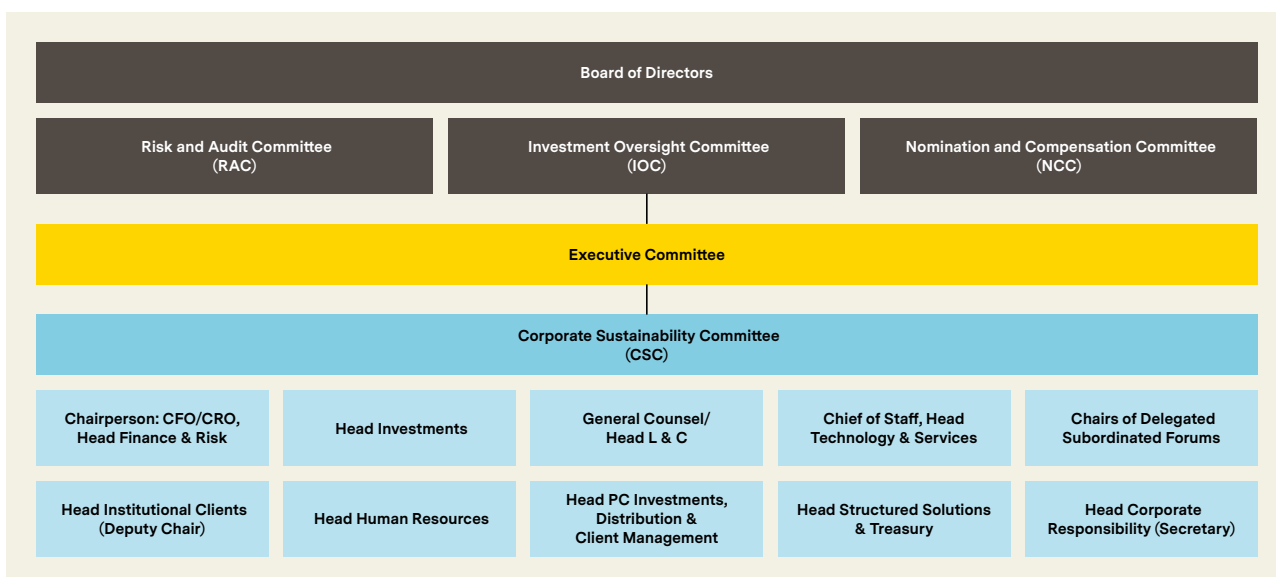
The CSC meets at least quarterly to discuss and decide on sustainability activities and initiatives. The CSC reports directly to the ExCo on a semi-annual basis. The ExCo reports to the BoD on sustainability.

The CSC is chaired by the Vontobel Holding AG CFO / CRO (Chief Financial Officer / Chief Risk Officer)¹. Its members involve all relevant areas to ensure that transformation is coordinated and driven forward across both Client Segments and Centers of Excellence. Each of the six Sustainability Commitments is allocated to a dedicated member of the senior management team, who acts as the Commitment Owner and is operationally responsible for implementing and managing the respective commitment (e.g., the Head Human Resources owns the Great Workplace Commitment). All Commitment Owners are members of the CSC. The CSC members include the chairs of the delegated subordinate forums: ESG Investment Forum and the ESG Private Clients Forum. The subordinated forums are key to knowledge sharing among the different business areas and ensure horizontal communication around sustainability / ESG topics. The chairs of the forums provide regular updates to the CSC on the topics discussed and the topics on the horizon. The members of the CSC are defined in its Terms of Reference. In 2025, the Terms of References were reviewed to ensure that the membership structure is adequate and that all relevant areas are included in the CSC.

ESG Investment Forum

The ESG Investment Forum is a delegated subordinated forum of the CSC and supports Vontobel’s ESG strategic positioning by providing expert input to ESG-related investment policies, regulatory reports and investment initiatives.

Additionally, the forum assesses and approves new or repositioned ESG strategies in terms of the ESG quality of new or repositioned investment products, including examining the investment strategies, products or approaches in terms of ESG.



¹ The set-up as described in this report applied until December 15, 2025. Due to personnel and organizational changes, as of December 16, 2025, the CRO chairs the CSC.

ESG guiding principles and policies

Code of Conduct

Our Code of Conduct defines principles and practices that employees, governing bodies and all representatives who act on behalf of Vontobel must observe to ensure that we perform our business activities in a fair, ethical, transparent, and responsible manner.

→ Find out more about our code of conduct on our website under vontobel.com/code-of-conduct.

Guidelines for sustainable procurement

We strive to conduct our own operations in accordance with high environmental and social standards, and we therefore also expect our business partners to adhere to the principles of responsible business conduct. These aspects have been incorporated into our tendering process and have served as a guide when awarding contracts since 2021.

Specifically, regarding our investment activities, we have the following policies in place that govern our ESG practice:

Position on climate and nature

Vontobel has formulated position statements on climate and nature, which explain why we care about these topics, what our beliefs are, and how we support our beliefs with actions.

ESG Investing and Advisory Policy

This Group-wide policy details how Vontobel approaches ESG investing. In particular, it explains our rationale, our ESG investing objectives, governance structure and how we implement this policy across our business divisions. It has been reviewed in 2025 to reflect organizational changes, business practices, and new regulatory requirements.¹

Exclusion framework

Vontobel's exclusion framework sets out our approach to applying exclusions, structured across three levels to align with the sustainability ambitions of the products to which they apply.

Voting and Engagement policies

Whenever authorized to do so, we actively exercise voting rights for our Vontobel funds. Furthermore, we maintain an active dialogue with all companies in which the funds invest. Vontobel's Institutional Clients segment has a voting policy and an engagement policy in place. They define how we fulfill this responsibility.

→ Find out more about our guidelines and policies in our ESG Library on page 58 and on our website under vontobel.com/principles-policies.

¹ The amended policy entered into force in 2025

Sustainability / ESG Risk Framework

Risk management for our Institutional Clients segment and Investment Center of Excellence is carried out by independent risk teams consisting of over 50 employees, mainly located in Zurich, Luxembourg, and London.

→ More information about our risk management-related processes can be found on page [48](#).

What are sustainability / ESG risks?

We define sustainability / ESG risks as an environmental, social, or governance event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of the investment. ESG risks refer more broadly to any negative financial impact on the institution resulting from the current or prospective impacts of ESG factors on its counterparties or invested assets.

Vontobel identifies sustainability / ESG risks as a driver of existing risk categories. Sustainability / ESG factors are relevant for all business and risk processes. We therefore identify environmental risks, social risks, and governance risks within our risk management approach.

Environmental risks

Environmental risks are the negative impacts of environmental degradation and climate change (e.g., air pollution, water pollution, scarcity of fresh water, land contamination, biodiversity loss, deforestation), known as physical risks. Further negative impacts originate from the adjustment of policies and actions to transition toward a more environmentally sustainable economy, known as transition risks.

In the context of climate-related risks, we consider the following risk drivers:

- Transition risk refers to Vontobel's or our clients' financial loss, which may result directly or indirectly from the adjustment process toward a lower-carbon and more environmentally sustainable economy. This process may be influenced particularly by changes in policy, technology, and consumer and market preferences.
- Physical risk refers to the impact of a changing climate (e.g., flooding) and environmental degradation. Physical risk can be categorized as follows:
 - Acute physical risks are event-driven and include increased severity of extreme weather events (e.g., cyclones, hurricanes, or floods).
 - Chronic physical risks refer to long-term shifts in climate patterns (e.g., sustained higher temperatures) that may cause sea level rise or prolonged heat waves.

There are additional environmental risks for which physical risks are also relevant, such as environmental degradation in the form of water stress, biodiversity loss, and pollution.

- Litigation risk refers to Vontobel's financial or reputational loss, which may result directly or indirectly from climate-related litigation, such as failure to take appropriate climate action or a breach of underlying frameworks.

Direct financial impact can occur through stranded assets, which are assets that have suffered from unanticipated or premature write-downs, devaluations, or conversion to liabilities.

Social risks

Social risks relate to the rights, wellbeing, and interests of people and communities and include factors such as equality, health, inclusiveness, labor relations, workplace health and safety, human capital, and communities.

Governance risks

Governance risks occur in reference to items such as executive leadership and pay, audits, internal controls, tax avoidance, board independence, shareholder rights, corruption, bribery, and ESG-related policies and procedures.

Three lines of defense model applied to ESG

Vontobel's risk management organization follows the three lines of defense model, which provides a structured approach to risk management. This model distinguishes three roles: risk ownership, risk control, and risk assurance.

First line of defense for ESG risks related to our investing activities

In the first line of defense, our investment teams, including portfolio managers, risk managers, financial analysts, and dedicated ESG analysts, are responsible for developing and properly applying the investment process, where the financial product considers ESG criteria.

Portfolio managers, supported by ESG analysts, have primary responsibility for day-to-day risk management. Identification and management of sustainability risks by the first line of defense are integral parts of the investment process, where applicable.

ESG analysts are embedded in the investment teams and work closely with financial analysts and portfolio managers which promotes continuous exchange and knowledge transfer. Investment teams can also receive additional training and have access to a large set of resources from research and data providers.

Boutiques and teams follow various procedures to identify ESG-related risks, which also depend on the investment strategy, asset classes, and geographies.

In addition, investment teams exercise voting rights whenever authorized to do so and engage with companies in order to improve their business practices, in the belief that this will help generate better long-term risk-adjusted results.

The Investment Risk team is responsible for overseeing portfolio-level ESG metrics, such as controversies and ESG ratings, as well as climate metrics, including exposure to coal, fossil fuels, carbon footprint, and climate scenarios. While other departments, such as ESG analysts, focus on company-specific metrics, the team emphasizes monitoring these metrics at portfolio level and comparing them against relevant benchmarks. The team presents its analyses to the Investment Performance Committee (IPC), which decides whether an action should be taken.

Second line of defense for ESG risks related to our investing activities

The role of our second line of defense is to control and challenge the first line's risk management efforts. Key functions are Investment Control, Group Non-Financial Risk, Legal and Compliance. The Non-Financial Risk team is responsible for defining and propagating the ESG risk framework, developing the tools for identifying and assessing sustainability/ESG risks and supporting climate scenarios. When it comes to investing activities, a dedicated team in Compliance performs pre-trade checks over portfolio transactions, while our Investment Control function operates post-trade checks.

Checks over investment restrictions

Our portfolio management system allows us to check compliance with investment guidelines restrictions on a pre-trade and post-trade basis. The investment guidelines comprise restrictions based on regulations, legal and offering documents such as the prospectus, client-driven, and internal rules, including those that are ESG-related. The parameterization of the investment guidelines in our portfolio management system is handled by the independent Investment Control unit.

Pre-trade checks

Portfolio managers can simulate trades and check each trade against restrictions prior to placing orders to prevent the occurrence of breaches. When submitting orders, an automated check of the investment guidelines restrictions is performed, generating alerts to the portfolio managers highlighting potential breaches that would materialize in the event that the orders were executed. Trades generating regulatory and contractual alerts are reviewed by Compliance, which ultimately decides whether to lift the alerts if no actual breach is found.

Post-trade checks

The independent Investment Control team conducts a daily post-trade review of portfolios using our portfolio management system. Should Investment Control and the respective portfolio manager fail to agree whether a breach has actually occurred, the issue will be escalated to Compliance, Legal and Risk functions. Investment Control and Portfolio Management will be informed about the results of the analyses and the follow-up.

What happens when a breach occurs?

The independent Investment Control team, which reports to the CFO/CRO, controls adherence to the guidelines' restrictions on a daily trade basis. In the event of a breach being detected by Investment Control, the portfolio managers are consulted for clarification, and corrective measures are taken where appropriate, considering the investors' interests. If necessary, issues may be escalated to the investment team's head, the Head Investments Risk Management and Compliance.

Monthly breach reports are produced and circulated to the appropriate stakeholders.

First and second line of defense applied to ESG-related non-investment risks

While the focus of this report is on investment-related activities, ESG risks can also arise, for example, from offering investment solutions. Besides investment teams, other first line of defense functions are responsible for managing ESG risks linked to the product lifecycle and our relationship with clients, such as our sales, relationship managers and product management functions. As a risk-mitigating measure, these functions receive regular training and informative sessions, ensuring that they are well educated on ESG-related requirements that apply during the client onboarding phase as well as throughout the full lifecycle, and can appropriately inform our clients about the ESG profile of their financial products. Also, for these areas, the ESG risk framework developed by our Non-Financial Risk team applies.

We have also documented ESG-related processes for areas of the business that could be exposed to ESG risks (especially those related to greenwashing and ESG regulation), such as the preparation of marketing materials and investment communications, pre-contractual disclosures, consideration of sustainability preferences, client reports, and regulatory reports. Such process documentation provides a basis for risk management measures such as reviews and preventive/detective controls conducted by the first and/or second line of defense functions. The risk owners (first line of defense) annually confirm that the process documentation and, where relevant, the control documentation, are up to date, that the controls are effective, and that the ESG risks are adequately mitigated.

Third line of defense

Our third line of defense consists of Internal Audit, which reports to the Board of Directors (BoD). Its audit activities are based on the guidelines issued by the Institute of Internal Auditors (IIA), which were declared binding by the Swiss Financial Market Supervisory Authority (FINMA).

Monitoring of severe ESG controversies

Critical ESG Events (CEE) represent the most severe ESG-related controversies or breaches of international norms. They are often related to Principal Adverse Sustainability Impacts such as significant negative impact on the environment and/or society. Moreover, these instances can signal insufficient management of sustainability risks by a company or a government and excessive harm to society or the environment, which is beyond the tolerance of many of Vontobel's investors and stakeholders. Accordingly, we have a process in place to identify and monitor such instances.¹

Our assessment is based on ESG data and assessment methodologies provided by external ESG data providers such as MSCI and Sustainalytics², and our in-house ESG research. As active investment managers, we conduct our own analysis to assess the impact of such instances on the relevant portfolio and on wider stakeholders. Securities of issuers will be excluded when Vontobel confirms CEE and determines that the issuer's activities cause excessive harm to society or the environment, such as through violations of international norms and standards mentioned above, or as a result of involvement in severe controversies, including those related to governance matters. However, Vontobel recognizes that excluding such issuers may not always be the best approach to mitigate the adverse effects of their activities. In these cases, Vontobel will monitor these issuers, where it believes that reasonable progress can be attained, for example, through active ownership activities.

Compliance with such process is monitored through pre- and post-trade checks.

→ More information about this process can be found in our ESG Investing and Advisory policy under vontobel.com/principles-policies.

Identification of potential CEE

- Based on third-party data providers such as MSCI ESG or Sustainalytics and/or
- In-house ESG research

Monitoring

- Pre-trade checks
- Post-trade checks

Actions

- For confirmed CEE: an orderly sell-down shall be concluded within three months at the latest of the concluded status of the CEE for all portfolios in scope of this framework.
- Where we believe reasonable progress can be achieved: An engagement program where time for engagement against set objectives is established. During the engagement period, securities can be traded. Portfolio managers are warned however about the possible risk of hard selling in case of an unsuccessful engagement or conclusion of a confirmed CEE.

Governance

Potential CEE are presented to the Delegated Group, which were given the authority by the Investment Management Committee over the process previously mentioned.

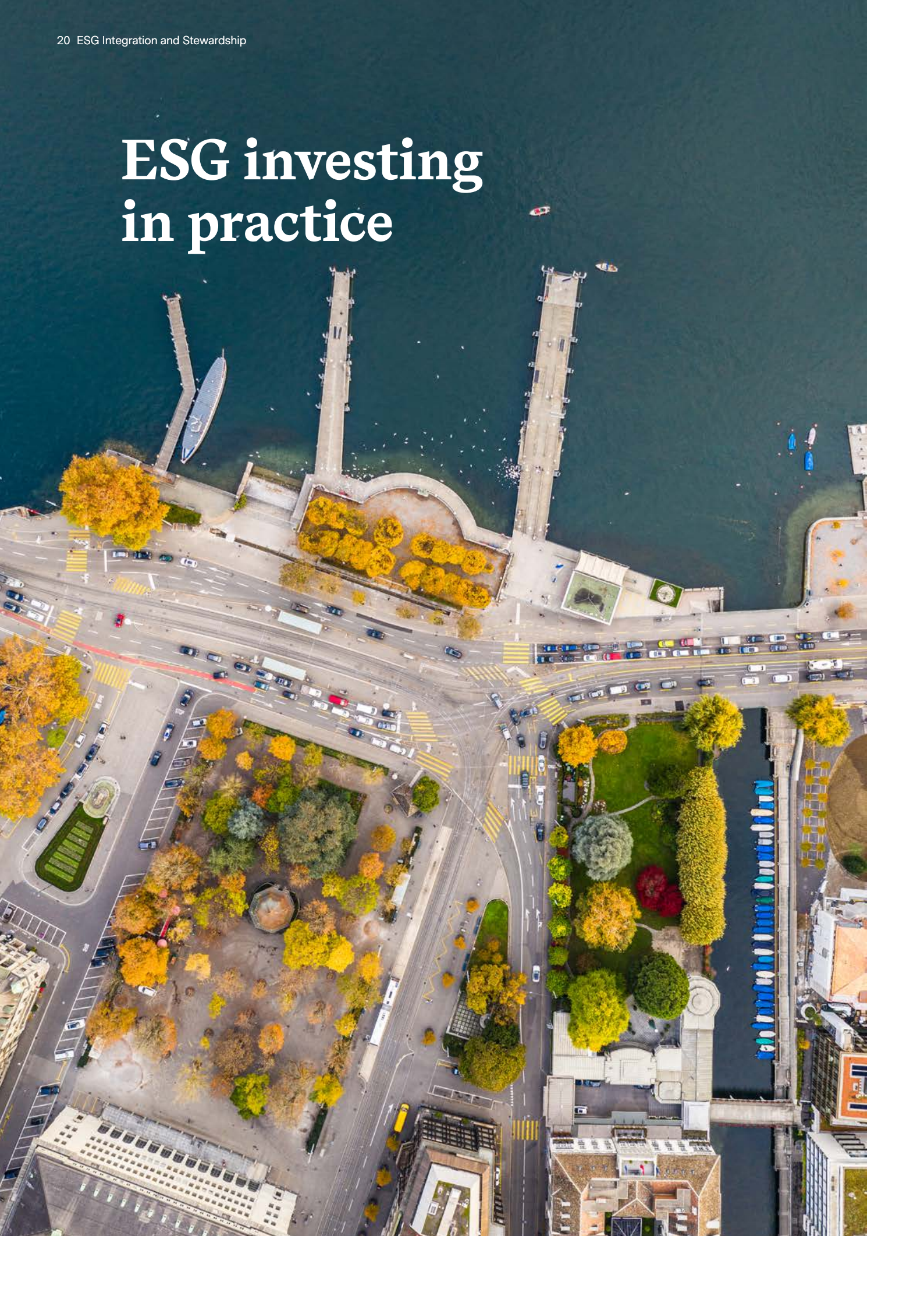
¹ TwentyFour is an independent operating subsidiary of Vontobel and does not partake in the process relating to CEE.

² The ESG assessment methodology of such providers typically takes into account international norms, such as:

- UN Guiding Principles on Business and Human Rights,
- the OECD Guidelines for Multinational Enterprises,
- the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work,
- the ILO Core Conventions,
- and the UN Global Compact.

An ESG flag is only triggered when there is a severe violation of these international norms.

ESG investing in practice



Our approach to ESG

As a pioneer in this field, we have been offering our clients a range of investment solutions that incorporate ESG criteria since the 1990s. We deliver value through our diverse and highly specialized teams and dedicated ESG analysts.

Our investment teams subscribe to four common ESG investment principles because we believe, over time, that this enables our clients to achieve their investment objectives. As active investors, we make use of the tools of engagement and voting to perform our fiduciary duty as stewards of our clients' capital. Our investment teams are accountable for the application of our ESG investment principles, and we commit to transparency through disciplined disclosure, reporting, and dialogue. The implementation of these principles is measured from 2023 onwards, using selected key performance indicators (KPIs).

This foundation enables us to offer a range of investment solutions in response to our clients' desired investment objectives, which may be any one or a balance of the following:

- Optimizing risk-adjusted performance through the consideration of financially material ESG issues.
- Mitigating negative environmental and social impact from investments.
- Investing in companies providing products and services that aim to actively and positively contribute to the UN Sustainable Development Goals (SDGs).

Our four ESG investment principles

1

We incorporate ESG considerations into our investment processes to enable our clients to better achieve their investment objectives.

3

Our investment teams are accountable for the application of our ESG investment principles.

2

As active managers, we leverage the tools of engagement and voting.

4

We are committed to transparency through disciplined disclosure, reporting and dialogue with all our stakeholders.

1

Principle

We incorporate ESG considerations into our investment processes to enable our clients to better achieve their investment objectives.

The Vontobel ESG product framework

Our Group-wide ESG product framework classifies investment solutions into three distinct categories¹ based on their incorporation of ESG criteria. It applies to all actively managed assets, discretionary investment decisions and advisory services provided to both institutional and private clients.

- Integrate: Products in this category aim to optimize risk-adjusted performance through the consideration of sustainability/ ESG risks, while adhering to minimum safeguards. Products in this category typically do not have explicit ESG objectives.
- Participate: Products in this category focus on financial materiality, while mitigating or avoiding the worst externalities. That means that in addition to the integration of sustainability/ ESG risks, these products either exclude or consider certain negative impacts on society and the environment in the investment process.
- Contribute: Products in this category focus on positive environmental and /or social contribution and invest at least 50 percent of their investments in companies that positively contribute to the realization of environmental or social objectives through their economic activities. These companies play a positive role in the sustainable development of the economy and society and capture opportunities arising from this transition.

Products that do not incorporate ESG criteria are categorized as “No ESG”. The product framework replaces the categories used in the previous reporting period “Integrate ESG Risks”, “Promote ESG” and “Sustainable”.

Regardless of any ESG considerations, Vontobel prohibits investments in manufacturers or producers of controversial weapons. In addition, Vontobel will not provide any investment advice to clients on the securities of these companies. Vontobel considers the following weapon types as controversial weapons: anti-personnel mines, cluster munitions, chemical and biological weapons. Further details can be found in our ESG Investing and Advisory Policy at: vontobel.com/principles-policies.

As of December 31, 2025, Vontobel had a total of CHF 58.2 billion of assets under management invested in solutions that go beyond the consideration of sustainability/ ESG risks, i.e., categorized as Participate or Contribute².

Details on how individual products incorporate ESG can be found in the respective product section on our webpage.

IN CHF BILLION	2025	2024	2023
Contribute	17.3	30.8	32.8
Participate	40.9	31.0	23.4
Integrate	62.6	44.8	47.1
Total	120.9	106.6	103.3
IN % OF AUM³			
Contribute	7.2	13.4	15.9
Participate	17.0	13.5	11.3
Integrate	26.0	19.6	22.8
Total	50.2	46.5	50.0

¹ Vontobel nomenclature, not necessarily aligned to any specific regulatory nomenclature.

² Excluding hedging and liquidity instruments, structured investments, non-discretionary mandates and actively managed certificates.

³ Assets under management, see page 8 of the Vontobel annual report.

How we leverage ESG data for investment insights

Different sources of information factored into ESG tools and methodologies

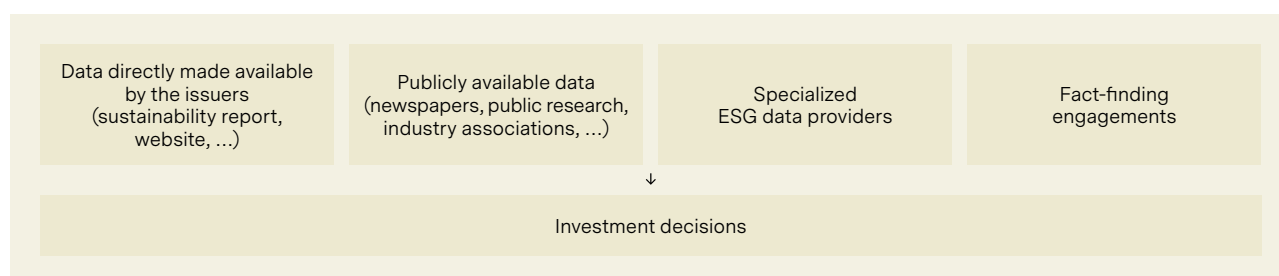
We have access to a broad range of data sources. We typically do not rely on a single source of information, and we strive to build a holistic picture of trends and companies. On top of data directly made available by issuers and publicly available data, we use data from various other sources, including leading ESG data providers like MSCI ESG or Sustainalytics. Where we identify a need, we may use a local or specialized ESG data provider to enhance our insights.

In some cases, the information we gather from these conventional data sources is not sufficient. Thus, fact-finding engagements may be conducted directly by our investment specialists and ESG analysts. This involves actively requesting information on ESG aspects, either where such information is not available at all or where insufficient information has been provided in response to our questions. This allows us to make better-informed decisions.

Informed by third-party ESG data, our dedicated ESG analysts, who are embedded in our investment teams, develop tools tailored to investment strategies, asset classes, and geographies. The processed information then informs acquisition, monitoring, and exit decisions. Through this setup, we ensure that our investment decisions are taken with appropriate expertise.

For instance, our Quality Growth research team includes analysts who previously worked as investigative journalists. Their role is to help the investment team build a deeper knowledge of the risks and opportunities facing company management and investors. They enable our investment team to go deeper and source information beyond traditional data sources.

Our main sources of information



ESG service providers

We use the services of external leading providers in their field. This allows us to access high-quality resources and expertise to make better investment decisions and support our business.

ESG data providers¹

- MSCI ESG
- Sustainalytics
- Refinitiv
- Inrate
- RepRisk
- SynTao Green Finance
- ISS ESG
- Ceres
- Carbon4Finance
- Bloomberg

We also have access to ESG data on broader data platforms such as Factset and Bloomberg.

Voting and engagement service providers

- Responsible Engagement Overlay (reo®)
- Sustainalytics
- Institutional Shareholder Services (ISS)
- Ethos

→ More information about our voting and engagement service providers can be found in the dedicated section on page [31](#).

→ Read more about how we monitor service providers on page [50](#).

¹ Our investment specialists select the data providers based on their investment strategy (e.g., regional coverage). For the avoidance of doubt not all providers are used for all financial products.

2

Principle

As active managers, we leverage the tools of engagement and voting.

As a signatory to the UN Principles for Responsible Investment, Vontobel commits to being an active owner and to incorporating environmental, social, and corporate governance (ESG) issues into its ownership policies and practices. We believe active ownership adds value between long-term partners. At the same time, we are convinced that voting and engagement can have a positive influence on companies, economies, societies, and the environment.

Since 2019, Vontobel's Institutional Clients segment has had voting and engagement policies in place, corresponding statements can be found under vontobel.com/esg-library.

We engage with companies and sovereign issuers for updates and issues of concern. As an active investment manager, we prefer to engage with the management of investee companies directly. We also use collaborative engagements, performed by third parties. Reasons to engage can include business strategy, corporate governance issues, changes in the capital structure, remuneration issues, and identified environmental and social risks.

An important part of active ownership is our voting activities. Vontobel recognizes that portfolio management of the assets of clients, which include stocks, may include an obligation to vote in relation to the stock. If authorized to do so, Vontobel will vote in a manner which it reasonably believes to be in the best interest of the client and in line with any specific legal or regulatory requirements that may apply.

Our active ownership framework**Voting**

We have selected specialized voting service providers that provide us with voting research. The voting policies followed by these providers typically take into account ESG criteria.

We are working with:

- Responsible Engagement Overlay (reo®), by Columbia Threadneedle
- Institutional Shareholder Services (ISS)
- Ethos

Engagement*Direct engagement activities*

Our investment teams conduct engagement activities, either to better understand certain aspects of the ESG performance of the companies, or to raise specific issues of concern.

Collaborative engagement activities

Our partnership with specialized stewardship service providers allows us to engage with other investors on ESG topics. In certain cases, we may also collaborate directly with other investors.

We are working with:

- Responsible Engagement Overlay (reo®), by Columbia Threadneedle
- Sustainalytics on selected thematic engagements

→ More information about our voting and engagement activities on page [31–33](#).

Topical focus:**Biodiversity within our investment solutions**

Climate change and the failure of ecosystems have the potential to affect every financial asset, and their importance is set to increase over time. As such, Vontobel has identified climate change and biodiversity as areas that require specific consideration. Vontobel has developed position statements on its overall stance on those topics and its investment activities. You can find them under vontobel.com/esg-library. For further information on how we manage climate change in our investment processes, please refer to the section “Our climate strategy”.

Biodiversity

We recognize that nature and biodiversity loss are a critical risk not just for economic stability and corporate profitability, but for the long-term viability of life on our planet. Hence, we seek to integrate nature-related considerations into our assessment of investment risks and opportunities. Despite some persisting challenges, particularly in standardizing the measurement of biodiversity loss, we have been able to engage with selected firms on how they are addressing biodiversity loss through the impact of their operations and supply chains.

Case study:**Nature within the scope of our engagement activities for the Quality Growth Boutique**

The production of key commodities (e.g., timber) is widely diffused and difficult to assess at the source. Contrastingly, the processing and use of such commodities are much more concentrated and are largely controlled by a handful of listed global food and beverage companies. As a result of this concentration, the risks and opportunities around nature and biodiversity need to be assessed by investors. As part of our engagement strategy, we aim to target companies with a significant agricultural footprint among the biggest global commodities. We engage with and track the progress of our investments over time as well as encourage and support management’s efforts to work on reducing their impact on nature.

Through our participation in working groups, we contribute to the development of datasets and methodologies that can effectively measure an organization’s impact on nature. We also look to influence corporate action by joining initiatives led by organizations, such as the Principles for Responsible Investing (PRI) SPRING, where we work alongside other asset managers to further reinforce our efforts.

We believe that to be effective in our engagements, a targeted engagement approach is necessary. Some industries such as mining or agriculture are geographically focused. While their global impact is small, their local impact can be quite significant—in the case of agriculture, the impact is not isolated to just the land under tillage. Pesticides, herbicides, fertilizers and water use impact the surrounding area and eventually impact the waterways they enter.

Apart from negative environmental effects, other critical components are social justice issues and the rights of indigenous populations to have a say in the utilization of local resources.

Example of our engagement with a global cosmetics group

We engage with a global cosmetics group to better understand the company’s operational impact through direct as well as collaborative engagement via the PRI SPRING working group. Inputs to cosmetics rely heavily on nature. Our discussions with the company revealed that it has invested significantly in the traceability of its raw materials to the point that the vast majority of materials have been traced back to the refinery or mill and two-thirds to the plantation or farm on which they were produced. The company is also a contributor to several industry associations and NGOs, which promote responsible procurement. It has defined its internal goals and metrics with a holistic view of biodiversity. The goals include circular economy considerations (e.g., with elements of sustainable packaging) and an understanding that living wages are critical components of success. We continue to support and encourage management to advance on their sustainability journey.

We are driven by the belief that companies that manage supply chain risks and take ownership by collaborating with supply chain partners help to reduce the volatility of inputs and better manage their own operations. With such a long-term perspective, investors and businesses’ interests are well aligned with the goal of increased circularity and being better stewards of our planet.

3

Principle

Our investment teams are accountable for the application of our ESG investment principles.

ESG capabilities are embedded in our investment teams

We believe ESG considerations require investment team accountability. Our dedicated ESG analysts are embedded within our investment teams, and their work is integrated into the investment process. This allows them to collaborate closely with financial analysts and portfolio managers, fostering continuous exchange. It also ensures that our clients benefit from deep expertise in specific asset classes.

Several specialists with different backgrounds work on ESG-related topics, including portfolio management, ESG research or overarching topics. They build on several years of investment experience and a strong track record in the ESG field. 14 of them are ESG analysts and are fully dedicated to ESG topics.

Since 2023, the application of the four ESG Investment Principles has been integrated into the performance assessment of our Investments senior leadership.

Key roles in the application of our four ESG investment principles

ESG analysts

They conduct ESG research and work on the further development of the integration of ESG considerations in our investment strategies.

10+ ESG analysts

Portfolio managers that manage “Promote ESG” and “Sustainable” funds¹

They apply the ESG investment process and work in close collaboration with the ESG analysts.

30+ portfolio managers

An integrated approach, firm-wide collaborations

In addition to ESG analysts embedded in our investment teams, the Institutional Clients ESG Center advises investment teams on the latest regulatory, market and product developments. This team plays an instrumental role in the continuous development of Vontobel’s ESG framework, building the link between the investment team and other functions.

Each investment team is represented by an ESG Lead in the ESG Investment Forum, which, among other tasks, serves as a platform to review and challenge ESG approaches and product governance structures. The members of the ESG Investment Forum shape the ESG product strategy, formulate investment-related ESG policies and assess investor-led ESG initiatives. The ESG Lead is appointed by the head of each investment team. In addition to the collaboration within the ESG Investment Forum, the exchange between ESG analysts is fostered through dedicated working groups.

→ More information about the ESG Investment Forum can be found on page [14](#).

¹ More information about our ESG product categories can be found on page [22](#).

4

Principle

We are committed to transparency through disciplined disclosure, reporting, and dialogue with all our stakeholders.

Disciplined disclosure

We commit to transparently disclosing the ESG process that we apply for our financial products, when they integrate ESG criteria in the investment process. This information is typically included in the respective pre-contractual disclosures. The extent and focus of the disclosures depend on the ESG process applied, ranging from the sole consideration of financially material sustainability risks to investments in companies that positively contribute to an environmental or social objective.

Reporting on our ESG activities on a regular basis

We report regularly on Vontobel's ESG activities through our yearly reports.

For Vontobel as a group:

- Corporate Responsibility & Sustainability Report
- UN PRI Transparency Report
- Statement on principal adverse impacts (PAI) of investment decisions on sustainability factors

Specifically covering Investments and Institutional Client business-related activities:

- ESG Integration and Stewardship Report
- Voting and Engagement Report
- Voting records

→ The reports are available under am.vontobel.com/esg-library.

For our investment products, we provide amongst other the following reports:

- Factsheets: ESG data is included in fund factsheets (made available on a monthly basis on our website)
- Swiss Climate Scores: specifically for our Swiss institutional investors, we produce Swiss climate scores, based on an initiative driven by the Swiss government.
- Regulatory SFDR reports: for our investment funds in scope of SFDR (available on an annual basis)
- European ESG Template (“EET”) for our Vontobel funds domiciled in the EU and Switzerland
- Other reports tailored to the strategy, e.g., Impact Reports for Listed Impact strategies, mandate ESG reports.

One example is the Impact Report published for our Listed Impact strategies on a yearly basis. For each strategy, a set of indicators is defined and linked to the impact pillars of the investment strategies. As an example, for the impact pillar “clean water”, the SDG 6 “Clean Water and Sanitation” is pursued, and the indicators “drinking water provided” and “water recycled, treated, saved” are tracked to quantify the impact. Moreover, we have developed a method designated “Potential Avoided Emissions” (PAE) together with ISS ESG back in 2016. Since 2024, we have partnered with Carbon4 Finance. They employ a methodology aligned with the consideration of avoided emissions, similar to our approach in previous years. We appreciate the wider application of their data to our full opportunity set and for a future stock selection process.

Engaging in a dialogue with our clients and stakeholders

Our communication with clients is always focused on their needs. Our goal is to provide relevant information to clients about our investment strategies. This allows clients to remain informed about market events and enables them to choose the products and services that best fit their needs.

Providing access to our views

Clients can access our views as well as information on the products and services we offer through digital channels, including email, website, video platforms, webinars, and social media. Our Relationship Managers and Client Portfolio Managers are responsible for our direct interactions with clients through regular calls, in-person meetings, and participation in proprietary and industry events. They provide our clients with appropriate information and regular updates that may also directly involve our ESG specialists.

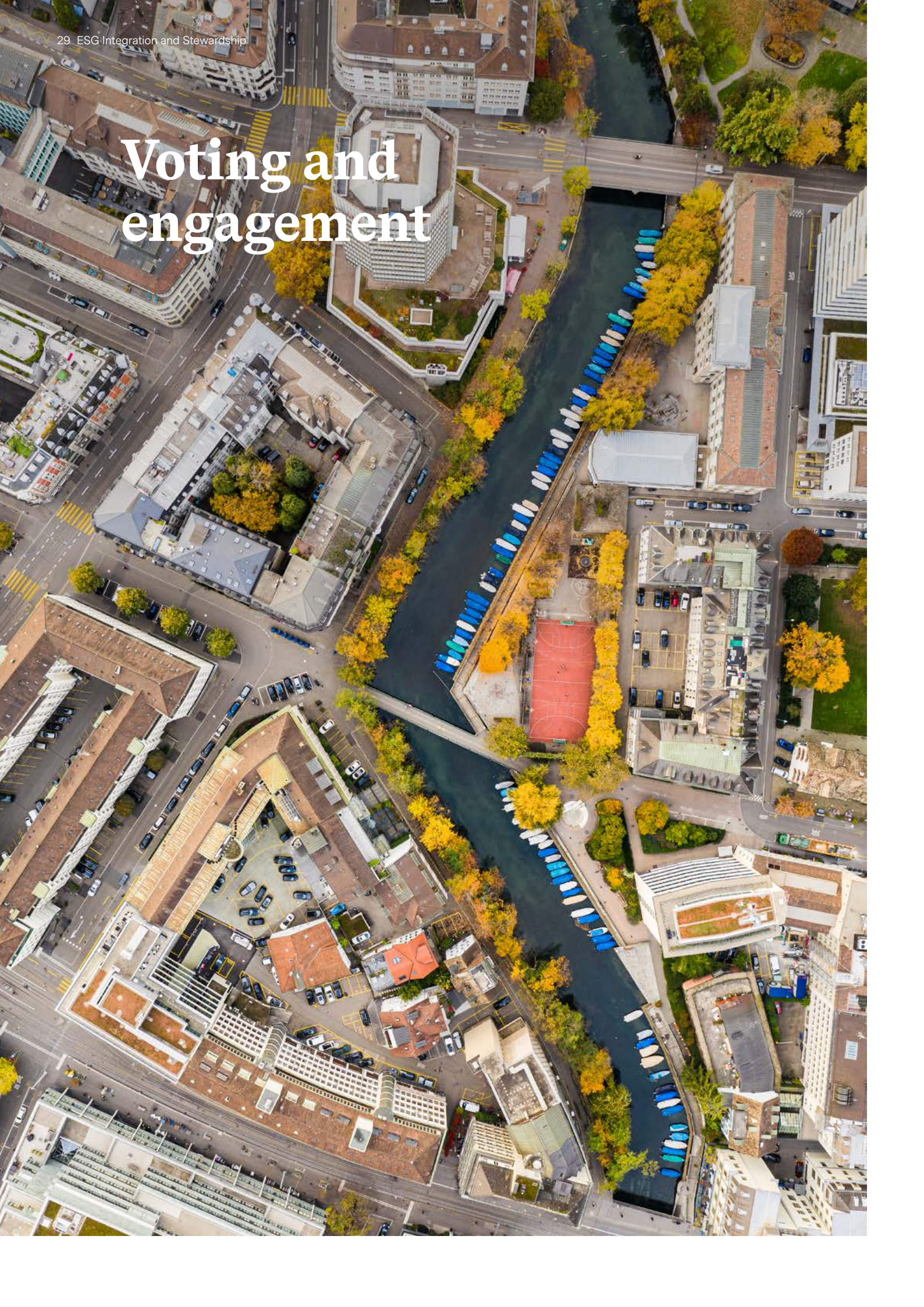
- A selection of our most recent content and publications is available on our website. Find more under vontobel.com/insights.



“Navigating the ESG landscape remains indispensable, ensuring to stay at the forefront of investment trends, which allows to build cutting-edge portfolios for clients while ensuring these align with their ESG preferences.”

—
Christoph von Reiche
Head Institutional Clients

Voting and engagement



Voting and engagement

As a signatory to the UN Principles for Responsible Investment, Vontobel commits to being an active owner and to incorporating environmental, social, and corporate governance (ESG) issues into its ownership policies and practices. We believe active ownership adds value between long-term partners. As ESG issues can materially impact the future success of a company and therefore its shareholder value, we see active ownership as an important way to support long-term risk-adjusted returns for investors. This is why leveraging the tools of voting and engagement is one of our four ESG investment principles.¹

Since 2019, Vontobel has had voting and engagement policies in place, corresponding statements can be found under am.vontobel.com/esg-investing.



¹ More information about the four ESG investment principles on page [21](#).

Voting

Integral to our investment philosophy is the proactive exercise of investors' rights, both for equity and bond holders alike. We firmly believe that ownership comes with a responsibility to safeguard and assert these rights in the best interest of our clients. As such, we participate in voting activities related to corporate governance, executive compensation, strategic decisions, and environmental and social policies. For equity holders, this includes voting on matters such as board elections, mergers and acquisitions, and shareholder proposals. Similarly, for bond holders, we engage in voting on issues such as debt restructuring, covenant amendments, and bondholder meetings. By exercising these rights, we advocate for transparency, accountability, and fair treatment of investors.

Our voting setup

Vontobel recognizes that portfolio management of the assets of clients, which include stocks, may include an obligation to vote in relation to the stock. At the same time, voting represents one of the ways we can express our views.

If authorized to do so, Vontobel will vote in respect of the stock, typically by proxy, in a manner that it reasonably believes to be in the best interest of the client and in line with any specific legal or regulatory requirements in different jurisdictions or markets that may apply.

The scope of our voting policy covers all actively managed funds and discretionary mandates managed by Vontobel, unless we have not been authorized to vote on behalf of clients in relation to the assets managed.¹ Funds and mandates managed based on quantitative investment strategies are not covered by our voting policy. However, they may have a voting setup in a comparable manner.

Use of proxy voting advisors across our investment solutions

Vontobel works with specialist research providers who support portfolio managers with their research and voting recommendations. To ensure that all covered votes are addressed, the portfolios of our funds are sent on a daily basis to our proxy voting advisors by our custodian. Recommendations are provided by the proxy voting advisor to the investment teams based on guidelines that have been reviewed and approved by Vontobel.

In some cases, and on specific topics, we may develop tailored proxy voting guidelines with the relevant proxy voting service providers, which provide specialized research on voting decisions.

In 2023, Vontobel was using three proxy voting service providers: Institutional Shareholder Services, Inc. (ISS), Ethos Services SA (Ethos) and Responsible Engagement Overlay (reo®), by Columbia Threadneedle. These service providers are used depending on the focus and active ownership approach of the strategies. For instance, Ethos has been selected for its expertise on the Swiss market and is thus used for our funds that have a focus on Swiss equities. ISS allows us to tailor voting policies, a service we use for our Quality Growth strategies.

Operational aspects related to our voting process

When selecting a voting service provider, we pay particular attention to the voting principles and policies they follow. With this approach, the vote recommendations we receive reflect the convictions of the respective investment strategies. The voting policies of our providers can be found on their websites.

Due diligence of the proxy voting advisors' services is regularly performed on the services used, as described on page 50.

¹ As most of our managed assets are under external custody, we closely collaborate with the external custodians to setup proxy voting. As part of this process, we clarify with the custodian if there is a stock lending process in place and if there is a potential impact on the proxy voting.

Clients' needs related to voting are analyzed on a case-by-case basis. For segregated accounts, clients may have their own voting setup and directly exercise voting rights for listed equities. Alternatively, clients might delegate voting to Vontobel, so that we exercise voting rights on behalf of the clients. The conditions related to these activities will be contractually agreed with the client. For our mutual funds, we do not accommodate stock lending.

Our portfolio managers and analysts receive alerts of forthcoming shareholder meetings, along with the voting recommendations provided by the engaged proxy voting advisors. Portfolio managers and analysts review the voting recommendations, and if they agree, no action is required, and Vontobel votes accordingly. In certain cases, they may have a different opinion; for example, the standard recommendation does not align with their in-depth knowledge of the company in question and its management, which may have been gained in the context of engagement activities. The portfolio manager can change the vote on an item on the agenda with appropriate documentation, thus providing justification for any choices that deviate from those recommended by the engaged proxy-voting service provider. The overruling process is outlined in our voting policy. This process ensures that we execute our voting obligations and make decisions in the interests of our clients. The respective management company coordinates these aspects and the related processes.

Exercising bondholders' rights

When invested solely through fixed income instruments, we do not have votes at companies' annual general meetings (AGMs), but this does not prevent us from engaging on behalf of our clients when we feel this is appropriate. We manage corporate actions such as consenting (or not) to repurchase offers, bond exchanges, and covenant modifications, among other matters.

Engagement

At Vontobel, we consider engagement to be an important element of our investment activities. It allows us to express our views and expectations toward companies and encourage them to consider ESG aspects.

Reasons to engage

In general, we will engage on any topic when we believe it is in our clients' interests. Reasons to engage with an investee company can include business strategy, corporate governance issues, changes in the capital structure, remuneration issues, and identified environmental and social risks. Engagement includes ongoing communications between the investment team and the management teams of investee companies and can range from ongoing updates and questioning of the current and future business model to engagement on specific issues that may cover ESG concerns.

Our analysts and portfolio managers, as part of their fundamental research activities, carry out fact-finding engagements either due to data gaps or to better understand a company's performance and policies. These engagements address material sustainability issues that are relevant to our investment strategies' objectives. As bond holders, we have the opportunity to exchange with issuers during the bond issuance or restructuring phases and encourage more transparency regarding sustainability matters.

Another reason to engage is when key ESG risks are flagged that can impact future cash flows, or severe underperformance related to sustainability factors (e.g., human rights, corruption, environmental damage, etc.). We engage in a direct dialogue with our holdings to understand the company's plans to manage and mitigate them. Through these consultations, we aim to encourage companies to improve their (ESG) risk management practices and disclosures by referencing specific areas of improvement where they are needed. We conduct thematic engagement campaigns related to strategic priorities. These are focused on issues we see across a number of our holdings. The value that may be gained from these campaigns does not need to be an immediate benefit. For example, if a company has high carbon intensity or emissions and does not appear to have a plan to reduce those emissions, it may make sense to engage even if the potential reduction of carbon emissions will not necessarily immediately impact business continuity or the financial performance of the company. At Vontobel,

we coordinate our investment teams' various engagement efforts through a Vontobel-wide engagement group. This is meant to share best practices and key learnings with the aim of improving our boutiques' interactions with many of our holdings toward a longer-term, objective-oriented, ongoing dialogue on the most pertinent ESG issues.

Methods and forms of engagement

As an active manager, we generally prefer to engage with the management of investee companies directly. We do not have a standalone engagement team since we believe in direct contact between investee company management teams and investment professionals such as portfolio managers and analysts who have specific expert knowledge and understanding of the context in which the company has been selected as an investment.

We understand this is an iterative process of ongoing dialogue and a relationship of trust. We engage with management through a variety of communication formats, including face-to-face meetings, conference calls, emails, and letters.

In addition to direct engagement activities, we also partner with engagement pool providers. We see many advantages in working with a partner on voting and engagement. By pooling the assets in an engagement partner tool, we reach the scale that is necessary to be present and visible to management teams and boards in dialogues and engagement activities. This enables us to exert greater influence than our own investment volume would allow. At the same time, it allows us to target a broader range of companies as we have access to more resources and can benefit from specialized expertise and experience. Additionally, it facilitates our collaboration with other investors. The engagement pool providers establish a long-term engagement plan with objectives and milestones, and this persists irrespective of investment inflows and outflows by the provider's clients. In this way, it can take a truly long-term perspective and sustain regular pressure throughout the life of the issue engagement. Engagement service providers typically report their progress on engagements by a series of milestones, marking events such as companies acknowledging the issue, committing to making improvements, and implementing the improvements. This progress is tracked based on predefined objectives. Insights gained from these engagements may be factored into our research process.

Since 2022, we have partnered with reo®. They provide a service that allows investors to receive market-leading corporate engagement on equity and corporate bond holdings. We selected reo® based on their coverage of our portfolios and the quality of services delivered. As part of the criteria for assessing the quality of the services, we looked at the depth of the engagement activities, the processes used (objective setting, progress tracking), and the reporting offered. In 2023, reo® provided their proxy voting services with a 23-year track record and 40+ ESG specialists.

Engaging as a bondholder

As a fixed income investor of meaningful size, we engage on sustainability risks and underperformance where possible. We can make a difference either during the bond issuance, if the issuer is eager enough to change our opinion about themselves, or once the indentures need to be reassessed, such as during restructuring. Additionally, by occasionally participating in bondholder committees, Vontobel can help resolve relevant issues, which are often driven by ESG misgivings.

Monitoring our engagement activities

We monitor our engagement efforts and follow the company's improvements in key indicators, especially toward their set goals. Such logs of our engagements and company milestones are, depending on the investment team, summarized in our client quarterly reporting. We only remain as investors and engage if we believe the company still meets our original investment thesis and maintains the quality of operations that we require from our investment holdings. If not, we remain vigilant about the potential need for escalation. Engagement could be escalated through additional meetings with management and dialogue with the board chairman and non-executive directors.

Where these engagements do not progress in the direction that the investment team believes is in the best interests of shareholders or the shareholding is insufficient for an effective escalation on a standalone basis, other options are considered, including, but not limited to:

- Voting against resolutions at shareholder meetings;
- Collaborating with other institutional investors; and/or
- Selling some or all of the investment in the context of the value proposition of the investment as a whole.

→ A further engagement topic is that of public policy.

More information on this starting from page [37](#).

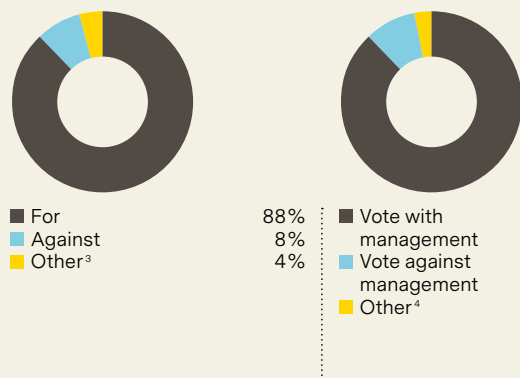
Voting highlights ¹

1,420 meetings

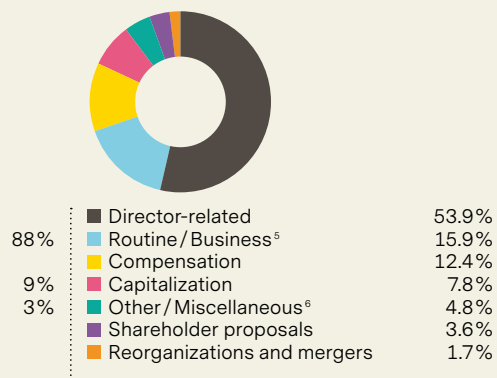
In 2025, we submitted votes at 1,420 meetings, for companies based in different regions, whereby the largest part was based in North America and Europe. 88 percent of voting items were voted “For”, and the remaining items were voted either “Against”, “Abstain”, “Withhold”, “One Year” or “Split”. 88 percent of voting items were cast with management. The remaining were either cast against management, voted split, or had neither recommendations from management nor votes expressed.

More information about our voting records can be found under am.vontobel.com/esg-investing.

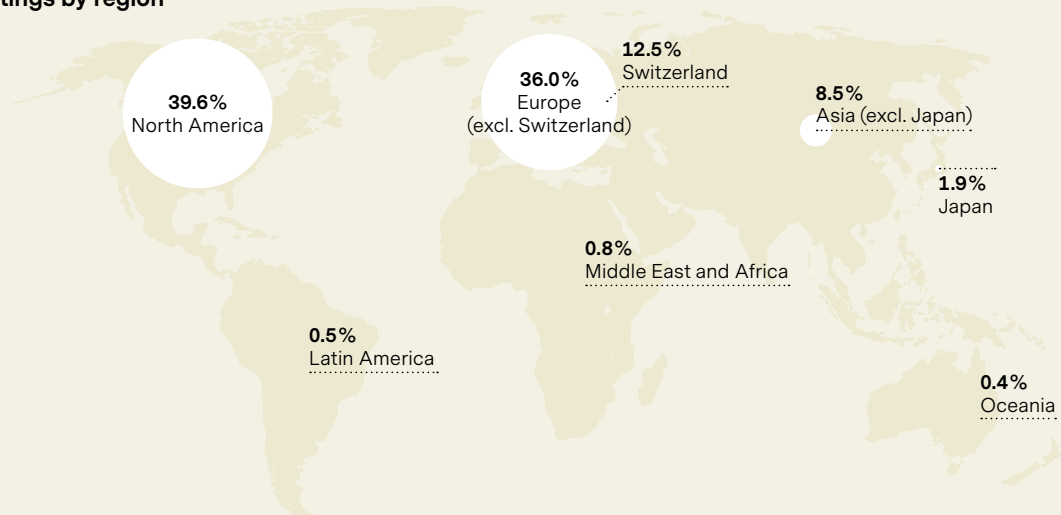
Vote Cast²



Vote by topic²



Meetings by region



¹ Scope of the voting statistics: Vontobel funds where Vontobel is the management company, investment manager and sponsor. White Label funds are excluded from the statistics. More information about the funds can be found under am.vontobel.com/vontobel-funds. Source: Vontobel, Ethos, ISS and reo[®]. The information presented here shows information across all ballot statuses for a given meeting/voting item, meaning all votes that were submitted on the respective proxy voting platform.

² Expressed as per voting item

³ Includes “Abstain”, “One Year”, “Split” (not necessarily 50/50 split), “Withhold”

⁴ Includes “Split” votes, and votes where the management did not express a recommendation.

⁵ Includes audit-related items

⁶ Includes E&S management proposals, company articles related voting items and miscellaneous voting items.

Highlights of some of our voting decisions

L'Oréal SA

Quality Growth

Independence of the audit committee

Independence of the audit committee is a cornerstone of any effective corporate governance. It ensures that the committee can fulfill its responsibilities without bias, fostering trust and confidence among stakeholders while protecting the organization's long-term interests. In this case, the audit committee is less than 100 percent independent, which we believe warranted the vote against management's recommendations. We had ongoing discussions with the management team expressing our concerns. We will continue to engage with all portfolio companies on the effectiveness of the board of directors' oversight capabilities to ensure that the board can focus on strategic priorities while relying on the audit committee.

PepsiCo, Inc.

Quality Growth

Report on risks related to biodiversity and nature loss

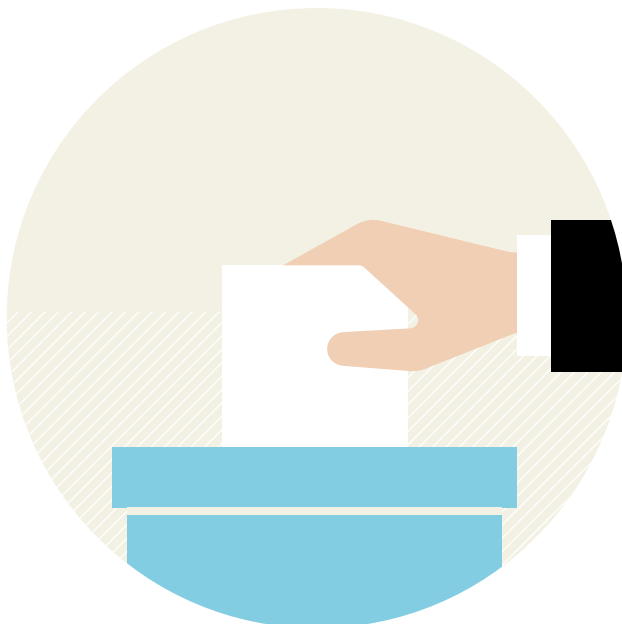
With our vote against management's recommendations, we supported this shareholder proposal advocating for additional disclosure on the company's management of risks related to nature and biodiversity loss. We believe all stakeholders would benefit from additional disclosure on the company's management of risks related to plastic waste creation as part of broader biodiversity considerations. Though the proposal did not succeed, we will continue to support relevant disclosures of ESG-related data.

London Stock Exchange Group plc

Quality Growth

Approve Remuneration Report

Executive compensation plays a pivotal role in our corporate engagement process. We actively engage in ongoing discussions with company management assess whether that executive remuneration aligns with shareholder interests, company performance, and broader market standards. While we consider the CEO's compensation to be reasonable, we note that it remains relatively high by United Kingdom market standards. In line with our support for the management recommendation and as part of our continued engagement approach, we intend to engage with the company on the proposed adjustments to the long-term incentive plans with a view to encouraging structures that support sustainable value creation. We firmly believe that aligning executive remuneration with measurable progress on relevant ESG considerations can support to driving long-term success and fostering trust with stakeholders. As such, we will continue to rather say for meaningful and relevant ESG disclosures that reflect the company's commitment to responsible business practices.



Engagement highlights

In total, we engaged with 129 companies as part of our engagement activities in 2025. These engagements were either directly conducted by us, in collaboration with others, or on our behalf through the engagement pool we subscribe to. Accordingly, the depth of engagement and our level of involvement varied depending on the activity varied depending on the activity. Some of our engagement efforts focused on gaining a better understanding of the company’s activities and the context in which it operates. These discussions provided an opportunity for us to raise important topics and ask questions that are relevant to our investment activities.

In 2025, engagement efforts covered 129 companies through activities conducted directly by us or via our engagement partner, reo®.

Our engagements addressed environmental, social, and governance-related topics, as well as strategy, financial and reporting. While most engagements took place in North America and Europe, we also leveraged our local presence in Asia.

Our engagement toolbox

We believe engaging with companies is not a “one-size-fits-all” approach. Accordingly, we employ different engagement methods, depending on what we believe will be most effective.

Write shareholder letters or emails, outlining specific concerns or proposals, and request a response from the company.	Propose new board members who are aligned with shareholders’ interests. This can be done through a proxy fight or by negotiating with the board.	Make public statements through the media or press releases to draw attention to specific issues or concerns.
Submit formal proposals for consideration at the company’s AGM.	Engage in a proxy campaign to gather votes from other shareholders in support of a particular agenda.	File complaints with relevant regulatory bodies if there are concerns about legal or ethical violations.

In certain cases, we collaborate with other investors to enhance the effectiveness of our engagement activities.

A large part of the assets is covered by the engagement pool of Columbia Threadneedle Responsible Engagement Overlay (reo®).	We selectively join forces with other shareholders to push for specific changes or proposals. A global food & beverage manufacturing company—We worked with another major shareholder to assess social and governance disparities.	We join engagement initiatives, led by leading organizations. In 2024, we joined UN PRI Spring, an engagement initiative focused on biodiversity.
reo® has a 24-year track record of engagement and a team of 20+ active ownership specialists who interact with hundreds of companies every year.		

Case study

Assessing environmental and sustainability challenges in Brazil's leading utility and infrastructure company

Topic

Environmental:
Water Loss, Climate Change
Governance:
CEO Pay and Shareholders Rights

Company profile

Water and Wastewater Utilities & Infrastructure, Brazil

Engagement type

1:1, Email and Teleconference Meeting

Status

Ongoing

Rationale and context

The company is considered one of the world's largest sanitation providers by population served and is Brazil's largest water and sewage utility. It faces significant challenges in reducing water loss, addressing climate risks, and lowering carbon emissions, while balancing the interests of diverse stakeholders. Although its current water loss rate of 29 percent is the best in Brazil, it remains below global standards. To improve water efficiency, the company is implementing network pressure management, infrastructure renewal, and smart meter installations.

To enhance water security, the company is developing a hydrology safety plan and engaging with the government on initiatives such as underground water reinjection and desalination. While drainage management is currently the responsibility of municipalities, the company is exploring potential opportunities in this field.

On the climate front, 95 percent of the company's Scope 1 and 2 emissions stem from methane generated during sewage treatment. The company is exploring ways to utilize methane and aims to reduce emissions by two-thirds. It does not anticipate financial impacts from Brazil's proposed carbon law, as sewage treatment is currently excluded from its scope.

Governance is another key focus, with the company's ownership structure comprising 18 percent government ownership, 15 percent by a private investor, and the remainder held by other shareholders. The board consists of three government representatives, three private investor representatives, and three independent directors. The company is preparing a proposal to disclose CEO compensation, including performance metrics and thresholds, to address shareholder concerns.

The company's sustainability priorities include carbon reduction, circular economy, and water resilience, supported by a dedicated sustainability team of 15 members. However, there is room for improvement in communicating and measuring its sustainability initiatives.

Activity

We held a teleconference call with the company's CFO and Investor Relations (IR) representative. The discussion focused on the company's efforts to reduce water loss, manage climate risks, address carbon pricing risks, disclose CEO pay, and advance its sustainability priorities.

Outcome

During the engagement, the company provided insights into its ongoing efforts to address key sustainability and governance challenges. It is actively working to reduce its 29 percent water loss rate—strong by Brazilian standards but below global industry benchmarks—through measures such as nighttime network pressure reduction, infrastructure renewal, and smart meter installations. In the first half of 2025, the company developed a hydrology safety plan and began discussions with the government on water security initiatives, including underground water reinjection and desalination.

Regarding climate risks, the company clarified that drainage management is currently handled by municipalities, though it is exploring the drainage business as a potential opportunity. On carbon pricing risks, the company noted that 95 percent of its Scope 1 and 2 emissions stem from methane generated during sewage treatment. It is exploring ways to utilize methane and aims to reduce emissions by two-thirds. The company does not expect financial impacts from Brazil's proposed carbon law, as sewage treatment is not currently included in its scope.

Governance discussions highlighted the company's board composition, which includes three government representatives, three private investor representatives, and three independent directors, reflecting its diverse shareholder base. The company is preparing a proposal to disclose CEO pay, including performance metrics and thresholds, which will be announced soon.

In terms of sustainability priorities, the company's 15-member sustainability team is focused on carbon reduction, circular economy, water resilience, and improving the communication and measurement of its sustainability efforts.

We welcome the company's ongoing initiatives and commitments, particularly its efforts to address water loss, carbon emissions, and sustainability priorities. Moving forward, we will continue to engage with the company to monitor its progress on these initiatives, encourage greater transparency in reporting, and assess its ability to address climate and water security risks effectively.

Case study

Strengthening corporate governance through sustainability disclosures

Topic

Corporate Governance

Company profile

Mining and Quarrying, South Africa

Engagement type

1:1, Email and Teleconference Meeting

Status

Ongoing

Rationale and context

The company is a globally diversified gold producer operating in South Africa, Australia, and the Americas and is recognized for its strong focus on sustainability, safety, and operational excellence.

We liaised with the CEO and Investor Relations team twice in 2025 to gain a deeper understanding of the company's progress on key sustainability initiatives, including community relations and safety improvements. The discussion also covered strategic priorities such as labor considerations, employee incentive programs and automation.

Additionally, we evaluated the company's approach to shareholder returns, focusing on its strategy to balance dividends and share buybacks. We also sought to gain insights into the CEO's leadership priorities since his appointment in January 2024.

The collaboration with key stakeholders on safety initiatives and its engagement with indigenous communities reflect its commitment to responsible mining practices.

The discussion also focused on the company's climate targets, including the removal of its SBTi commitment, its alignment with TPI and IEA pathways, and the ongoing mid-term review of its climate goals, with board decisions expected by early 2026.

Activity

During the meetings, the company shared updates on its sustainability and community engagement efforts, highlighting progress in procurement and hiring agreements with indigenous communities, as well as ongoing negotiations regarding royalty arrangements.

The company also discussed its collaboration with key stakeholders on safety related initiatives, including the alignment of safety-related across all operations, which replaced the previous country-specific system.

On the topic of automation, the company acknowledged the challenges of transitioning existing mines due to labor resistance, while noting that automation is more easily implemented in new mines. From an investor perspective, the company emphasized its preference for a balanced approach to shareholder returns, combining dividends with share buybacks.

The CEO outlined his strategic focus since joining in January 2024, which includes enhancing risk management, raising operational standards, and improving safety measures across all operations.

The company provided updates on its gradual emissions reduction targets to 2030 and steeper reductions by 2050, aligned with TPI and IEA pathways, while noting a mid-term review of climate targets is underway. The company highlighted renewable energy and battery projects, such as an Australian initiative expected to cut 19,000 tons of emissions, and efforts to reduce diesel use with hybrid trucks and conveyors. The company shared information on its progress on tailings dam compliance with GISTM, and ongoing chinchilla relocation efforts as part of biodiversity initiatives.

Outcome

The meetings provided valuable insights into the company progress on sustainability and strategic priorities. The company demonstrated a strong commitment to strengthening relationships with indigenous communities through concrete agreements and ongoing negotiations. It also showcased a proactive approach to improving safety and operational standards. While automation in existing mines presents challenges due to labor resistance, the company is actively addressing these concerns. Additionally, there was alignment on the importance of a balanced approach to shareholder returns, combining dividends and share buybacks to maximize value. The calls provided an opportunity to express investor expectations on improving safety, mitigating risks in water and tailings management, and accelerating emissions reductions.

Going forward, we remain committed to maintaining an open dialogue while monitoring its progress on sustainability initiatives and supporting its efforts to address key challenges and deliver long-term value for stakeholders.

Case study

Tracking sustainability pillars in partnership in a leading global e-commerce company

Topic

Environment:
Platform decarbonization, Energy efficiency

Social:
Labor Management

Governance:
Sustainability Linked Compensation

Company profile

E-commerce, China

Engagement type

1:1, Email and Teleconference Meeting

Status

Ongoing

Rationale and context

The company has been a key focus of our engagement efforts since 2021, with seven interactions to date when this report was published, and it operates in a sector where sustainability considerations are critical due to its extensive operations in e-commerce, logistics, and technology.

The key sustainability issues include the efficiency of its data centers, packaging reduction on its platform, delivery rider welfare, platform ethics, compliance, and sustainability-linked executive compensation. We believe that these areas are material to the company's long-term efforts: sustainability, ability to meet stakeholder expectations, including those of investors, regulators, and customers.

Activity

We held a conference call with the investor relations (i.e., IR) and sustainability team to discuss the company's progress in its material sustainability areas for improvement such as: data center efficiency and clean energy procurement, providing insurance for delivery riders, and reducing employee turnover and the integration of sustainability linked performance into executive remuneration, as well as engagement with external sustainability rating agencies.

The company has established a robust three-tier sustainability governance structure, led by its board and senior management, and integrated across all business units. This structure is supported by a formal sustainability disclosure policy and an annual goal management process to track and improve performance.

Outcome

Since 2021, when we started our engagement efforts, the company has made significant progress with its material sustainability pillars. It achieved a low Power Usage Effectiveness (i.e., PUE) of 1.19 in self-operated data centers, improved PUE in leased centers, and exceeded government requirements through clean energy procurement and supplier engagement on decarbonization. The company has also implemented initiatives to provide insurance for delivery riders and reduced overall employee turnover. Governance improvements include integrating sustainability-linked performance into executive remuneration and actively engaging with external sustainability rating agencies.

Despite these advancements, opportunities for growth remain in measuring climate-related capital and operational expenditures, and in mandating packaging reduction with merchants on its e-commerce platform. Overall, the company's efforts demonstrate meaningful progress on the sustainability topics we have been tracking, reflecting the company's commitment to sustainability and continuous improvement.

Case study

Tackling social and governance disparities in a global food & beverage manufacturing company

Topic

Social:
Controversies

Governance:
Supply Chain Management, Management Change

Company profile

Food & Beverage manufacturing company, Switzerland

Engagement type

Collaborative (a group of investors), In-person Meeting

Status

Ongoing

Rationale and context

The company operates in a complex global environment, facing scrutiny over various sustainability issues, processed-food criticism, and reputational risks tied to its supply chain. This engagement aimed to assess the company's progress, challenges, and future focus areas.

We engaged with the senior management to better understand the company's sustainability actions, supply chain management, controversies, and strategic direction, particularly considering last year's CEO transition.

Activity

The group investor meeting covered several critical topics. The company highlighted its use of AI and data analytics to monitor supply chains and improve decision-making, although details on specific applications were limited. The company also acknowledged ongoing controversies, including allegations of child and forced labor, deforestation, and plastic pollution, which pose significant reputational risks. In addition to that, the company's direct sourcing from small farms and operations in high-risk regions exacerbate these challenges, though the company has monitoring systems in place.

The company reaffirmed its commitment to sustainability, maintaining sustainable-linked incentives and adhering to its net-zero plan. Its R&D investments are focused on improving its ranking as the fourth-largest global plastic polluter, with efforts to design recyclable packaging and alternatives to plastic. However, challenges remain in regions with weak recycling systems and consumer behavior.

Lastly, part of our engagement meeting also covered the leadership transition. The new CEO, an internal hire, is expected to bring a deeper understanding of the company and its industry, addressing past issues such as unfulfilled promises and low brand investment. The executive board has adopted a more collaborative approach, with individual KPIs and a focus on innovation. The chairman, a former CEO, emphasized the importance of transparent communication and expressed confidence in the company's strategic direction, despite concerns over market valuation.

Outcome

The engagement provided valuable insights into the company's ongoing efforts and challenges. While the company is making strides in areas like supply chain monitoring, and sustainability initiatives, significant risks remain, particularly around labor rights violations, environmental controversies, and plastic pollution.

The new leadership structure and strategic focus on execution and innovation are promising, and we will continue our engagement on the critical items outlined in the Activity section.

Case study

Assessing climate change risks and supplier sustainability oversight**Topic**

Environment:
Climate change, Pollution, Waste

Governance:
Supplier Oversight

Company profile

Health Care, Switzerland

Engagement type

1:1, In-Person Meeting

Status

Ongoing

Rationale and context

The company is an active player in the healthcare industry and offers healthcare services and products throughout Switzerland. Its customers include patients, pharmacies, drugstores, physicians, hospitals, care homes, home care organizations, health insurers and pharmaceutical companies.

Progress in sustainability includes a commitment to ensuring that 75 percent of its suppliers (by emissions) covering purchased goods, services, and upstream transportation commit to science-based targets (SBTi) by 2030. Additionally, the company aims to reduce absolute Scope 1 and 2 GHG emissions by 65 percent by 2035, using 2023 as the base year. No net-zero targets have been set yet – only a commitment to achieve net zero by 2050.

Climate risks are integrated into the company's risk management framework, with contingency plans in place, though no significant financial impacts are anticipated from those climate risks. The company has decided not to participate in Carbon Disclosure Project (CDP) disclosure next year, explaining that the questionnaire is too complex and administratively demanding.

The healthcare provider's sustainability focus is largely centered on social initiatives, such as restructuring job roles to transfer specialized tasks from leaders to other employees. This restructuring enables career development, training, increased responsibility, and higher wages, addressing concerns about job monotony and low salaries in the pharma retail sector. Additionally, the company has abolished its mandatory retirement age, allowing employees over 60 and even 65 to continue contributing actively to the workforce.

On the technology front, the company has implemented six annual IT security awareness initiatives.

Supplier sustainability oversight is limited, with 12 annual assessments in 2025 based on the Supplier Code of Conduct, an increase from none in 2023. However, there are no supplier audits.

Activity

We met with senior management to discuss the company's sustainability and strategic initiatives. Key topics included sustainability goals, climate risk management, social initiatives, IT security efforts, supplier sustainability oversight, and strategic business expansions. We also reviewed the company's sustainability reporting practices and future plans, including the decision to change its auditor in 2028.

Outcome

The engagement highlighted the company's progress in sustainability, particularly its SBTi commitments and goals, and the target to reduce Scope 1 and 2 absolute emissions by 65 percent by 2035. The company's focus on social initiatives, such as restructuring job roles and abolishing the mandatory retirement age, was also recognized as a positive step toward addressing employee concerns and enhancing workforce motivation.

However, several areas for improvement were identified. These include the lack of commitment to net-zero targets, and the absence of specific targets for packaging and the circular economy. Additionally, supplier sustainability oversight remains limited, with only 12 annual assessments and no supplier audits, and IT security efforts lack clarity on ISO 27001 certification.

Strategically, the company's expansion of its laboratory business and its enhanced role in healthcare were noted as positive developments, particularly as pharmacies take on greater responsibilities in response to the decline in general practitioners. The company's emphasis on medication availability and safety, as well as its integration of employee motivation and customer satisfaction into short-term incentive structures, was also welcomed.

Finally, while the company's sustainability reporting is comprehensive, we emphasized the need for improve-

ments in data presentation and visualization to enhance transparency and accessibility. Going forward, we will continue to monitor its progress on sustainability and strategic initiatives, with a focus on addressing the identified gaps in target-setting and reporting on climate change, and supplier oversight.

Case study

Dialogue with management on human rights and AI governance

Topic

Social:
Human Rights

Company profile

Microsoft

Engagement type

Collaborative, conducted by reo®

Status

Ongoing

Rationale and context

Microsoft ranks #1 in the 2025 Digital Rights Index and publishes annual Responsible AI Transparency Reports. However, controversies surrounding Azure and AI use in conflict zones, as well as data center expansion in high-risk jurisdictions, have raised concerns about the effectiveness of its human rights' due diligence. Ahead of December 2025 AGM, shareholder proposals have sought risk assessments on AI misuse and data center siting, making engagement critical to evaluate governance and enforcement practices.

In 2025, Microsoft completed two significant Human Rights Impact Assessments (i.e., HRIAs) covering the generative AI development cycle and human rights saliency, with executive summaries forthcoming. Additionally, the company established the "Trusted Tech Group" following its 2023 HRIA on AI use in U.S. law enforcement.

The company confirmed terminating services to Israeli entities found to be violating terms of service, demonstrating a willingness to enforce its stated AI principles. However, this enforcement has been reactive rather than proactive. While Microsoft ranks #1 in the RDR Index with a perfect score of 100/100 on governance, it scored 0 percent on enforcement disclosure.

Microsoft is in the "early stages" of operationalizing HRIA findings, with five identified focus areas: digital rights, privacy, safety, employee well-being, and health & safety. However, implementation remains in progress and is not yet fully operational.

Activity

reo® engaged with Microsoft's Responsible Business Practices, Supply Chain Operations, Product Service teams, Responsible Investment Legal Lead, Attorney, and ESG Engagement Director as part of the ICCR collaborative group focused on the Ranking Digital Rights initiative. The primary goal of this engagement was to assess Microsoft's human rights due diligence processes and AI governance structures.

Outcome

As a result of the collaborative engagement, approximately 27.5 percent support was achieved for a human rights assessment proposal at Microsoft's December 2025 AGM. Concerns were raised regarding the use of Microsoft's Azure and AI products during the Gaza conflict, which the company acknowledged as a rare instance. Microsoft also recognized the need to address significant human rights risks across its global operations. Following the AGM, Microsoft issued its 2025 Human Rights Transparency Report, which was welcomed as a positive step forward.

However, reo® identified several areas for improvement, including strengthening due diligence processes to better address human rights risks, broadening employee reporting mechanisms to enhance internal accountability, and refining pre-contract review protocols for higher-risk engagements to prevent misuse of technology.

Looking ahead, reo® will continue to engage with Microsoft to monitor the implementation of its HRIA findings, advocate for stronger human rights and AI governance, and ensure that Microsoft transitions from reactive enforcement to a more proactive approach in addressing human rights risks across its global operations.

Case study

Engagement with Toyota about privatization valuation process

Topic

Corporate Governance

Company profile

Toyota Industries Corporation

Engagement type

Collaborative, conducted by reo®

Status

Ongoing

Rationale and context

reo® engaged with Toyota Industries Corporation management through the ACGA Japan Working Group to address concerns regarding the valuation process for its privatization by the Toyota Group. The discussion focused on key issues related to corporate governance and the protection of minority shareholders.

Toyota's management explained that the privatization represents the best timing to support the company's future growth. However, investors raised several concerns, including:

- The choice of valuation methodology (i.e., discounted cash flow).
- The approaches used for property and land valuation.
- The independence of group minority shareholders in the process.

These concerns reflect broader issues about the transparency and fairness of the privatization process, as well as the adequacy of corporate governance practices and the safeguarding of minority shareholder interests.

Activity

During the engagement, reo® discussed the valuation process with Toyota Industries Corporation's management. While management acknowledged investor concerns, they demonstrated limited willingness to address the suitability of the valuation methodology. They stated that they would take investor feedback into consideration but emphasized that the process involves an independent review, with no indication of plans to modify their approach.

Toyota's management also noted that the privatization transaction is awaiting regulatory approval and that the special committee will present its findings to the board before finalizing the process. In response to the lack of clarity, reo® requested additional meetings with independent directors or members of the special committee to further discuss these issues.

Outcome

The engagement highlighted ongoing concerns about corporate governance standards and the protection of minority shareholders in the privatization process. While management provided some assurances about independent review, their limited willingness to discuss the valuation methodology raised questions about the transparency and robustness of the process.

This engagement underscores the critical importance of independent oversight and transparent valuation processes in corporate transactions that significantly impact minority shareholders.

reo® will continue to monitor the situation and follow up with additional discussions to ensure that these concerns are addressed.

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Further processes related to stewardship

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Appendix 2

Assessing client needs

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Appendix 3

Personnel resources

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Memberships and working groups

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Our ESG Library

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UK Stewardship Code

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Swiss Stewardship Code

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Appendix 8

Japanese Stewardship Code

Appendix 1

Further ESG and Stewardship processes

In this section, we describe further processes related to our ESG and Stewardship activities. The information mentioned below may be related to the UK Stewardship Code reporting requirements, about which more information can be found on page 59.

Risk management-related processes

Classification of risks



- Sustainability/ESG risk: Risk that sustainability-related events could cause a material negative impact on the value of an investment. More broadly, the risk of negative financial impact on Vontobel stemming from ESG factors.
- Market risk: Risk of losses on positions due to factors driven by market forces with potentially material impact on the performance and valuation of financial assets.
- Credit/counterparty risk: Default risk, credit migration risk and concentration risk impacting both the expected cash flow and the valuation of positions.
- Liquidity risk: Funding liquidity risk of not meeting expected and unexpected cash flow and collateral needs without affecting either daily operations or the financial condition of the firm. Market liquidity risk of not being able to offset or eliminate a position at the market price because of inadequate market depth or market disruption.
- Operational risk: Risk of disruptions or failures in Vontobel’s day-to-day operations, leading to adverse impacts such as financial losses, regulatory penalties, legal liabilities, and a decline in Vontobel’s overall performance and stability.

Risk management governance

The governance of the risk management framework is ensured through two group-level bodies, the Investment Performance Committee (quarterly, chaired by the Head Investments) and the Operational Risk Committee (monthly, chaired by the Head Finance & Risk).

Four regular risk management activities support the governance framework at business unit level: The Investments Risk Meeting (quarterly), the Investment Broker Committee (quarterly), the Portfolio Manager Risk Review (monthly), and the Investment Control Breach Meeting (monthly).

This framework ensures effective communication and escalation of risk findings while retaining the necessary flexibility to respond to unanticipated events and emergencies, such as the market and economic crisis that was triggered by the Covid-19 pandemic in early 2020 or, more recently, the war in Ukraine.

An escalation process has been defined for our risk management oversight, as described below. More details about our committees, regular risk management activities and their attendees can be found on the following page.

Navigating through crises

In case of unanticipated events and emergencies, such as the market and economic crisis triggered by the Covid-19 pandemic and the war in Ukraine during the past years, we rely on our risk management framework and its governance.

In such situations, our investment teams reassess their portfolios and seek to identify investments that may be particularly vulnerable to the crisis, as well as those that may be resilient to it. Several factors are considered, such as the potential impact on economic growth, geopolitical risks and changes in market sentiment. The situation and its impact on markets and industries are closely monitored, in coordination with functions such as Compliance, Legal and Investment Risk Management where relevant. As such, the potential regulatory constraints (e.g., sanctions at country and / or issuer level) are duly considered for the review and potential adjustment of the portfolio holdings and exposures.

On group level, an emergency management team is formed to respond to group-wide threats, composed of the Executive Committee members, Investor Relation function, Corporate Communication function and subject matter experts as required.

In the absence of reliable market prices, Vontobel uses alternative valuation methodologies that are generally recognized and auditable to value the relevant sub-fund's assets or liabilities. This valuation process is performed by senior managers representing the Product Management, Compliance, and Investment Risk functions, acting independently from Portfolio Management.

Our client-centric approach during any crisis

We adjust our communication to meet client needs throughout any crisis. Our first step is to recognize that there is a crisis, be it sectoral or regional, and set up the structures outlined above to manage our activities.

A subgroup of the Institutional Clients Working Group focuses on investment communications. The team delivers communication on market events and enables clients to hear from our relationship managers and portfolio managers each day as a market crisis unfolds.

We use our digital resources to quickly share updates with our clients through various channels. As the crisis progresses, we evaluate how interested our clients are in these communications in different geographies using both qualitative and quantitative feedback. This helps us tailor our plans to provide clients with the information they need.

Conflicts of interest

Our policy framework

It may not always be possible to avoid conflicts of interest arising when providing financial services, especially those inherent to employees' roles. However, it is important to settle these issues, as the appropriate identification, management, and mitigation of conflicts of interest are evidence that the institution in question strives not to harm its clients, shareholders, employees, and third-party providers interests. Vontobel has Conflict of Interest policies that define and illustrate what a conflict of interest is, describe how Vontobel identifies, documents, and manages potential and/or actual conflicts of interest and outline the measures that Vontobel has put in place to prevent conflicts of interest from occurring, in accordance with applicable legal provisions.

Our Group-wide policy is regularly updated and enhanced. The last update took place in December 2024. Among others, our monitoring framework relies on a global software well-known in the industry to monitor gifts and entertainment, external mandates, and personal account dealings.

While addressing conflicts of interest in general, our Group-wide policy is supplemented by other policies that cover dedicated key topics (such as employee transactions, remuneration, AML and CFT, among others).

Our policy was developed in 2021 to reinforce the framework applicable to our business activities.

→ You will find our public Conflict of Interest policy statement, for Vontobel Holding AG, under vontobel.com/en-ch/legal-notice/mifid

How Vontobel ensures employee awareness and education on conflicts of interest

By means of regular communication with business representatives, the Legal & Compliance Center of Excellence aims to create awareness amongst employees, remind employees about the disclosure rules and hence allow self-disclosure of both potential and actual conflicts of interest situations into a dedicated register and/or used software, depending on the typology of conflicts. Vontobel has defined an escalation process that includes disclosure and approval in the event that an employee identifies a conflict of interest. Such an escalation process integrates employee line manager approval and, where defined in our policies, the approval of Compliance as well.

In parallel, Compliance performs several controls that allow the identification of both potential and actual conflicts of interest cases. In such cases, the relevant employee will be contacted for a proper assessment and implementation of mitigation measures. With this, we increase employee awareness and aim to prevent other cases from occurring in the future.

What measures has Vontobel put in place to avoid conflicts of interest

Vontobel has implemented several measures aimed at preventing conflicts of interest from occurring such as:

- Ensuring separation of employees and their reporting lines wherever relevant, e.g., financial analysts are independent from other business functions such as client-facing functions.
- Providing clear rules related to employee transactions/personal securities trading, applicable to all employees.
- Preventing relationship managers and employees in other client-facing functions from establishing business relationships through Vontobel with parties with whom they have close relationships outside of Vontobel.
- Requiring disclosure of employees' secondary professional activities and mandates to the proper internal authorities.

How does Vontobel manage actual and potential conflicts of interest related to Stewardship

As a general principle, Vontobel handles conflicts of interest related to Stewardship according to the same policies and processes defined to manage other conflicts of interest. Going into more granularity, Vontobel relies on several additional measures, policies, and standards to mitigate the risks of conflicts of interest related to Stewardship.

- Our Vontobel Code of Conduct summarizes the principles and practices that define the way Vontobel does business. As part of it, we undertake to act ethically, responsibly and with integrity toward our clients, shareholders, employees, business partners, authorities, and the general public.
- We have an ESG Investing and Advisory policy that formalizes principles, governance structures, and processes related to sustainable investing practices.
- We have voting and engagement policies in place that govern the submission of votes in a manner which Vontobel reasonably believes to be in the best interests of its clients.
- We use proxy voting service providers that follow proxy voting policies reviewed and approved by Vontobel. Investment teams must follow defined processes when changing votes including providing appropriate documentation.
- Our sustainable purchasing policy defines the environmental and social standards that we expect from our business partners.
- We separate client-facing functions from voting and engagement activities.

Examples of conflicts of interest related to stewardship

Criteria related to ESG product categorization

The implementation of regulatory requirements in our operations, has presented specific challenges and opportunities related to Stewardship, especially the Sustainable Finance Disclosure Regulation (SFDR) and its Regulatory Technical Standards (RTS) in the European Union. We have observed an increased interest from some of our clients for products that consider ESG aspects. At the same time, it is imperative to operationalize rigorous governance and operational processes to ensure the integrity of the investment processes of products that pursue such objectives.

We handled this challenge by taking measures such as:

- Defining clear minimum criteria for our ESG product categories.
- Strengthening our product governance related to ESG via our ESG Investment Forum (see further details about our ESG governance in our ESG investing and advisory policy at vontobel.com/SFDR).
- Initiating a project, led by our Institutional Clients Risk team, to document ESG processes and controls within investment teams, sales, and product management activities.
- Implementing appropriate controls both from first line and second line of defense perspectives.

Incorporating ESG information into investment decision-making

In 2021, we began analyzing the potential conflict of interest arising when Portfolio Managers prioritize financial information over ESG information in investment decisions.

Within investment teams, the identified conflict of interest is partially mitigated through a rules-based approach to applying minimum ESG standards. Portfolio Managers are required to adhere to minimum quantitative ESG criteria, such as minimum ESG scores, norms-based exclusions, and sector-specific exclusions, depending on the defined ESG strategy of the product. Minimum ESG standards are programmed into data management systems such that Portfolio Managers cannot consider companies that are excluded from the investment universe based on minimum ESG criteria.

Some investment teams, such as those in the mtX franchise and the Fixed Income team also apply qualitative criteria based on proprietary research. In these cases, there is a separation between the roles of ESG analyst and financial analyst, and a consensus must be reached between the views of both parties for the Portfolio Manager to proceed with a trade.

In all cases, binding ESG criteria are defined in the investment guidelines of the financial product and quantitative criteria are independently controlled by our Investment Control team.

Proxy voting

Vontobel's Institutional Clients segment has implemented a Proxy Voting policy and associated procedures designed to ensure that voting is conducted in the best interests of clients. To facilitate the proxy voting process, Vontobel's Institutional Clients segment has engaged independent advisors to analyze proxy statements on behalf of its clients and vote proxies in accordance with its procedures. Defined processes are in place for deviating from the proxy voting advisor's recommendations. More information can be found on page [31](#).

Monitoring service providers

Guidelines for sustainable procurement

Vontobel strives to conduct its own operations according to high environmental and social standards, and we expect our business partners to adhere to the principles of responsible business conduct. These aspects are incorporated into our tendering process and serve as a guide when selecting suppliers. The relevant details are outlined in Vontobel's "Guidelines for sustainable procurement", which address matters such as employment conditions, child labor, forced labor, environmental protection, and the prevention of corruption. We expect our contractors to comply with these guidelines in order to work with Vontobel and to ensure that their own suppliers, subcontractors, and employees also adhere to them. In 2023, more than 80 percent of our third-party spending

was allocated to countries classified as low-risk for child labor, according to the UNICEF Children's Rights in the Workplace Index (Switzerland, Germany, UK).

→ These guidelines are available at vontobel.com/principles-policies.

Review of service providers

ESG data providers play an important role in ESG analyses, meeting reporting requirements and ensuring appropriate transparency to our clients. We set high expectations for ESG-related services provided by external parties. In particular, they should meet our needs in terms of data quality, service quality, and breadth of coverage. To ensure that ESG data providers can rely on clear expectations, we are in regular exchange with them. We observe that ESG data providers are also looking for this regular exchange, as it helps them to develop their services in a client-centric manner.

Occasionally, our service reviews may show negative results. In such cases, we carefully analyze the services provided, conduct a market analysis, and make collective decisions. This process may ultimately lead to terminating the business relationship with the service provider.

→ Read more about our service providers on page [23](#).

Example: monitoring of proxy voting service providers

To properly monitor service providers, the methodology should be tailored to the type of services, covering everything from the selection of the service providers to the review of their services.

We carefully select proxy voting service providers, seeking the best fit between the scope of their services, their voting policy, their areas of focus (if applicable), and our own voting policy and investment strategies. For example, for our funds focusing on Swiss equities, we have selected Ethos due to their expertise in the Swiss market.

The services provided by proxy voting providers are monitored as part of our ongoing monitoring framework. In addition, periodic due diligence reviews are conducted to assess the providers' ability to deliver the contracted services, in this case, voting services.

Appendix 2

How we maintain a dialogue with our clients and assess their needs

Vontobel maintains a regular dialogue with clients and, where relevant, the end beneficiaries they represent, as part of its client-centric and investment-led business model. Because client needs differ by region, mandate and client type—from private clients to banks, intermediaries and pension funds—Vontobel seeks a continuous exchange rather than a sporadic consultation process. This dialogue helps the firm understand clients' investment objectives, ESG and sustainability preferences and information needs, and supports the development and ongoing refinement of investment solutions and stewardship-related communications.

Dialogue is maintained through direct client interaction led by Relationship Managers and Client Portfolio Managers and, where relevant, supported by portfolio managers and ESG specialists. Typical touchpoints include relationship meetings, mandate reviews, investment update calls, due diligence discussions and responses to client queries. Depending on the client segment, these interactions may be complemented by webinars, events and digital channels.

This dialogue is two-way. It allows Vontobel to explain its approach to ESG integration, engagement and voting, while also gathering client views on investment objectives, sustainability-related expectations and preferred levels of transparency. These insights are shared with the relevant investment, sustainability and client-facing teams and are considered in the development of reporting, product positioning and stewardship priorities. Public reporting supports this process by providing a consistent basis for discussion, including the Sustainability Report, the ESG Integration and Stewardship Report, the Voting and Engagement Report, voting records, product fact-sheets and, where relevant, mandate-specific ESG reporting and Swiss Climate Scores.

Client dialogue forms part of Vontobel's broader stakeholder engagement and governance framework. The Board of Directors regularly engages with key stakeholders, while the Corporate Sustainability Committee reviews the Group Sustainability Report prior to Board approval. Together, these arrangements help ensure that insights from client dialogue are considered in the firm's sustainability governance, disclosure approach and stewardship communications.

Appendix 3

Stewardship capability and resources

Stewardship at Vontobel is supported by an integrated setup that embeds ESG expertise within the investment organization rather than in a standalone silo. ESG specialists work closely with financial analysts and portfolio managers, which supports continuous exchange and helps ensure that ESG-related insights are reflected in investment decisions, engagement priorities and voting activity.

Our stewardship capability is supported by an internal ESG network that brings together dedicated ESG analysts, ESG leads within investment teams, portfolio managers of sustainable strategies and specialists working on cross-cutting ESG topics. This structure is intended to combine sector and issuer knowledge with stewardship expertise and to provide investment teams with relevant input on material sustainability topics, controversies, engagement priorities and voting matters.

Vontobel places importance on continuous learning and knowledge sharing. ESG-related developments are discussed through regular interaction between ESG specialists and investment teams, including research meetings and internal exchanges on relevant market, regulatory and company-specific developments. Employees also have access to internal and external training opportunities and to selected external research and data providers that support stewardship analysis, engagement preparation and investment decision-making.

In addition, stewardship activities are supported by external tools and specialist providers, including ESG data, research, proxy voting services and engagement support where appropriate. These resources complement internal analysis and are used to strengthen monitoring, inform dialogue with investee companies and support the exercise of shareholder rights. Vontobel's approach to remuneration is designed to support long-term client interests, prudent risk-taking and compliance with applicable regulatory requirements.

Vontobel's Group compensation policy can be found under [vontobel.com/SFDR](https://www.vontobel.com/SFDR).

Appendix 4

Memberships and working groups

We are aware of our responsibility as a global investment firm and corporate citizen. In this way, we have committed ourselves to the sustainable development of the environment and society. Through our membership and participation in working groups, we aim to achieve various objectives:

Public support

Being a member of various organizations and a co-signatory to a number of investor initiatives allows us to materialize our commitment toward sustainability and also promote these initiatives. Our memberships are generally disclosed on our website. In certain cases, we may provide financial support for these initiatives through donations or memberships.

Adhere to frameworks

Some initiatives, such as the PRI and the UN Global Compact, have developed principles and transparency frameworks. By supporting these initiatives, we adhere to their principles and commit to reporting annually on our sustainable investing activities according to their specific transparency frameworks.

Contribute to exchange platforms

We believe that working together and sharing our knowledge can contribute to the development of well-functioning markets. As a pioneer in ESG investing, Vontobel has gained experience over many years. Through these platforms, we can share insights from our own experiences and also benefit from those of other market participants. In some of these cases, the working groups built around these platforms produce recommendations/reports that are shared and promoted widely.

Contribute to consultations

As mentioned above, certain working groups have specific goals, such as the issuance of recommendations that may also serve as voluntary self-regulation. Especially in the Swiss context, there is an active dialogue between the governing and supervisory authorities and industry associations such as Asset Management Association Switzerland and Swiss Bankers Association. In other cases, we may be directly involved in consulting working groups. This small group provides know-how to the regulator by sharing its experience on climate risk-related topics.

We believe that through our participation in these groups, we contribute to the convergence of best practices on the market. It also ensures that we are always at the cutting edge of ESG investing and can actively seize growth opportunities resulting from sustainable investment, thus best serving our clients.

Below, you will find some of our memberships, their purpose and activities, as well as our contribution. We support further initiatives such as “Sustainable Finance Geneva”, “Forum per la Finance Sostenibile”, the “Swiss Climate Foundation” and the “Corporate Support Group of ICRC”.

→ Find an exhaustive list of our memberships under vontobel.com/ratings-memberships.

Since 1924**Swiss Bankers Association (SBA)**

swissbanking.org

The Swiss Bankers Association is the Swiss financial sector's leading industry association. The main objective is to create the best possible operating conditions for banks in Switzerland. As the umbrella association of Switzerland's banks, the Swiss Bankers Association (SBA) brings together some 260 member institutions from the various bank categories and other financial services providers. The Association represents the financial center's interests vis-à-vis politicians, authorities, and the general public.

SBA has set the sustainable finance topic as one of its key priorities. Vontobel supports SBA with regular contributions and participation in subject-driven working groups. Vontobel also provides the representative for ABG/VAV on the SBA Expert Commission on Sustainable Finance. He also chairs the ABG/VAV's Sustainable Finance Working Group, which he represents on the Expert Commission.

Since 1984**Association of Swiss Asset and Wealth Management Banks (VAV/ABG)**

vav-abg.ch

The VAV is the Association of Swiss Asset and Wealth Management Banks. It comprises 23 banks that are head-quartered in Switzerland and primarily operate in the area of asset and wealth management for private and institutional clients. Its members manage assets totaling over CHF 1,400 billion and employ around 19,000 staff in Switzerland and abroad.

Vontobel leads the Working Group Sustainable Finance of the VAV/ABG. On behalf of all members, the working group has developed 14 Priorities for Sustainable Finance as a voluntary framework. The goal of this working group is to exchange and transfer knowledge on relevant ESG topics and the development, updating, and tracking of ABG/VAV priorities for Sustainable Finance as a joint contribution to the transition to a more sustainable economy and society.

We are also participants of the VAV Contact Group Sustainable Finance whose goal is to provide an exchange platform for VAV members based on industry experts' input. Current topics are, for example, the EU and international development in sustainable finance, SBA self-regulation on client ESG preferences and ESG risk integration, and greenwashing prevention measures.

Since 1993**Asset Management Association Switzerland (AMAS)**

am-switzerland.ch

The Asset Management Association Switzerland is the representative association of the Swiss asset management industry. It aims to strengthen Switzerland's position as a leading center for asset management with high standards of quality, performance, and sustainability. To this end, it supports its members in developing the Swiss asset management industry and adding value for investors over the long term.

We are members of the Legal & Compliance Asset Management committee and actively participate in its meetings. In 2023, one of AMAS' key projects entered into force, namely, the principle-based self-regulation on transparency and disclosure for sustainability-related collective assets.

Since 2008**Swiss Climate Foundation**

klimatestiftung.ch

The Swiss Climate Foundation is a voluntary initiative by business for business. Its corporate partnerships allow it to award one to three million Swiss francs in funding annually. The Foundation's mission is to promote climate protection and strengthen Switzerland and Liechtenstein as business locations. The Swiss Climate Foundation supports small and medium-sized companies (SMEs) that develop climate-innovative products that have a significant impact on climate protection.

Vontobel is a long-standing partner of the Swiss Climate Foundation and one of its founding members. We contribute to the activities carried out by the foundation, such as the selection of funded projects, through our representation on both the foundation's board and its advisory board.

Since 2010**Principles for Responsible Investment (PRI)**

unpri.org

The six Principles for Responsible Investment are a voluntary and aspirational set of investment principles that offer a menu of possible actions for incorporating ESG issues into investment practice to act in the best long-term interests of beneficiaries. As a signatory to the Principles for Responsible Investment, Vontobel has committed itself to the gradual implementation of six principles for the broad integration of sustainability in investment processes. Through this, we actively deliver our contribution to the transformation to a more sustainable economy. The PRI regularly reports on actions and achievements on their website.

As a PRI signatory, we publicly report each year on our responsible investment activities within a defined framework of mandatory and voluntary indicators. Based on this report, signatories are rated according to the six PRI modules. Thus, together with over 3,000 signatories, we contribute to more transparency and comprehensible comparability among market participants.

→ More information about our PRI ratings under vontobel.com/responsibility. Find our Responsible Investment Transparency Report under unpri.org.

Since 2014**Swiss Sustainable Finance (SSF)**

sustainablefinance.ch

Vontobel is a founding member of SSF and played a significant role in setting up the organization. The SSF strengthens the position of Switzerland in the global marketplace for sustainable finance by informing, educating, and catalyzing growth. Vontobel hosts and sponsors SSF events and actively contributes to SSF publications like the annual Swiss Sustainable Investment Market Study, which has become a reference publication for the Swiss market for media and associations. Additionally, with its practice-oriented approach bringing together market participants, SSF serves as an exchange platform for different organizations, including the Swiss government and supervisory authorities.

Vontobel co-leads the Wealth and Asset Management Workgroup at SSF. This workgroup aims to promote sustainable investing in Swiss private wealth and asset management and further strengthen Swiss offerings in this field. To do so, the group runs projects and publishes different guides to support market participants. An example is the report "100 terms related to sustainable finance" whose goal was to align the language used when talking about sustainable finance. Another example is the resources provided to Swiss financial market participants to support regulatory changes related to the implementation of the EU Action Plan for Sustainable Finance. Vontobel participated in webinars and workshops to promote and present these resources.

Since 2017

UN Global Compact

unglobalcompact.org

Global Compact is a strategic initiative of the United Nations for companies such as Vontobel that commit themselves to aligning their business activities and strategies with ten universally accepted principles covering human rights, labor standards, environmental protection, and anti-corruption. Within our sphere of influence as a company, we thus help to promote key sustainability principles around the globe.

→ More about our Sustainability Report in our ESG Library on page [58](#) and under vontobel.com/sustainability-report.

Since 2019

Global Impact Investing Network (GIIN)

thegiin.org

Impact investments aim at creating measurable social and environmental impact alongside a financial return. GIIN is dedicated to increasing the scale and effectiveness of impact investing. By convening impact investors to facilitate knowledge exchange, highlighting innovative investment approaches, building the evidence base for the industry, and producing valuable tools and resources, the GIIN seeks to accelerate the industry's development through focused leadership and collective action.

We have been active members of the GIIN's working group on listed equities since 2019, which culminated in a jointly developed guidance document that describes several practices or characteristics an investor can expect from an impact investing fund. Published in March 2023, "Guidance for Pursuing Impact in Listed Equities" is the result of a multi-year project involving more than 100 investors. It covers the four main aspects of listed equities impact investing: setting a fund or portfolio strategy, portfolio design and selection, engagement, and the use of performance data. The guidance is structured around four main characteristics of impact investing.

Appendix 5

Our ESG Library

Sustainability Report

At Group level, Vontobel publishes a sustainability report, as part of the annual report.

→ Find our Sustainability Report under vontobel.com/sustainability-report.



RI Transparency Report

As a PRI Signatory, we report publicly on our responsible investment activities each year.

→ Find our RI Transparency Report under unpri.org.



Our principles and policies

We have diverse principles and policies in place that guide our activities:

- Code of Conduct
- ESG Investing and Advisory policy
- Guidelines on cluster bombs and land mines
- Voting and Engagement policies

→ Find more information about these policies on page [15](#) and under vontobel.com/esg-library.

Articles, podcasts, insights, and webinars

We regularly produce and share our research findings and thoughts about ESG-related topics on our website.

→ Find more under am.vontobel.com/insights.

International conferences and roundtables

We regularly share our views and knowledge through speakers at international conferences.

Appendix 6

UK Stewardship Code

More information about these principles can be found under frc.org.uk.

DISCLOSURES FOR ASSET OWNERS AND ASSET MANAGERS		PAGES
A	Describe your organisation, your investment beliefs, your clients or beneficiaries and how that informs your approach to stewardship.	5–11, 21–28, 52
B	Describe how your resources enable effective stewardship.	12–19, 23, 26, 53–54
C	Describe your stewardship policies and processes, and how you review them.	15–19, 24, 48–51, 58
D	Describe how you manage stewardship-related conflicts of interest to put the best interests of clients and beneficiaries first.	49–50
E	Describe how you maintain a dialogue with clients and/or beneficiaries.	27–28, 52
PRINCIPLES FOR ASSET OWNERS AND ASSET MANAGERS		
1.	Signatories integrate stewardship and investment to deliver long-term sustainable value for their clients and beneficiaries.	16–25
2.	Signatories identify and respond to market-wide and systemic risks to promote well-functioning financial markets.	16–19, 25, 48–49
3.	Signatories engage to maintain or enhance the value of assets.	24–25, 33–46
4.	Signatories actively exercise their rights and responsibilities.	24, 30–36
5.	Signatories integrate stewardship considerations into their selection and oversight of external managers.	Not Applicable
6.	Signatories monitor and hold to account stewardship service providers	23, 34, 50–51

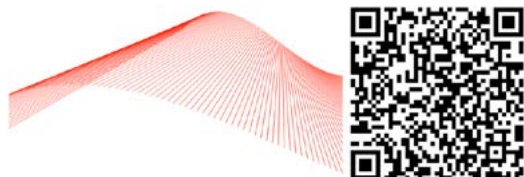
Appendix 7

Swiss Stewardship Code

More information about these principles can be found under am-switzerland.ch and sustainablefinance.ch.

PRINCIPLES	PAGES
1. Governance	12–15,23–24,26–27,50–52
2. Stewardship Policies	15,21,34,36,49–50
3. Voting	13,21,24,30–32,35–36,48–49
4. Engagement	13,33–34,37–46,55–58
5. Escalation	29–34,36–46
6. Monitoring of Investee Entities	12–15,21–28,31–34
7. Delegation of Stewardship Activities	29–34,36,48–49
8. Conflicts of Interest	49–50
9. Transparency and Reporting	30–46

Swiss Stewardship Code



Appendix 8

Japanese Stewardship Code

PRINCIPLES	PAGES
1. Institutional investors should have a clear policy on how they fulfill their stewardship responsibilities and publicly disclose it.	15, 21–28, 30–32, 60
2. Institutional investors should have a clear policy on how they manage conflicts of interest in fulfilling their stewardship responsibilities and publicly disclose it.	49–51
3. Institutional investors should monitor investee companies so that they can appropriately fulfill their stewardship responsibilities with an orientation towards the sustainable growth of the companies.	23–24, 33–34, 38–46
4. Institutional investors should seek to arrive at an understanding in common with investee companies and work to solve problems through constructive engagement with investee companies.	25, 37–46
5. Institutional investors should have a clear policy on voting and disclosure of voting activity. The policy on voting should not be comprised only of a mechanical checklist; it should be designed to contribute to the sustainable growth of investee companies.	24, 30–32, 35–36
6. Institutional investors in principle should report periodically on how they fulfill their stewardship responsibilities, including their voting responsibilities, to their clients and beneficiaries.	35–37, 49, 52, 60
7. To contribute positively to the sustainable growth of investee companies, institutional investors should develop skills and resources needed to appropriately engage with the companies and to make proper judgments in fulfilling their stewardship activities based on in-depth knowledge of the investee companies and their business environment and consideration of sustainability consistent with their investment management strategies.	12–14, 23–27, 37, 45–46, 53–57
8. Service providers for institutional investors should endeavor to contribute to the enhancement of the functions of the entire investment chain by appropriately providing services for institutional investors to fulfill their stewardship responsibilities.	24, 31–34, 51

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