



Board Presentation to ACERA
June 8th, 2022



ISSGOVERNANCE.COM



ISSGOVERNANCE.COM

Agenda:

- Recap ISS Public Fund Voting Guidelines
- ISS Stewardship Report
- Comparative Vote Recommendations:
 - Amazon
 - Alphabet
 - UBS Group
- Appendix:
 - Comparative Policy Perspective CY2021

Recap

ISS Public Fund Voting Guidelines

Fiduciary Proxy Voting Guidelines for Public Plan Sponsors

Public fund fiduciaries and their investment managers are required to vote proxies solely in the best interest of plan participants and beneficiaries. As fiduciaries, public funds trustees must act with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

The execution of proxy-voting rights at shareholder meetings is a required duty of pension fund fiduciaries. The U.S. Department of Labor (DOL) has stated that the fiduciary act of managing plan assets that are shares of corporate stock includes the voting of proxies appurtenant to those shares of stock and that trustees may delegate this duty to an investment manager.¹ While public pension plans are not directly subject to the Employee Retirement Income Security Act of 1974 (ERISA), most do generally comply with the position set forth by the U.S. Department of Labor in 1988 with regard to the fiduciary responsibilities governing the voting of shares of stock owned by the plan.

These proxy voting guidelines are designed to help ensure that public funds fulfill all statutory and common law obligations governing proxy voting, with the intent of maximizing the long-term economic benefits of its plan participants, beneficiaries, and citizens of the state in which the fund resides. This includes an obligation to vote proxies in a manner consistent with sound corporate governance and responsible corporate citizenship. Sound corporate governance and responsible corporate practices lead to increased long-term shareholder value.

While these guidelines often provide explicit guidance on how to vote proxies with regard to specific issues that appear on ballot, they are not intended to be exhaustive. Hundreds of issues appear on proxy ballots every year; as such, it is neither practical nor reasonable to fashion voting guidelines and policies which attempt to address every eventuality. Rather, these guidelines are intended to cover the most significant and frequent proxy issues that arise. Each proxy issue should be subject to a rigorous analysis of the economic impact of the issue on the long-term share value. All votes shall be cast solely in the long-term interest of the participants and beneficiaries of the plan.

These proxy voting guidelines address a broad range of issues, including election of directors, executive compensation, auditor ratification, proxy contests, mergers and acquisitions, and tender offer takeover defenses. In addition to governance issues, these guidelines address broader issues of corporate citizenship that can also have a direct impact on corporate performance and important stakeholder interests, including climate risk, job security and wage parity, local economic development and stability, and workplace safety and health issues. In accordance with state laws, the policies take into consideration actions that promote good corporate citizenship through the proxy process.

Footnote:

¹ Most public sector pension plans, regulatory bodies, and professional associations have adopted the views of the U.S. Department of Labor on fiduciary duties related to proxy voting. The Department of Labor's Employee Benefits Security Administration (previously known as the Pension and Welfare Benefits Administration) has stated in opinion letters and an interpretative bulletin that the voting rights related to shares of stock held by pension plans are plan assets. Therefore, according to the Department, "the fiduciary act of managing plan assets which are shares of corporate stock would include the voting of proxies appurtenant to those shares of stock." Sources include: the Department of Labor Opinion Letter (Feb. 23, 1988), reprinted in 15 Pens. Rep. (BNA), 391, the Department of Labor Opinion Letter (Jan. 23, 1990), reprinted in 17 Pens. Rep. (BNA), 244 and the Interpretative Bulletin, 94-2.

ISS Stewardship Report

YTD January 2022 through May 31, 2022



ISSGOVERNANCE.COM

STEWARDSHIP REPORT JANUARY 1ST THROUGH May 31, 2022

Stewardship Report | Alameda County Employees Retirement Ass. (ACERA)

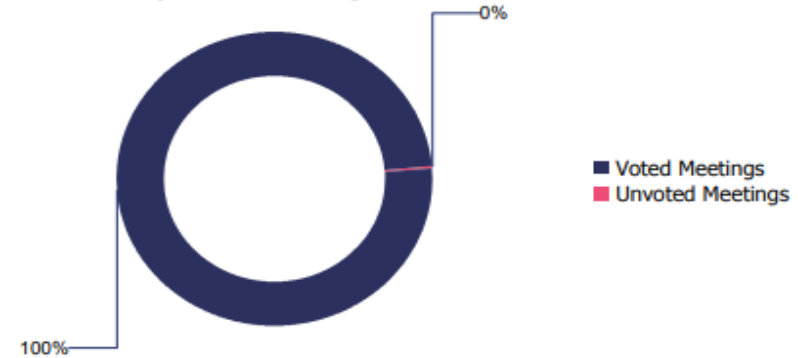
Reporting Period: 01-Jan-2022 to 31-May-2022



Meeting Overview

Category	Number
Votable Meetings	558
Meetings Voted	556
Proxy Contests Voted	0
Meetings with Against Management Votes	409
Meetings with Against ISS Votes	289

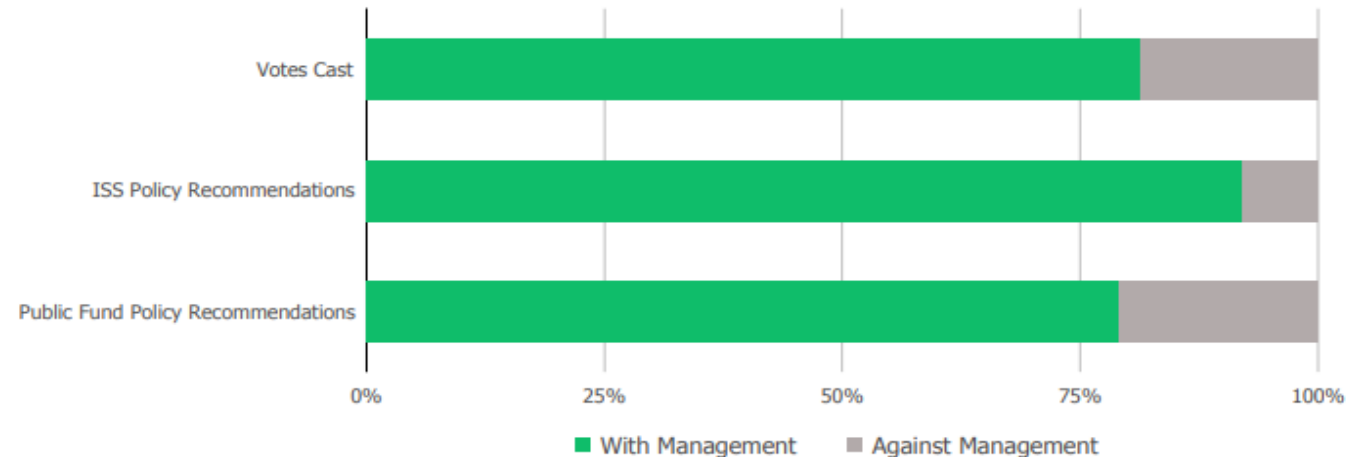
Comparison of Meetings Voted



With 558 meetings available to vote during the period, 556 were voted, equating to approximately 100% of the votable meetings with close to 0% unvoted.

Alignment with Management

- > Comparing vote cast alignment with management recommendations highlights similarities and differences between your governance philosophies and the investee's approach to key corporate governance issues.
- > The votes cast on Alameda County Employees Retirement Ass. (ACERA) ballots during the reporting period are aligned with management recommendations in 81% of cases, while the ISS Benchmark Policy recommendations are at 92% alignment with management recommendations.
- > The recommendations of the Public Fund policy, follow management recommendations for 79% of proposals.



STEWARDSHIP REPORT JANUARY 1ST THROUGH May 31, 2022

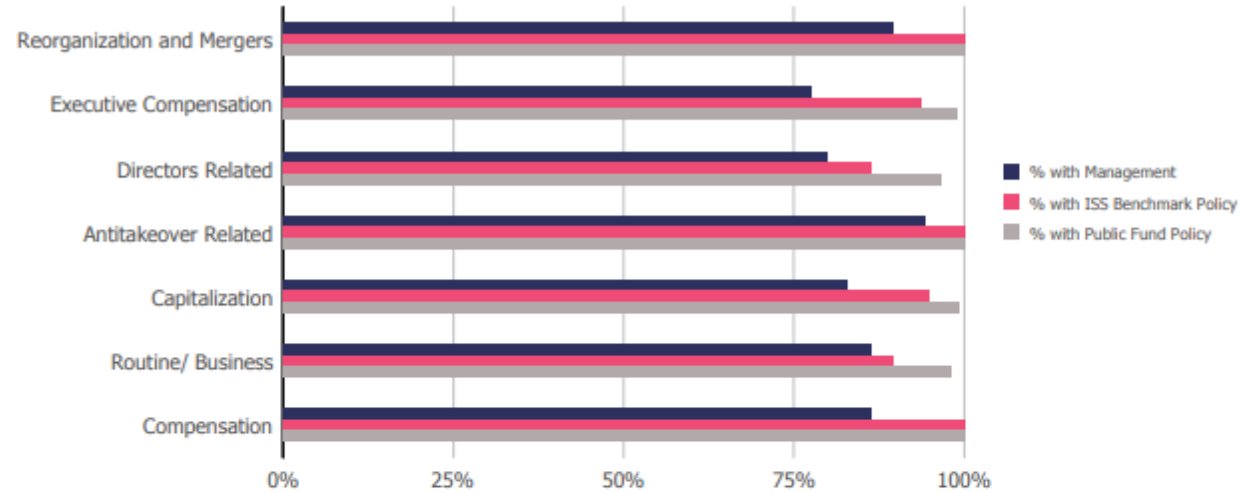
Stewardship Report | Alameda County Employees Retirement Ass. (ACERA)



Reporting Period: 01-Jan-2022 to 31-May-2022

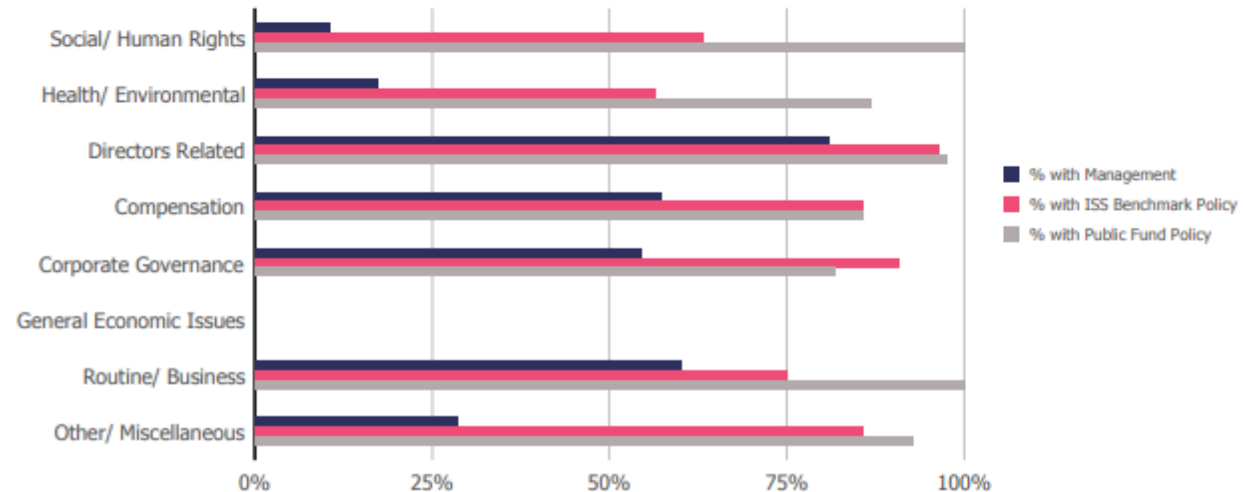
Votes Cast on Management Proposal Categories

- › Comparing votes cast to management, ISS Benchmark Policy and the Public Fund Policy recommendations across the major proposal categories provides insight into the positioning of votes on proposals submitted by management against these benchmarks.
- › Votes cast during the reporting period were least in line with management on Executive Compensation matters, where only 78% of votes followed management recommendations.
- › Across categories, votes cast on management proposals show the closest alignment to the Public Fund Policy guidelines.



Votes Cast on Shareholder Proposal Categories

- › Votes cast on shareholder proposals, in opposition to management, reflect Alameda County Employees Retirement Ass. (ACERA) support for proposals submitted by shareholders.
- › During the reporting period, Alameda County Employees Retirement Ass. (ACERA) has shown the highest level of support for shareholder proposals related to Social/ Human Rights, at 90% and the lowest level of support for shareholder proposals related to Directors Related, with 19% of proposals supported in this category.
- › Across categories, votes cast on shareholder proposals show the closest alignment to the Public Fund Policy guidelines.



Comparative Vote Recommendations - 2022 Meetings:

- Amazon
- Alphabet
- UBS Group



ISSGOVERNANCE.COM

AMAZON.COM INC: ISS BENCHMARK POLICY VERSUS PUBLIC FUND POLICY

Amazon.com Inc Key Takeaways May 25, 2022 Meeting

ISS Benchmark Policy

ISS Proxy Analysis & Benchmark Policy Voting Recommendations



Amazon.com, Inc.

Key Takeaways

Directors Daniel Huttenlocher and Judith McGrath have been targeted in a Vote No Campaign on the grounds that, as longstanding members of the Leadership Development and Compensation Committee, they have not adequately overseen the company's human capital management related risks. Although a vote against these directors is not warranted at this time, shareholders may want to engage with the company to better understand what steps it is taking to manage and mitigate human capital management related risks.

The CEO and other NEOs received large equity grants that lack objective performance criteria, exacerbating a misalignment between pay and performance.

Support for items 6, 13, and 19 is warranted, as shareholders would benefit from increased transparency and disclosure on how the company is managing human rights-related risks.

Shareholder support for Items 7 and 16 is warranted, as the company faces significant controversies related to its warehouse working conditions and a report on a third-party audit of its warehouse operations and having a non-management employee on the board could help the company resolve worker grievances and address shareholder concerns.

Support for the shareholder proposal seeking a report on plastic pollution (Item 8) is warranted as shareholder would benefit from additional information on the company's management of plastic pollution prevention and how it is mitigating related risks.

Support for the proposal requesting lobbying payments and policy disclosure (Item 14) is warranted, as additional disclosure on direct and indirect lobbying and board oversight would help shareholders better assess risks and benefits associated with the company's participation in the public policy process.

Shareholder support for the resolution requesting a gender and racial median pay gap report (Item 17) is warranted, as such increased disclosure would allow shareholders to better assess the company's management of related risks and benefits.

QualityScore



Meeting Type: Annual (Virtual)
Meeting Date: 25 May 2022
Record Date: 31 March 2022
Meeting ID: 1636981

NASDAQ: AMZN
Index: S&P 500
Sector:
Internet & Direct Marketing Retail
GICS: 25502020

Primary Contacts
Marc Goldstein, JD
Daniel Radakovich – Material
Company Updates
Liz Williams – Compensation
Enver Fitch, Kathy Belyeu, Hailey
Knowles – E&S & "Vote-No" Analysis
[U.S. Research Help Center](#)

Agenda & Recommendations

Policy: United States
Incorporated: Delaware, USA

Item	Code	Proposal	Board Rec.	ISS Rec.
MANAGEMENT PROPOSALS				
1a	M0201	Elect Director Jeffrey P. Bezos	FOR	FOR
1b	M0201	Elect Director Andrew R. Jassy	FOR	FOR
1c	M0201	Elect Director Keith B. Alexander	FOR	FOR
1d	M0201	Elect Director Edith W. Cooper	FOR	FOR
1e	M0201	Elect Director Jamie S. Gorelick	FOR	FOR
▶1f	M0201	Elect Director Daniel P. Huttenlocher	FOR	FOR

Report Contents

Public Fund Policy

Public Fund Advisory Services' Policy Voting Recommendations



Amazon.com, Inc.

Meeting Type: Annual (Virtual)
Meeting Date: 25 May 2022
Record Date: 31 March 2022
Meeting ID: 1636981

NASDAQ: AMZN
Index: S&P 500
Sector: Internet & Direct Marketing Retail
GICS: 25502020

Proxy Alert

Alert Date: 18 May 2022
Original Publication Date: 13 May 2022

This alert updates the analysis for Amazon.com, Inc., published May 13, 2022, with respect to Item 1f (Elect Director Daniel P. Huttenlocher) and Item 1g (Elect Director Judith A. McGrath). Upon further review of the concerns raised regarding the company's human capital management, support for the incumbent members of the Leadership Development and Compensation Committee, Daniel Huttenlocher and Judith McGrath, is not considered warranted. An updated analysis is shown below.

All other vote recommendations remain unchanged.

Agenda & Recommendations

Policy: Public Fund
Incorporated: Delaware, USA

Item	Code	Proposal	Board Rec.	P-F Rec.
MANAGEMENT PROPOSALS				
1a	M0201	Elect Director Jeffrey P. Bezos	FOR	FOR
1b	M0201	Elect Director Andrew R. Jassy	FOR	FOR
1c	M0201	Elect Director Keith B. Alexander	FOR	FOR
1d	M0201	Elect Director Edith W. Cooper	FOR	FOR
1e	M0201	Elect Director Jamie S. Gorelick	FOR	FOR
1f	M0201	Elect Director Daniel P. Huttenlocher	FOR	AGAINST
1g	M0201	Elect Director Judith A. McGrath	FOR	AGAINST
1h	M0201	Elect Director Indra K. Nooyi	FOR	FOR
1i	M0201	Elect Director Jonathan J. Rubinstein	FOR	AGAINST
1j	M0201	Elect Director Patricia Q. Stonesifer	FOR	AGAINST
1k	M0201	Elect Director Wendell P. Weeks	FOR	FOR
2	M0101	Ratify Ernst & Young LLP as Auditors	FOR	AGAINST
3	M0550	Advisory Vote to Ratify Named Executive Officers' Compensation	FOR	AGAINST
4	M0307	Approve 20:1 Stock Split	FOR	FOR

AMAZON.COM INC: ISS BENCHMARK POLICY VERSUS PUBLIC FUND POLICY

ISS Benchmark Policy

Amazon.com, Inc. (AMZN) Meeting Date: 25 May 2022
POLICY: United States Meeting ID: 1636981

Item	Code	Proposal	FOR	AGAINST
▶1g	M0201	Elect Director Judith A. McGrath	FOR	FOR
1h	M0201	Elect Director Indra K. Nooyi	FOR	FOR
1i	M0201	Elect Director Jonathan J. Rubinstein	FOR	FOR
1j	M0201	Elect Director Patricia Q. Stonesifer	FOR	FOR
1k	M0201	Elect Director Wendell P. Weeks	FOR	FOR
2	M0101	Ratify Ernst & Young LLP as Auditors	FOR	FOR
3	M0550	Advisory Vote to Ratify Named Executive Officers' Compensation	FOR	AGAINST
4	M0307	Approve 20:1 Stock Split	FOR	FOR

SHAREHOLDER PROPOSALS

5	S0742	Report on Retirement Plan Options Aligned with Company Climate Goals	AGAINST	AGAINST
6	S0412	Commission Third Party Report Assessing Company's Human Rights Due Diligence Process	AGAINST	FOR
7	S0222	Adopt a Policy to Include Non-Management Employees as Prospective Director Candidates	AGAINST	FOR
8	S0781	Report on Efforts to Reduce Plastic Use	AGAINST	FOR
9	S0710	Report on Worker Health and Safety Disparities	AGAINST	AGAINST
10	S0815	Report on Risks Associated with Use of Concealment Clauses	AGAINST	AGAINST
11	S0806	Report on Charitable Contributions	AGAINST	AGAINST
12	S0429	Publish a Tax Transparency Report	AGAINST	AGAINST
13	S0414	Report on Protecting the Rights of Freedom of Association and Collective Bargaining	AGAINST	FOR
14	S0808	Report on Lobbying Payments and Policy	AGAINST	FOR
15	S0230	Require More Director Nominations Than Open Seats	AGAINST	AGAINST
16	S0710	Commission a Third Party Audit on Working Conditions	AGAINST	FOR
17	S0817	Report on Median Gender/Racial Pay Gap	AGAINST	FOR
18	S0428	Oversee and Report a Racial Equity Audit *Withdrawn Resolution*	NONE	NONE
19	S0412	Commission Third Party Study and Report on Risks Associated with Use of Rekognition	AGAINST	FOR

Shading indicates that ISS recommendation differs from Board recommendation

▶ Items deserving attention due to contentious issues or controversy

Public Fund Policy

Agenda & Recommendations

Policy: Public Fund
Incorporated: Delaware, USA

Item	Code	Proposal	Board Rec.	P-F Rec.
MANAGEMENT PROPOSALS				
1a	M0201	Elect Director Jeffrey P. Bezos	FOR	FOR
1b	M0201	Elect Director Andrew R. Jassy	FOR	FOR
1c	M0201	Elect Director Keith B. Alexander	FOR	FOR
1d	M0201	Elect Director Edith W. Cooper	FOR	FOR
1e	M0201	Elect Director Jamie S. Gorelick	FOR	FOR
1f	M0201	Elect Director Daniel P. Huttenlocher	FOR	AGAINST
1g	M0201	Elect Director Judith A. McGrath	FOR	AGAINST
1h	M0201	Elect Director Indra K. Nooyi	FOR	FOR
1i	M0201	Elect Director Jonathan J. Rubinstein	FOR	AGAINST
1j	M0201	Elect Director Patricia Q. Stonesifer	FOR	AGAINST
1k	M0201	Elect Director Wendell P. Weeks	FOR	FOR
2	M0101	Ratify Ernst & Young LLP as Auditors	FOR	AGAINST
3	M0550	Advisory Vote to Ratify Named Executive Officers' Compensation	FOR	AGAINST
4	M0307	Approve 20:1 Stock Split	FOR	FOR

SHAREHOLDER PROPOSALS

5	S0742	Report on Retirement Plan Options Aligned with Company Climate Goals	AGAINST	FOR
6	S0412	Commission Third Party Report Assessing Company's Human Rights Due Diligence Process	AGAINST	FOR
7	S0222	Adopt a Policy to Include Non-Management Employees as Prospective Director Candidates	AGAINST	FOR
8	S0781	Report on Efforts to Reduce Plastic Use	AGAINST	FOR
9	S0710	Report on Worker Health and Safety Disparities	AGAINST	FOR
10	S0815	Report on Risks Associated with Use of Concealment Clauses	AGAINST	FOR
Title]	S0806	Report on Charitable Contributions	AGAINST	AGAINST
12	S0429	Publish a Tax Transparency Report	AGAINST	FOR
13	S0414	Report on Protecting the Rights of Freedom of Association and Collective Bargaining	AGAINST	FOR
14	S0808	Report on Lobbying Payments and Policy	AGAINST	FOR
15	S0230	Require More Director Nominations Than Open Seats	AGAINST	AGAINST
16	S0710	Commission a Third Party Audit on Working Conditions	AGAINST	FOR
17	S0817	Report on Median Gender/Racial Pay Gap	AGAINST	FOR
18	S0428	Oversee and Report a Racial Equity Audit *Withdrawn Resolution*	NONE	NONE
19	S0412	Commission Third Party Study and Report on Risks Associated with Use of Rekognition	AGAINST	FOR

AMAZON.COM INC: ISS BENCHMARK POLICY VERSUS PUBLIC FUND POLICY

Director Election

ISS Benchmark Policy

Amazon.com, Inc. (AMZN)
POLICY: United States

Meeting Date: 25 May 2022
Meeting ID: 1636981

Meeting Agenda & Proposals

Items 1a-1k. Elect Directors

FOR

VOTE RECOMMENDATION

Cautionary votes FOR directors Daniel Huttenlocher and Judith McGrath are warranted, as the company could provide additional information that would allow investors to better understand how the company is managing and mitigating human capital management related risks.

A vote FOR all other directors is warranted.

BACKGROUND INFORMATION

Policies: [Board Accountability](#) | [Board Responsiveness](#) | [Director Competence](#) | [Director Independence](#) | [Election of Directors](#) | [ISS Categorization of Directors](#) | [Vote No campaigns](#)

Vote Requirement: The company has adopted a majority vote standard (of shares cast) for the election of directors with a plurality carve-out for contested elections, and has a director resignation policy in its bylaws/charter.

Discussion

Please see the [Board Profile](#) section above for more information on director nominees.

Public Fund Policy

Amazon.com, Inc. (AMZN)
POLICY: Public Fund

Meeting Date: 25 May 2022
Meeting ID: 1636981

Meeting Agenda & Proposals

Items 1a-1k. Elect Directors

SPLIT

VOTE RECOMMENDATION

Votes AGAINST Jonathan Rubinstein and Patricia Stonesifer are warranted for serving as non-independent members of a key board committee.

Cautionary votes FOR directors Daniel Huttenlocher and Judith McGrath are warranted, as the company could provide additional information that would allow investors to better understand how the company is managing and mitigating human capital management related risks.

A vote FOR the remaining director nominees is warranted.

BACKGROUND INFORMATION

Policies: [Board Accountability](#) | [Board Responsiveness](#) | [Director Competence](#) | [Director Independence](#) | [Election of Directors](#) | [Public Fund Advisory Services Categorization of Directors](#) | [Vote No campaigns](#)

Vote Requirement: The company has adopted a majority vote standard (of shares cast) for the election of directors with a plurality carve-out for contested elections, and has a director resignation policy in its bylaws/charter.

Discussion

Please see the [Board Profile](#) section above for more information on director nominees.

AMAZON.COM INC: ISS BENCHMARK POLICY VERSUS PUBLIC FUND POLICY

Auditor Ratification

ISS Benchmark Policy

Amazon.com, Inc. (AMZN)
POLICY: United States

Meeting Date: 25 May 2022
Meeting ID: 1636981

Item 2. Ratify Ernst & Young LLP as Auditors	FOR
VOTE RECOMMENDATION	
A vote FOR this proposal to ratify the auditor is warranted.	
BACKGROUND INFORMATION	
Policies: Auditor Ratification	
Vote Requirement: Majority of votes cast (abstentions count as votes against)	
Discussion	
AUDIT FIRM INFORMATION	

Public Fund Policy

Item 2. Ratify Ernst & Young LLP as Auditors	AGAINST
VOTE RECOMMENDATION	
A vote AGAINST this item is warranted as the auditor's tenure at the company exceeds seven years.	
BACKGROUND INFORMATION	
Policies: Auditor Ratification	
Vote Requirement: Majority of votes cast (abstentions count as votes against)	
Discussion	
AUDIT FIRM INFORMATION	
The board recommends that Ernst & Young LLP be reappointed as the company's independent audit firm.	

AMAZON.COM INC: ISS BENCHMARK POLICY VERSUS PUBLIC FUND POLICY

Shareholder Proposal Climate Goals

ISS Benchmark Policy

Item 5. Report on Retirement Plan Options Aligned with Company Climate Goals

AGAINST

VOTE RECOMMENDATION

A vote AGAINST this resolution is warranted. The company offers an option to employees that want to invest more responsibly, even if it is not well-promoted. The Department of Labor is finalizing rules on how ESG factors should be considered by fiduciaries. Still, this may be a growing potential risk for the company if it does not make any changes.

BACKGROUND INFORMATION

Policies: [Climate Change/Greenhouse Gas \(GHG\) Emissions](#)

Vote Requirement: Majority of votes cast (abstentions count against; broker non-votes not counted)

Discussion

PROPOSAL

As You Sow has filed a precatory proposal requesting an assessment from the board about how well Amazon's retirement plan options align with its climate goals.

Specifically, the "resolved clause" states:

"BE IT RESOLVED: Shareholders request the Board, at reasonable expense and excluding proprietary information, prepare a report reviewing the Company's retirement plan options with the board's assessment of how the Company's current retirement plan options align with its climate action goals."

Public Fund Policy

Item 5. Report on Retirement Plan Options Aligned with Company Climate Goals

FOR

VOTE RECOMMENDATION

A vote FOR this resolution is warranted as shareholders and employees would benefit from additional information regarding the company's initiatives on sustainable investment options, as they can further ensure positive sustainability performance. The report would also allow shareholders to better assess whether the company is adhering to its stated climate goals and its management of related risks.

BACKGROUND INFORMATION

Policies: [Climate Change/Greenhouse Gas \(GHG\) Emissions](#)

Vote Requirement: Majority of votes cast (abstentions count against; broker non-votes not counted)

Discussion

PROPOSAL

As You Sow has filed a precatory proposal requesting an assessment from the board about how well Amazon's retirement plan options align with its climate goals.

Specifically, the "resolved clause" states:

AMAZON.COM INC: ISS BENCHMARK POLICY VERSUS PUBLIC FUND POLICY

Shareholder Proposal Worker Health & Safety

ISS Benchmark Policy

Public Fund Policy

Item 9. Report on Worker Health and Safety Disparities

AGAINST

VOTE RECOMMENDATION

A vote AGAINST this proposal is warranted. The proposal is overly broad in scope, and such disclosure is not a standard industry practice at this time.

Vote Requirement: Majority of votes cast (abstentions count against; broker non-votes not counted)

Discussion

PROPOSAL

The proponent has submitted a precatory proposal requesting that Amazon.com, Inc. disclose a report on worker health and safety disparities.

The "resolved clause" of the resolution specifically states:

Item 9. Report on Worker Health and Safety Disparities

FOR

VOTE RECOMMENDATION

A vote FOR this proposal is warranted, as shareholders would benefit from additional information allowing them to better measure the progress of the company's diversity and inclusion initiatives.

Vote Requirement: Majority of votes cast (abstentions count against; broker non-votes not counted)

Discussion

PROPOSAL

The proponent has submitted a precatory proposal requesting that Amazon.com, Inc. disclose a report on worker health and safety disparities.

The "resolved clause" of the resolution specifically states:

Resolved: Shareholders urge the Amazon.com ('Amazon') Board of Directors to issue a report, at reasonable cost and excluding proprietary information, examining whether Amazon's health and safety practices give rise to any racial and gender disparities in workplace injury rates among its warehouse workers and the impact of any such disparities on the long-term earnings and career advancement potential of female and minority warehouse workers.

Among other things, the report shall include lost time injury rates for all warehouse workers, broken down by race, gender and ethnicity."

ALPHABET INC.



ISSGOVERNANCE.COM

ALPHABET INC: ISS BENCHMARK POLICY VERSUS PUBLIC FUND POLICY

Alphabet Inc. Inc Key Takeaways June 1st, 2022 Meeting

ISS Benchmark Policy

Public Fund Policy

ISS Proxy Analysis & Benchmark Policy Voting Recommendations



Alphabet Inc.

Key Takeaways

The board has taken steps to improve the transparency and performance-based nature of executive incentive pay programs. After historically granting large periodic equity awards, the committee transitioned to an annual-cycle long-term incentive program in FY21, granting half-performance conditioned awards with smaller values. Further, a formulaic annual incentive program based on environmental and social goals will be implemented in FY22. However, based on an Equity Plan Scorecard evaluation of plan cost, plan features, and grant practices, support for the equity plan proposal is not warranted (Item 3).

Support for additional disclosure about the company's lobbying (Item 5) and climate lobbying in particular (Item 6) is warranted as additional reporting on the company's lobbying-related practices and policies would benefit shareholders in assessing its management of related risks.

Support is warranted for the shareholder proposal requesting a report on the company's climate change risk mitigation for physical assets (Item 7) and for the shareholder proposal requesting a report on the company's water-related climate change risks (Item 8), as shareholders would benefit from increased transparency and disclosure on how the company is managing climate change-related risks.

Support for the shareholder resolution on overseeing a racial equity audit (Item 9) is warranted as such disclosure would allow shareholders to better assess the racial equity impacts and effectiveness of the company's policies and practices.

The adoption of a one-share, one-vote capital structure (Item 11) would improve board accountability and the rights of unaffiliated shareholders.

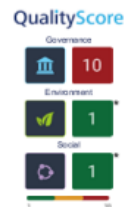
Support for the shareholder resolution on increasing algorithm disclosures (Item 15) is warranted as increased reporting will allow shareholders to track the company's progress and management of related risks.

Support for the shareholder resolution on risks of doing business in countries with significant human rights concerns (Item 13) and for the proposal regarding a human rights assessment of its management of misinformation and disinformation (Item 16) is warranted, as such assessments would benefit shareholders in assessing its management of related risks.

Agenda & Recommendations

Policy: United States
Incorporated: Delaware, USA

Item	Code	Proposal	Board Rec.	ISS Rec.
MANAGEMENT PROPOSALS				
1a	M0201	Elect Director Larry Page	FOR	FOR
1b	M0201	Elect Director Sergey Brin	FOR	FOR
1c	M0201	Elect Director Sundar Pichai	FOR	FOR
1d	M0201	Elect Director John L. Hennessy	FOR	FOR
1e	M0201	Elect Director Frances H. Arnold	FOR	FOR
1f	M0201	Elect Director L. John Doerr	FOR	FOR



Meeting Type: Annual (Virtual)
Meeting Date: 1 June 2022
Record Date: 5 April 2022
Meeting ID: 1641383

NASDAQ: GOOGL
Index: S&P 500
Sector: Interactive Media & Services
GICS: 50203010

Primary Contacts
Daniel Radakovich
Ashton Adams – Compensation
Kathy Belyeu, Michael Berry,
Michael Ellis, Halley Knowles – E&S
[U.S. Research Help Center](#)

Public Fund Advisory Services' Policy Voting Recommendations



Alphabet Inc.

Key Takeaways

- The board is not majority independent.
- John Hennessy, L. John Doerr, Ann Mather and K. Ram Shriram are non-independent members of a key board committee.
- Ann Mather serves on the boards of more than four publicly-traded companies.
- Concerns are raised with respect to the excessive personal security requisite provided to the CEO.
- The company has retained the same audit firm in excess of seven years.
- The company's three-year average burn rate is excessive.
- Support for additional disclosure about the company's lobbying (Item 5) and climate lobbying in particular (Item 6) is warranted as additional reporting on the company's lobbying-related practices and policies would benefit shareholders in assessing its management of related risks.
- Support is warranted for the shareholder proposal requesting a report on the company's climate change risk mitigation for physical assets (Item 7) and for the shareholder proposal requesting a report on the company's water-related climate change risks (Item 8), as shareholders would benefit from increased transparency and disclosure on how the company is managing climate change-related risks.
- Support for the shareholder resolution on overseeing a racial equity audit (Item 9) is warranted as such disclosure would allow shareholders to better assess the racial equity impacts and effectiveness of the company's policies and practices.
- Support for the proposal (Item 10) requesting additional disclosure on the company's use of "concealment clauses" is warranted as it may bring additional information to light that could result in improved recruitment, development and retention.
- The adoption of a one-share, one-vote capital structure (Item 11) would improve board accountability and the rights of unaffiliated shareholders.
- Support for the proposal (Item 14) requesting that the company prepare a report on data collection risks is warranted as enhanced disclosure on the topic would enable shareholders to better assess how the company is managing data privacy related risks.
- Support for the shareholder resolution on increasing algorithm disclosures (Item 15) is warranted as increased reporting will allow shareholders to track the company's progress and management of related risks.
- Support for the shareholder resolution on risks of doing business in countries with significant human rights concerns (Item 13) and for the proposal regarding a human rights assessment of its management of misinformation and disinformation (Item 16) is warranted, as such assessments would benefit shareholders in assessing its management of related risks.
- Support for the proposal (Item 17) requesting that the company report on the costs of disinformation on diversified shareholders is warranted as this would provide shareholders with valuable information on how well the company is assessing and mitigating content-related controversies on its platforms.
- Support for the proposal (Item 18) requesting the company report on the steps taken to increase gender and racial board diversity is warranted as adoption of this proposal would allow shareholders to better assess the effectiveness of the company's efforts towards improving gender and racial representation on the board and management of related risks.
- The proposal (Item 19) to establish a board committee on environmental sustainability merits support as a committee dedicated to oversight of environmental sustainability should serve to further strengthen the company's ability to manage risks related to climate change and sustainability issues in general.



Meeting Type: Annual (Virtual)
Meeting Date: 1 June 2022
Record Date: 5 April 2022
Meeting ID: 1641383

NASDAQ: GOOGL
Index: S&P 500
Sector: Interactive Media & Services
GICS: 50203010

Primary Contacts
Daniel Jjemba
Sarah Riggs
[Public Fund Advisory Services Help Center](#)

1g	M0201	Elect Director Roger W. Ferguson, Jr.	FOR	FOR
1h	M0201	Elect Director Ann Mather	FOR	FOR
1i	M0201	Elect Director K. Ram Shriram	FOR	FOR
1j	M0201	Elect Director Robin L. Washington	FOR	FOR
2	M0101	Ratify Ernst & Young LLP as Auditors	FOR	FOR
3	M0524	Amend Omnibus Stock Plan	FOR	AGAINST
4	M0304	Increase Authorized Common Stock	FOR	FOR

SHAREHOLDER PROPOSALS

5	S0808	Report on Lobbying Payments and Policy	AGAINST	FOR
6	S0742	Report on Climate Lobbying	AGAINST	FOR
7	S0742	Report on Physical Risks of Climate Change	AGAINST	FOR
8	S0731	Report on Metrics and Efforts to Reduce Water Related Risk	AGAINST	FOR
9	S0428	Oversee and Report a Third-Party Racial Equity Audit	AGAINST	FOR
10	S0815	Report on Risks Associated with Use of Concealment Clauses	AGAINST	AGAINST
11	S0316	Approve Recapitalization Plan for all Stock to Have One-vote per Share	AGAINST	FOR
12	S0429	Report on Government Takedown Requests	AGAINST	AGAINST
13	S0412	Report on Risks of Doing Business in Countries with Significant Human Rights Concerns	AGAINST	FOR
14	S0429	Report on Managing Risks Related to Data Collection, Privacy and Security	AGAINST	AGAINST
15	S0429	Disclose More Quantitative and Qualitative Information on Algorithmic Systems	AGAINST	FOR
16	S0412	Commission Third Party Assessment of Company's Management of Misinformation and Disinformation Across Platforms	AGAINST	FOR
17	S0429	Report on External Costs of Misinformation and Impact on Diversified Shareholders	AGAINST	AGAINST
18	S0227	Report on Steps to Improve Racial and Gender Board Diversity	AGAINST	AGAINST
19	S0206	Establish an Environmental Sustainability Board Committee	AGAINST	AGAINST
20	S0222	Adopt a Policy to Include Non-Management Employees as Prospective Director Candidates	AGAINST	AGAINST
21	S0429	Report on Policies Regarding Military and Militarized Policing Agencies	AGAINST	AGAINST

Shading indicates that ISS recommendation differs from Board recommendation

► Items deserving attention due to contentious issues or controversy

- An employee representative director may enhance board diversity and could potentially give the company meaningful insights into its workplace (Item 20).
- Support for the proposal (Item 21) requesting risk assessment of military and militarized policing agency contracts is warranted as it may enhance and complement the company's existing human rights policies, disclosures, and oversight mechanisms.

Agenda & Recommendations

Policy: Public Fund
Incorporated: Delaware, USA

Item	Code	Proposal	Board Rec.	P-F Rec.
MANAGEMENT PROPOSALS				
1a	M0201	Elect Director Larry Page	FOR	AGAINST
1b	M0201	Elect Director Sergey Brin	FOR	AGAINST
1c	M0201	Elect Director Sundar Pichai	FOR	AGAINST
1d	M0201	Elect Director John L. Hennessy	FOR	AGAINST
1e	M0201	Elect Director Frances H. Arnold	FOR	FOR
1f	M0201	Elect Director L. John Doerr	FOR	AGAINST
1g	M0201	Elect Director Roger W. Ferguson, Jr.	FOR	FOR
1h	M0201	Elect Director Ann Mather	FOR	AGAINST
1i	M0201	Elect Director K. Ram Shriram	FOR	AGAINST
1j	M0201	Elect Director Robin L. Washington	FOR	AGAINST
2	M0101	Ratify Ernst & Young LLP as Auditors	FOR	AGAINST
3	M0524	Amend Omnibus Stock Plan	FOR	AGAINST
4	M0304	Increase Authorized Common Stock	FOR	FOR

SHAREHOLDER PROPOSALS

5	S0808	Report on Lobbying Payments and Policy	AGAINST	FOR
6	S0742	Report on Climate Lobbying	AGAINST	FOR
7	S0742	Report on Physical Risks of Climate Change	AGAINST	FOR
8	S0731	Report on Metrics and Efforts to Reduce Water Related Risk	AGAINST	FOR
9	S0428	Oversee and Report a Third-Party Racial Equity Audit	AGAINST	FOR
10	S0815	Report on Risks Associated with Use of Concealment Clauses	AGAINST	FOR
11	S0316	Approve Recapitalization Plan for all Stock to Have One-vote per Share	AGAINST	FOR
12	S0429	Report on Government Takedown Requests	AGAINST	AGAINST
13	S0412	Report on Risks of Doing Business in Countries with Significant Human Rights Concerns	AGAINST	FOR
14	S0429	Report on Managing Risks Related to Data Collection, Privacy and Security	AGAINST	FOR
15	S0429	Disclose More Quantitative and Qualitative Information on Algorithmic Systems	AGAINST	FOR
16	S0412	Commission Third Party Assessment of Company's Management of Misinformation and Disinformation Across Platforms	AGAINST	FOR
17	S0429	Report on External Costs of Misinformation and Impact on Diversified Shareholders	AGAINST	FOR
18	S0227	Report on Steps to Improve Racial and Gender Board Diversity	AGAINST	FOR

ALPHABET INC: ISS BENCHMARK POLICY VERSUS PUBLIC FUND POLICY

Alphabet Inc. Inc Key Takeaways June 1st, 2022 Meeting

ISS Benchmark Policy

Public Fund Policy (Continued)

Alphabet Inc. (GOOGL)
POLICY: Public Fund

Meeting Date: 1 June 2022
Meeting ID: 1641383

19	S0206	Establish an Environmental Sustainability Board Committee	AGAINST	FOR
20	S0222	Adopt a Policy to Include Non-Management Employees as Prospective Director Candidates	AGAINST	FOR
21	S0429	Report on Policies Regarding Military and Militarized Policing Agencies	AGAINST	FOR

Shading indicates that Public Fund Advisory Services recommendation differs from Board recommendation

► Items deserving attention due to contentious issues or controversy

ALPHABET INC: ISS BENCHMARK POLICY VERSUS PUBLIC FUND POLICY

Shareholder Proposal Environmental Stainability Board

ISS Benchmark Policy

Alphabet Inc. (GOOGL)
POLICY: United States

Meeting Date: 1 June 2022
Meeting ID: 1641383

Item 19. Establish an Environmental Sustainability Board Committee

AGAINST

VOTE RECOMMENDATION

A vote AGAINST this resolution is warranted, as the company's existing board framework appears adequate to allow for robust oversight of issues related to environmental issues and, absent clear performance concerns, the board is generally given latitude to determine its committee structure.

Vote Requirement: Majority of votes cast, with Class A common stock and Class B common voting together as a single class (abstentions count against and broker non-votes not counted)

Discussion

PROPOSAL

A shareholder proponent has submitted a precatory proposal requesting that the Board create a committee on environmental sustainability.

The "resolved clause" of the proposal specifically reads:

Public Fund Policy

Alphabet Inc. (GOOGL)
POLICY: Public Fund

Meeting Date: 1 June 2022
Meeting ID: 1641383

Item 19. Establish an Environmental Sustainability Board Committee

FOR

VOTE RECOMMENDATION

A vote FOR this proposal is warranted because the creation of a committee on environmental sustainability should serve to further strengthen the company's ability to manage risks related to climate change and sustainability issues in general.

Vote Requirement: Majority of votes cast, with Class A common stock and Class B common voting together as a single class (abstentions count against and broker non-votes not counted)

Discussion

PROPOSAL

ALPHABET INC: ISS BENCHMARK POLICY VERSUS PUBLIC FUND POLICY

Shareholder Proposal to report on improving diversity

ISS Benchmark Policy

Item 18. Report on Steps to Improve Racial and Gender Board Diversity	AGAINST
<p>VOTE RECOMMENDATION</p> <p>A vote AGAINST this proposal is warranted because the board's Nominating and Corporate Governance Committee states a commitment to diversity in hiring board members, the company is not significantly lagging its peers in board diversity, and it provides sufficient disclosure on board diversity data.</p> <p>BACKGROUND INFORMATION</p> <p>Policies: Board Diversity</p> <p>Vote Requirement: Majority of votes cast, with Class A common stock and Class B common voting together as a single class (abstentions count against and broker non-votes not counted)</p> <p>Discussion</p> <p>PROPOSAL</p> <p>Arjuna Capital has submitted a proposal requesting that Alphabet report on the company's steps to increase gender and racial board diversity.</p> <p>The proposal specifically requests:</p>	

Public Fund Policy

Item 18. Report on Steps to Improve Racial and Gender Board Diversity	FOR
<p>VOTE RECOMMENDATION</p> <p>A vote FOR this proposal is warranted as adoption of this proposal would allow shareholders to better assess the effectiveness of the company's efforts towards improving gender and racial representation on the board and management of related risks.</p> <p>BACKGROUND INFORMATION</p> <p>Policies: Board Diversity</p> <p>Vote Requirement: Majority of votes cast, with Class A common stock and Class B common voting together as a single class (abstentions count against and broker non-votes not counted)</p> <p>Discussion</p> <p>PROPOSAL</p> <p>Arjuna Capital has submitted a proposal requesting that Alphabet report on the company's steps to increase gender and racial board diversity.</p>	

UBS GROUP AG



ISSGOVERNANCE.COM

UBS Group AG: ISS BENCHMARK POLICY VERSUS PUBLIC FUND POLICY

UBS GROUP AG Key Takeaways April 6, 2022 Meeting

ISS Benchmark Policy

Public Fund Policy

ISS Proxy Analysis & Benchmark Policy Voting Recommendations

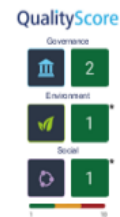


UBS Group AG

Key Takeaways

ISS has highlighted the climate action plan (Item 3) for shareholder attention because the company only provides vague disclosure surrounding its scope 3 emissions related to its financing activity and the company has set up targets only partially covering scope 3 (category 15-investments). However, we note that the company is committed to net-zero by 2050 from all aspects (scope 1, 2 and 3) of its business; the company's climate transition plan includes decarbonization targets for 2025 (scope 1 and 2) and related to financing activities in its priority sectors for 2030; and the governance structure for addressing and dealing with climate topics is transparent and appears robust.

Additionally, ISS has highlighted the discharge resolution (Item 5) for shareholder attention due to a USD 861 million pre-tax loss incurred due to the default of a US-based client of the prime brokerage business.



Meeting Type: Annual (Live)
Meeting Date: 6 April 2022
Meeting ID: 1590328

SIX Swiss Exchange: UBSG
Index: SPI 20
Sector: Diversified Capital Markets
GICS: 40203030

Primary Contact(s)
Vanessa Horsinka, Remina Mohamed, Robert Kalb, Alexander Walker, Katryna Krueger
ch-research@issgovernance.com

Agenda & Recommendations

Policy: Europe
Incorporated: Switzerland

Item	Code	Proposal	Board Rec.	ISS Rec.
MANAGEMENT PROPOSALS				
1	M0105	Accept Financial Statements and Statutory Reports	FOR	FOR
2	M0550	Approve Remuneration Report	FOR	FOR
▶3	M0710	Approve Climate Action Plan	FOR	FOR
4	M0152	Approve Allocation of Income and Dividends of USD 0.50 per Share	FOR	FOR
▶5	M0260	Approve Discharge of Board and Senior Management for Fiscal Year 2021, excluding French Cross-Border Matter	FOR	FOR
6.1	M0201	Reelect Jeremy Anderson as Director	FOR	FOR
6.2	M0201	Reelect Claudia Boeckstiegel as Director	FOR	FOR
6.3	M0201	Reelect William Dudley as Director	FOR	FOR
6.4	M0201	Reelect Patrick Firmenich as Director	FOR	FOR
6.5	M0201	Reelect Fred Hu as Director	FOR	FOR
6.6	M0201	Reelect Mark Hughes as Director	FOR	FOR
6.7	M0201	Reelect Nathalie Rachou as Director	FOR	FOR
6.8	M0201	Reelect Julie Richardson as Director	FOR	FOR
6.9	M0201	Reelect Dieter Wemmer as Director	FOR	FOR
6.10	M0201	Reelect Jeanette Wong as Director	FOR	FOR
7.1	M0201	Elect Lukas Gaehtler as Director	FOR	FOR

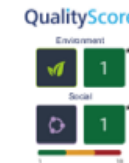
Public Fund Advisory Services' Policy Voting Recommendations



UBS Group AG

Key Takeaways

- Thomas (Colm) Kelleher serves as a non-independent chair of the board.
- Concerns are raised with respect to the proposed climate action plan. While the company has made a commitment to net-zero by 2050 from all aspects (scope 1, 2 and 3), it has not disclosed a clear, forward-looking climate strategy, only disclosing some of the short, medium, and long-term targets. The reporting of scope 3 emissions remains underdeveloped and does not permit a full assessment of the interim targets set up for the lending in three high-priority sectors nor does it allow transparency into its remaining scope 3 emissions related to the relevant category for banks. Additionally, the company has not formulated targets approved by the Science Based Targets Initiative (Item 3).
- Public Fund Advisory Services has highlighted the discharge resolution for shareholder attention due to a USD 861 million pre-tax loss incurred due to the default of a US-based client of the prime brokerage business (Item 5).



Meeting Type: Annual (Live)
Meeting Date: 6 April 2022
Meeting ID: 1590328

SIX Swiss Exchange: UBSG
Index: SPI 20
Sector: Diversified Capital Markets
GICS: 40203030

Primary Contacts
Sarah Riggs
Mithuz Zarah Olave
PublicFundAdvisoryServices@issgovernance.com

Agenda & Recommendations

Policy: Public Fund
Incorporated: Switzerland

Item	Code	Proposal	Board Rec.	P-F Rec.
MANAGEMENT PROPOSALS				
1	M0105	Accept Financial Statements and Statutory Reports	FOR	FOR
2	M0550	Approve Remuneration Report	FOR	FOR
3	M0710	Approve Climate Action Plan	FOR	AGAINST
4	M0152	Approve Allocation of Income and Dividends of USD 0.50 per Share	FOR	FOR
▶5	M0260	Approve Discharge of Board and Senior Management for Fiscal Year 2021, excluding French Cross-Border Matter	FOR	FOR
6.1	M0201	Reelect Jeremy Anderson as Director	FOR	FOR
6.2	M0201	Reelect Claudia Boeckstiegel as Director	FOR	FOR
6.3	M0201	Reelect William Dudley as Director	FOR	FOR
6.4	M0201	Reelect Patrick Firmenich as Director	FOR	FOR
6.5	M0201	Reelect Fred Hu as Director	FOR	FOR
6.6	M0201	Reelect Mark Hughes as Director	FOR	FOR
6.7	M0201	Reelect Nathalie Rachou as Director	FOR	FOR
6.8	M0201	Reelect Julie Richardson as Director	FOR	FOR
6.9	M0201	Reelect Dieter Wemmer as Director	FOR	FOR
6.10	M0201	Reelect Jeanette Wong as Director	FOR	FOR

UBS Group AG: ISS BENCHMARK POLICY VERSUS PUBLIC FUND POLICY

UBS GROUP AG Key Takeaways April 6, 2022 Meeting

ISS Benchmark Policy

UBS Group AG (UBSG) POLICY: Europe			Meeting Date: 6 April 2022 Meeting ID: 1590328	
7.2	M0201	Elect Colm Kelleher as Director and Board Chairman	FOR	FOR
8.1	M0178	Reappoint Julie Richardson as Member of the Compensation Committee	FOR	FOR
8.2	M0178	Reappoint Dieter Wemmer as Member of the Compensation Committee	FOR	FOR
8.3	M0178	Reappoint Jeanette Wong as Member of the Compensation Committee	FOR	FOR
9.1	M0219	Approve Remuneration of Directors in the Amount of CHF 13 Million	FOR	FOR
9.2	M0549	Approve Variable Remuneration of Executive Committee in the Amount of CHF 79.8 Million	FOR	FOR
9.3	M0549	Approve Fixed Remuneration of Executive Committee in the Amount of CHF 33 Million	FOR	FOR
10.1	M0110	Designate ADB Altorfer Duss & Beilstein AG as Independent Proxy	FOR	FOR
10.2	M0101	Ratify Ernst & Young AG as Auditors	FOR	FOR
11	M0374	Approve CHF 17.8 Million Reduction in Share Capital as Part of the Share Buyback Program via Cancellation of Repurchased Shares	FOR	FOR
12	M0318	Authorize Repurchase of up to USD 6 Billion in Issued Share Capital	FOR	FOR
13	M0125	Transact Other Business (Voting)	NONE	AGAINST

Shading indicates that ISS recommendation differs from Board recommendation

► Items deserving attention due to contentious issues or controversy

Public Fund Policy

UBS Group AG (UBSG) [No Title] POLICY: Public Fund			Meeting Date: 6 April 2022 Meeting ID: 1590328	
7.1	M0201	Elect Lukas Gaehwiler as Director	FOR	FOR
7.2	M0201	Elect Colm Kelleher as Director and Board Chairman	FOR	AGAINST
8.1	M0178	Reappoint Julie Richardson as Member of the Compensation Committee	FOR	FOR
8.2	M0178	Reappoint Dieter Wemmer as Member of the Compensation Committee	FOR	FOR
8.3	M0178	Reappoint Jeanette Wong as Member of the Compensation Committee	FOR	FOR
9.1	M0219	Approve Remuneration of Directors in the Amount of CHF 13 Million	FOR	FOR
9.2	M0549	Approve Variable Remuneration of Executive Committee in the Amount of CHF 79.8 Million	FOR	FOR
9.3	M0549	Approve Fixed Remuneration of Executive Committee in the Amount of CHF 33 Million	FOR	FOR
10.1	M0110	Designate ADB Altorfer Duss & Beilstein AG as Independent Proxy	FOR	FOR
10.2	M0101	Ratify Ernst & Young AG as Auditors	FOR	FOR
11	M0374	Approve CHF 17.8 Million Reduction in Share Capital as Part of the Share Buyback Program via Cancellation of Repurchased Shares	FOR	FOR
12	M0318	Authorize Repurchase of up to USD 6 Billion in Issued Share Capital	FOR	FOR
13	M0125	Transact Other Business (Voting)	NONE	AGAINST

Shading indicates that Public Fund Advisory Services recommendation differs from Board recommendation

► Items deserving attention due to contentious issues or controversy

UBS Group AG: ISS BENCHMARK POLICY VERSUS PUBLIC FUND POLICY

Management Proposal for Climate Action Plan

ISS Benchmark Policy

Item 3. Approve Climate Action Plan	FOR
VOTE RECOMMENDATION	
A vote FOR this resolution is warranted, but it is not without concerns because:	
<ul style="list-style-type: none">The company only provides vague disclosure surrounding its scope 3 emissions related to its financing activity.The company has set up targets only partially covering scope 3 (category 15-investments).	
Nevertheless, support is warranted because:	
<ul style="list-style-type: none">The company is committed to net-zero by 2050 from all aspects (scope 1, 2, and 3) of its business.The company's climate transition plan includes decarbonization targets for 2025 (scope 1 and 2) and related to financing activities in its priority sectors for 2030, and the governance structure for addressing and dealing with climate topics is transparent and appears robust.	

Discussion

UBS Group AG is seeking shareholder approval for its Climate Roadmap with specific milestones to achieve net zero greenhouse gas emissions by 2050, which is consistent with a 1.5°C path defined within the Paris Climate Agreement.

OVERVIEW

In line with a recent global trend, UBS Group is putting its climate strategy to a shareholder vote. In 2021, some companies also voluntarily committed to put forward an advisory vote on climate on a regular basis.

UBS GROUP'S CLIMATE ROADMAP

Public Fund Policy

Item 3. Approve Climate Action Plan	AGAINST
VOTE RECOMMENDATION	
A vote AGAINST this proposal is warranted given the apparent gaps in the company's climate reporting and lack of science-based target setting. While UBS Group has committed to a net-zero by 2050 ambition, the company has not disclosed a clear, forward-looking climate strategy, only disclosing some of the short, medium, and long-term targets, to substantiate how it will deliver on this ambition.	

Discussion

UBS Group is seeking shareholder approval for its Climate Roadmap with specific milestones to achieve net zero greenhouse gas emissions by 2050, which is consistent with a 1.5°C path defined within the Paris Climate Agreement.

OVERVIEW

In line with a recent global trend, UBS Group is putting its climate strategy to a shareholder vote. In 2021, some companies also voluntarily committed to put forward an advisory vote on climate on a regular basis.

UBS GROUP'S CLIMATE ROADMAP



ISSGOVERNANCE.COM

Ariane De Vienne
Managing Director – Sales
ariane.devienne@issgovernance.com

Richard Clark
Vice President – Sales
richard.clark@issgovernance.com

Valerie Sullivan
Associate VP, Client Success and Consultants
valerie.Sullivan@issgovernance.com

APPENDIX



ISSGOVERNANCE.COM

ISS MULTIPLE POLICY PERSPECTIVES for Meetings in the Russell 3000 for CY2021

	ISS Benchmark Policy	Sustainability Policy	SRI Policy	Climate Policy	Catholic Policy	Public Fund Policy	Taft-Hartley Policy
Policy Focus	All – including Investment managers and institutional investors of all sizes	UN PRI Signatories or similarly aligned investment managers & asset owners	SRI investment firms, religious groups, charitable foundations & university endowments	Climate-focused investors, inclusive of asset managers, asset owners and mutual funds	Catholic faith-based investors, including dioceses & Catholic healthcare systems	Public pension fund managers & public plan sponsors/trustees	Taft-Hartley pension funds & investment managers (ERISA)
Orientation	“Best practice” governance standards that promote total, long-term shareholder value & risk mitigation	United Nations Principles for Responsible Investment (UN PRI)	The “triple bottom line” value creation	Widely recognized frameworks, including the Task Force on Climate-related Financial Disclosures (TCFD)	Economic gain, social justice, environmental stewardship, ethical conduct & teachings of the Catholic Church (USCCB)	Long-term best interests of public plan participants & beneficiaries	Worker-owner view of long-term corporate value based on the AFL-CIO proxy voting guidelines
Key Policy Highlights:							
1. <u>Board</u>	Independence (>50%), composition, accountability and responsiveness	Independence (>50%), composition, accountability and responsiveness - including on ESG topics	Independence (>50%), composition, accountability and responsiveness - including on ESG topics, diversity	Independence (>50%), composition, accountability and responsiveness - including on ESG topics, with focus on climate-related risk oversight	Independence (>50%), composition, accountability and responsiveness - including on ESG topics, diversity	Independence (>50%), composition, accountability and responsiveness	Independence (67%), composition, accountability and responsiveness
2. <u>Compensation</u>	Alignment of pay and performance, presence of problematic compensation practices, shareholder value transfer (SVT)	Alignment of pay and performance, presence of problematic compensation practices, shareholder value transfer (SVT)	Alignment of pay and performance including on ESG topics, presence of problematic compensation practices, shareholder value transfer (SVT)	Alignment of pay and performance, presence of problematic compensation practices, shareholder value transfer (SVT)	Alignment of pay and performance - including on ESG topics, presence of problematic compensation practices, shareholder value transfer (SVT)	Alignment of pay & performance, presence of problematic compensation practices, voting power dilution (15%)	Alignment of pay & performance, presence of problematic compensation practices, voting power dilution (10%)
3. <u>Environmental & Social</u>	Consider shareholder proposals on social, environmental and labor/human rights issues on a case-by-case basis	Generally support shareholder proposals advocating ESG disclosure or universal norms/codes of conduct	Generally support shareholder proposals on social, environmental and labor/human rights issues	Generally support shareholder proposals promoting greater disclosure of corporate environmental policies and practices	Generally support shareholder proposals on social, environmental and labor/human rights issues	Generally support shareholder proposals on social, environmental & labor/human rights issues	Generally support shareholder proposals on social, environmental & labor/human rights issues
Board Opposition	12%	12%	25%	8%	37%	35%	42%
Auditor Ratification Opposition	<1%	<1%	6%	<1%	6%	66%	66%
Equity Pay Plans Opposition	24%	24%	24%	10%	20%	86%	88%
Say on Pay Opposition	12%	12%	19%	13%	18%	24%	24%
Gov. Shareholder Proposal Support	78%	83%	96%	88%	96%	98%	97%
E&S Shareholder Proposal Support	65%	72%	95%	90%	95%	95%	95%

* Recommendations for shareholder meetings in the Russell 3000 (2021)

ISS MULTIPLE POLICY PERSPECTIVES for Meetings in the S&P 500 for CY2021

	ISS Benchmark Policy	Sustainability Policy	SRI Policy	Climate Policy	Catholic Policy	Public Fund Policy	Taft-Hartley Policy
Policy Focus	All – including Investment managers and institutional investors of all sizes	UN PRI Signatories or similarly aligned investment managers & asset owners	SRI investment firms, religious groups, charitable foundations & university endowments	Climate-focused investors, inclusive of asset managers, asset owners and mutual funds	Catholic faith-based investors, including dioceses & Catholic healthcare systems	Public pension fund managers & public plan sponsors/trustees	Taft-Hartley pension funds & investment managers (ERISA)
Orientation	“Best practice” governance standards that promote total, long-term shareholder value & risk mitigation	United Nations Principles for Responsible Investment (UN PRI)	The “triple bottom line” value creation	Widely recognized frameworks, including the Task Force on Climate-related Financial Disclosures (TCFD)	Economic gain, social justice, environmental stewardship, ethical conduct & teachings of the Catholic Church (USCCB)	Long-term best interests of public plan participants & beneficiaries	Worker-owner view of long-term corporate value based on the AFL-CIO proxy voting guidelines
Key Policy Highlights:							
1. <u>Board</u>	Independence (50%), composition, accountability and responsiveness	Independence (50%), composition, accountability and responsiveness - including on ESG topics	Independence (50%), composition, accountability and responsiveness - including on ESG topics, diversity	Independence (50%), composition, accountability and responsiveness - including on ESG topics, with focus on climate-related risk oversight	Independence (50%), composition, accountability and responsiveness - including on ESG topics, diversity	Independence (50%), composition, accountability and responsiveness	Independence (67%), composition, accountability and responsiveness
2. <u>Compensation</u>	Alignment of pay and performance, presence of problematic compensation practices, shareholder value transfer (SVT)	Alignment of pay and performance, presence of problematic compensation practices, shareholder value transfer (SVT)	Alignment of pay and performance including on ESG topics, presence of problematic compensation practices, shareholder value transfer (SVT)	Alignment of pay and performance, presence of problematic compensation practices, shareholder value transfer (SVT)	Alignment of pay and performance - including on ESG topics, presence of problematic compensation practices, shareholder value transfer (SVT)	Alignment of pay & performance, presence of problematic compensation practices, voting power dilution (15%)	Alignment of pay & performance, presence of problematic compensation practices, voting power dilution (10%)
3. <u>Environmental & Social</u>	Consider shareholder proposals on social, environmental and labor/human rights issues on a case-by-case basis	Generally support shareholder proposals advocating ESG disclosure or universal norms/codes of conduct	Generally support shareholder proposals on social, environmental and labor/human rights issues	Generally support shareholder proposals promoting greater disclosure of corporate environmental policies and practices	Generally support shareholder proposals on social, environmental and labor/human rights issues	Generally support shareholder proposals on social, environmental & labor/human rights issues	Generally support shareholder proposals on social, environmental & labor/human rights issues
Board Opposition	3%	3%	8%	14%	4%	29%	36%
Auditor Ratification Opposition	<1%	<1%	7%	7%	<1%	91%	91%
Equity Pay Plans	7%	7%	7%	7%	7%	67%	70%
Say on Pay Opposition	11%	11%	15%	15%	12%	27%	27%
Gov. Shareholder Proposal Support	73 %	80%	97%	97%	87%	98%	98%
E&S Shareholder Proposal Support	63%	71%	94%	94%	90%	94%	94%

* Recommendations for shareholder meetings in the S&P 500 (2021)