DECEMBER 2025

RESPONSIBLE INVESTMENT & ESG INTEGRATION AT UTI AMC



UTI Asset Management Company Limited (UTI AMC) is in its fourth year of implementing Responsible Investment and Environmental, Social, and Governance (ESG) integration. **Over the past 54 months, we have brought 446 companies—representing 100% of our equity universe—under comprehensive ESG coverage.**

Environmental, Social, and Governance (ESG) factors encompass a broad spectrum of considerations, including climate-related risks, water management, employee health and safety, diversity and inclusion, cybersecurity, and corporate governance practices. These factors can have a material influence on investment performance by affecting cash flows, revenue generation, risk exposures, and the overall resilience of businesses in the face of long-term structural changes in the economy.

At UTI AMC, ESG risks and opportunities are evaluated through a distinctly investment-oriented lens and are assessed alongside traditional financial metrics as an integral component of our research and analysis process. This integrated approach is designed to support well-informed, long-term investment decision-making. We regard the incorporation of ESG considerations not as a compromise, but as a means to enhance risk-adjusted returns. We are firmly of the view that responsible investing represents both a prudent and principled approach, and that companies which proactively manage ESG risks are better positioned to generate sustainable, long-term value.

This report sets out UTI AMC's responsible investment framework and outlines our continued efforts to embed ESG considerations within our investment processes. It provides an update on our stewardship activities, including our engagement with investee companies and the exercise of proxy voting rights.



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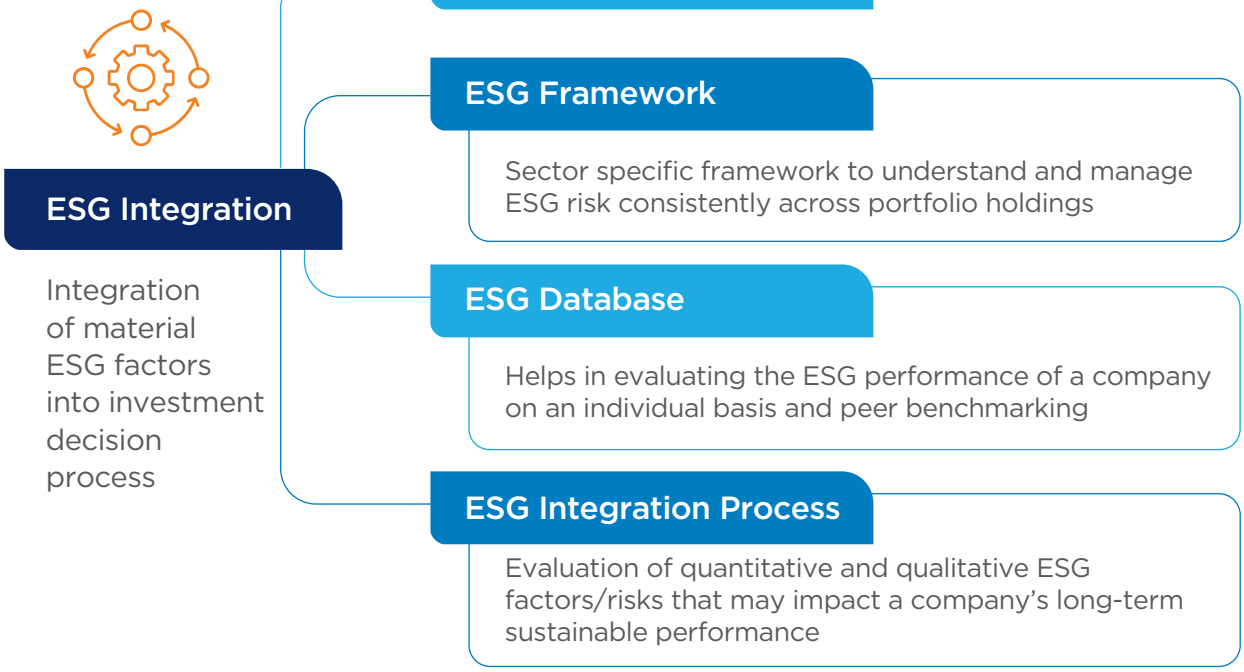
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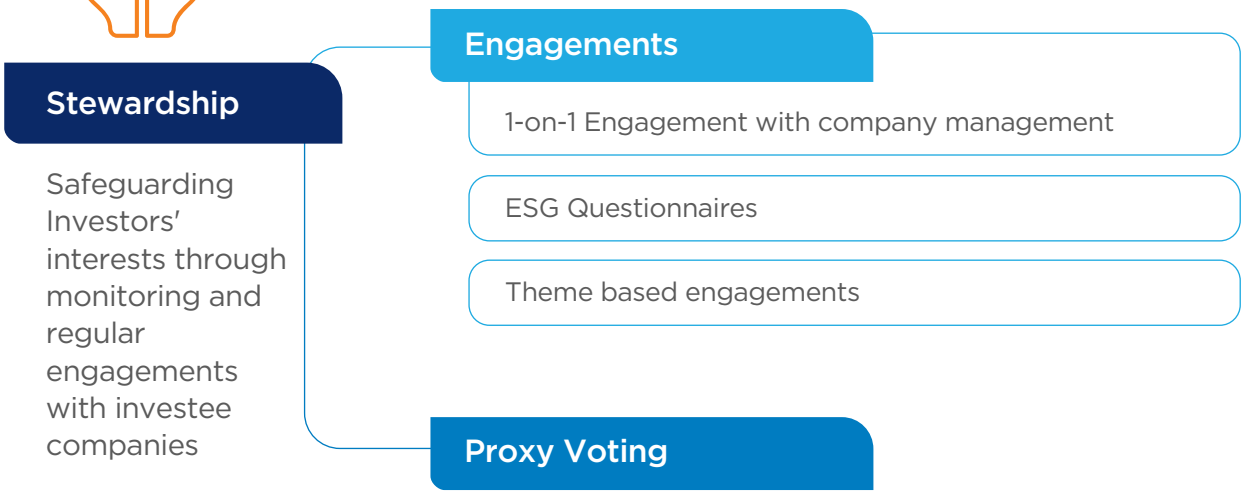
Examples of Resolutions voted Against 08

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Responsible Investment Strategy

Our Responsible Investment strategy involves two core focus areas:





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ESG Integration

We incorporate financially material ESG considerations into our investment processes, where relevant, by integrating key factors that contribute to the achievement of robust and sustainable outcomes for our clients.

A company's sector and industry classification is central to determining the ESG issues most pertinent to its operations and long-term performance. These sector-specific material issues are identified through the use of materiality maps and globally recognized ESG frameworks. To promote consistency in the identification, assessment, and management of material ESG risks across our portfolio, we have established a structured, sector-specific ESG framework.

In assessing company performance, we maintain a comprehensive internal ESG database comprising up to five years of historical ESG data, sourced from Bloomberg and companies' Integrated Annual Reports, subject to disclosure availability. This database facilitates detailed company-level analysis as well as comparative peer benchmarking.

Our ESG and research analysts evaluate both quantitative and qualitative ESG factors that may affect a company's long-term sustainable performance. These insights are systematically incorporated into financial analysis by linking the company's ESG risk management practices to key value drivers, including costs, revenues, capital expenditure, and profitability. Financial models and valuation assumptions are adjusted, where necessary, to reflect these considerations. The resulting analysis is communicated to the broader investment team, including fund managers, to support informed and disciplined investment decision-making.

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Stewardship

This report provides a detailed overview of the two core pillars of our stewardship programme: engagement with investee companies and the exercise of proxy voting rights on behalf of our clients. As an asset manager, our foremost responsibility is to safeguard and advance the interests of our investors. We fulfil this responsibility through ongoing monitoring and regular engagement with investee companies on matters relating to financial performance, material ESG risks and opportunities, and the quality and transparency of disclosures.

Our stewardship activities are undertaken from a long-term investor perspective and are grounded in a financial materiality-based approach. They are focused exclusively on promoting and protecting the long-term financial interests of our investors.

We consider financially material ESG factors to be integral to the investment decisions we make. We further believe that sustained and constructive engagement with investee companies can generate a positive cumulative impact by improving corporate practices and governance standards, strengthening oversight mechanisms, and encouraging responsible management. Such engagement also supports companies in effectively managing their societal and environmental impacts, thereby enhancing their ESG performance and long-term value creation potential.

UTI AMC is a signatory to Climate Action 100+ (CA100+ is made up of 600 global investors who are responsible for more than $68 trillion in assets under management across 30 markets) and along with other signatories we have commenced engagements with 7 Indian corporate companies, which have been recognized as very high carbon emitters. UTI AMC understands the risks of stranded assets for these companies and will engage with them to push for an effective transition and decarbonisation plan.

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Engaging with companies

Our regular engagements, which primarily focus on financial performance and management discussions, cover 300 investee companies. We have engaged with **42 companies** in the last six months.

We engaged with the investee companies in various modes as mentioned below:

One-on-One Engagement with Company Management

Since July 2025, we have had one-on-one engagements with **41 companies** from various sectors.

Materiality Surveys

We have participated in assisting **1 of our investee companies** to help them identify the most critical and material ESG risks that these companies may be exposed to.

Collaborative Engagement

We have completed **8 collaborative engagements** since joining CA 100+. There are 7 Indian companies identified as high emitters in the initiative and UTI AMC strives to engage with all the companies regularly to take a periodic review of their decarbonisation commitments and progress.



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Engagement with a prominent **Indian IT company**

Background

At the Company's Annual General Meeting held in January 2025, a shareholder resolution was proposed seeking approval to grant certain special rights to a private equity investor and to amend the Company's Articles of Association accordingly.

The proposed resolution sought to confer upon the private equity investor the right to appoint two nominee directors to the Board, along with the right to nominate one director each to the Nomination and Remuneration Committee (NRC) and the Audit Committee.

Under the terms of the proposal, if the aggregate equity shareholding of the private equity investor were to fall below 15%, the investor would retain the right to appoint only one director to the Board, who would also serve on the Audit Committee. In such circumstances, the right to appoint a second director to the Board and a nominee to the NRC would cease.

Furthermore, if the investor's aggregate shareholding were to decline below 5%, all rights to appoint directors to the Board and the Audit Committee would lapse.

Engagement

In accordance with our voting guidelines and stewardship policy, we do not ordinarily support board nomination and committee representation rights for strategic investors unless a minimum shareholding threshold of 10% is maintained.

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Our 10% minimum shareholding threshold for nomination rights is aligned with the threshold applicable to other public shareholders for proposing resolutions. Moreover, the determination of committee composition is a prerogative of the Board and should be exercised independently in the interests of all shareholders.

Accordingly, we engaged with the Company and conveyed our concerns regarding the proposed nomination rights, particularly the provision allowing such rights to continue at a 5% shareholding threshold, which fell below our internal guidelines. We recommended revising the proposal to incorporate a higher minimum shareholding threshold of 10%, which we believe better safeguards minority shareholder interests. We also provided the Company with an opportunity to articulate the rationale underpinning the proposed thresholds.

After considering the information and explanations provided by management, and assessing the matter against our governance principles, we resolved to vote against the resolution.

Outcome:

The special resolution attracted significant shareholder dissent, with 31% of votes cast against it, and was ultimately defeated as it failed to secure the requisite three-fourths majority. Subsequently, the Company revised the resolution to incorporate a higher minimum shareholding threshold of 10%, consistent with our engagement. Following this revision, we were able to support the amended resolution.

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Proxy Voting

As a responsible investor and as part of our fiduciary responsibility and stewardship duty, UTI AMC is obliged to act in the best interests of our investors, through proxy voting. This includes exercising voting rights attached to the equity shares in which Mutual Fund Schemes invest.

We have developed comprehensive internal voting guidelines and frameworks to ensure the effective oversight and execution of proxy voting activities. These guidelines are closely aligned with our investment philosophy and processes, enabling portfolio managers and research analysts—who possess in-depth knowledge of investee companies—to meaningfully integrate stewardship considerations into their investment decision-making.

This approach allows us to evaluate both financial and sustainability-related opportunities and risks comprehensively, thereby supporting informed and responsible investment choices. We remain committed to consistently undertaking stewardship activities that focus on long-term corporate value creation, ultimately contributing to the revitalization of the broader investment ecosystem.

Voting Summary

In the financial year **2024-25**, from April 2024 to March 2025 we had **3,980** resolutions to cast our vote on.



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In the financial year **2023-24**, from April 2023 to March 2024 we had **3,343** resolutions to cast our vote on.



In the financial year **2025-26**, from April 2025 to December 2025 we had **4,346** resolutions to cast our vote on.



For UTI AMC, transparency is important. Our votes are disclosed on our website.

https://www.utimf.com/statutory-disclosures/voting-policy

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Continuing Journey

UTI AMC remains committed to the continuous enhancement and evolution of its Responsible Investment Framework. Our primary mandate is to deliver superior risk-adjusted returns to our investors. In pursuit of this objective, we seek to invest in companies that demonstrate robust environmental stewardship, exhibit a strong sense of social responsibility as corporate citizens, and adhere to high standards of corporate governance.

We anticipate that ESG disclosures and reporting standards among Indian companies will continue to deepen and broaden in scope over time. Enhanced transparency and improved data availability, when combined with our established ESG Framework, will enable us to develop and offer—subject to client mandate and investor demand—innovative investment products aligned with the principles of Socially Responsible Investing and Impact Investing. Such strategies may adopt an exclusionary approach to ESG integration, focus on specific sustainability themes, or target investments designed to deliver measurable and predefined social or environmental outcomes.

To further strengthen our ESG capabilities and effectively discharge our responsibilities as a responsible investor, we are investing in the professional development of our research and investment teams by facilitating relevant training programmes and industry-recognised certifications in the ESG domain.

Name	Designation	Sector	Certification
Parag Chavan	Head Of Research (Equity)	Real Estate	CFA Institute Certificate in ESG Investing
Nitin Jain	Fund Manager & Research Analyst	Technology	CFA Institute Certificate in ESG Investing
Deepesh Agarwal	Fund Manager & Research Analyst	Oil & Gas, Infrastructure	CFA Institute Certificate in ESG Investing
Suraj Purohit	ESG Analyst	-	CFA Institute Certificate in ESG Investing
Daphne Lim	Risk & Compliance	-	CFA Institute Certificate in ESG Investing
Pradnya Ganar	Research Analyst	Metals & Mining, Chemicals	Certification for Applied Responsible Investment from UN PRI

We will publish updates regarding our progress on Responsible Investment & ESG integration every six months, next update due June 30, 2026.

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Annexures

ESG Equity Coverage

Below is the sector-wise breakdown of our coverage. The chart also highlights the sectors that we have prioritised to have ESG-related dialogues and engagements with.

Sectors	Companies	ESG Coverage	% Completed	1-1 Engagement	Materiality Survey
Construction & Engineering	54	54	100%	3	
NBFC	34	34	100%	5	
Banking & Finance	22	22	100%	3	
Retail	21	21	100%		
Cement	9	9	100%		1
Logistics	9	9	100%	1	
Chemical Group	24	24	100%	2	
Technology	37	37	100%	4	
Oil Gas & Petrochem	13	13	100%	1	
Auto Ancillary	25	25	100%	1	
Pharma	47	47	100%	4	
Building Materials	11	11	100%	1	
Auto OEMs	13	13	100%	4	
Metals	16	16	100%	1	
Hospitals, Diagnostics & Devices	14	14	100%	5	
FMCG	26	26	100%	2	
Telecom	4	4	100%		
Consumer Durables	15	15	100%		
Hotels	6	6	100%		
Real Estate	13	13	100%	2	
Power Utilities	13	13	100%	1	
Media & Entertainment	2	2	100%		
Sugar	1	1	100%		
Airlines	1	1	100%		
Insurance	8	8	100%		
Asset Management Companies	4	4	100%	1	
QSR	4	4	100%		
TOTAL	**446**	**446**	**100%**	**41**	**1**

Source: UTI Research

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Analytical Contacts





Parag Chavan
Head of Research
UTI AMC Ltd
parag.chavan@uti.co.in



Suraj Purohit
ESG Analyst
UTI AMC Ltd
suraj.purohit@uti.co.in

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