



2025

Stewardship Report

Dodge & Cox[®]

FOREWORD

Our founders, Van Duyn Dodge and E. Morris Cox, were disillusioned with the conflicts of interest pervasive in the investment world of 1930 and saw an opportunity to create a new kind of asset management firm with a simple mandate: to put clients first and focus on pursuing investment excellence. They designed Dodge & Cox to last, building on a foundation of independence, client alignment, and continuous improvement—so it could serve our clients not just for decades but for generations.

From our beginnings in San Francisco, we are now one of the largest independently owned investment firms in the world. We manage over \$450 billion* for individuals and institutions worldwide, applying a single investment philosophy across a focused set of equity and fixed income strategies.

Our active investment approach centers on individual security selection grounded in the relationship between fundamentals and valuation. As persistent and patient investors, we build differentiated portfolios with a long-term investment horizon. We conduct our own research, stress test our thinking through team-based review, and make investment decisions collaboratively through our Investment Committees.

We see stewardship as having two dimensions: how we manage our firm and how we invest our clients' assets. We hold ourselves to the same standard of stewardship we expect from the companies in which we invest. This report describes how we have worked to meet that expectation across both dimensions and why we believe our approach serves our clients well over the long term.

We will continue to apply the same discipline and long-term orientation that defines our investment process to how we engage with companies, exercise our rights as shareholders, and manage our business. This commitment is rooted in the mandate our founders established nearly 100 years ago: to act as careful stewards of our firm and our clients' capital. As we step into our new roles as the firm's sixth generation of leadership, we remain dedicated to honoring that commitment for our existing clients and for the generations of clients whom we hope to serve in the century ahead.

Sincerely,



David Hoeft
*Chair and
Chief Investment Officer*



Roger Kuo
*Chief Executive Officer
and President*



Steven Voorhis
Director of Research

* As of December 31, 2025.

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Stewardship of Dodge & Cox

Our mission is to deliver superior long-term investment results to enable our clients to achieve their financial goals.

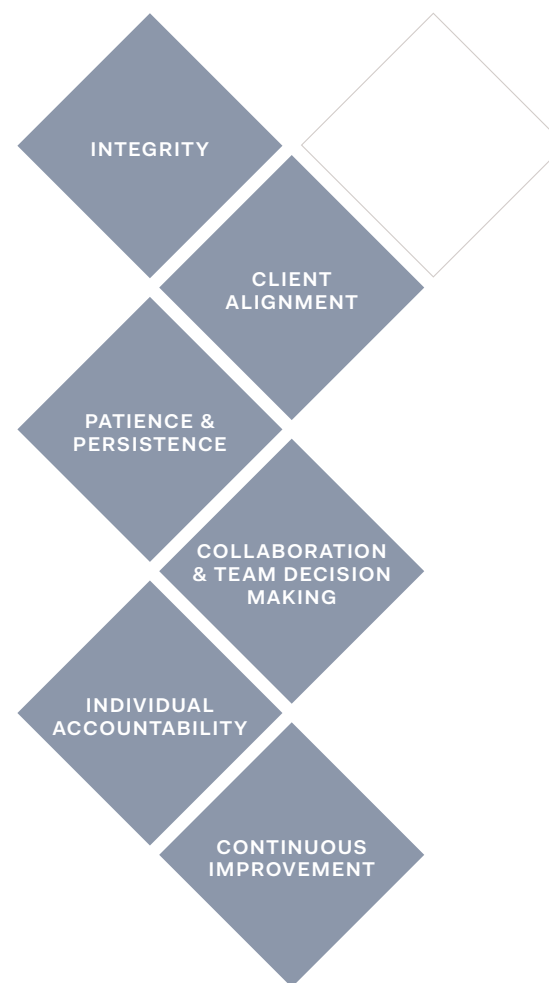
Our Culture and Values

Our mission is to deliver superior long-term investment results to enable our clients to achieve their financial goals. We accomplish this by empowering individuals to think independently and fostering a culture of inclusivity and collegiality. Diverse perspectives strengthen both how we run the firm and how we manage our investment portfolios. We promote continuous learning and professional growth through mentorship and ongoing training. By creating a constructive environment where we sharpen ideas as a team, we make better decisions for our clients and our firm.

We manage our firm the way we manage our investment strategies: collaboratively, with a long-term horizon, grounded in thoughtful research, and aligned with our clients' expectations. Our shared values are foundational to our culture and are deeply embedded in our business activities, decision making, and hiring practices.

- **Integrity**—We act in an ethical and transparent manner.
- **Client Alignment**—We put our clients' long-term interests at the center of our decisions.
- **Patience & Persistence**—We take a long-term view toward investment and business decisions.
- **Collaboration & Team Decision Making**—We embrace debate by deliberately engaging diverse, informed perspectives in an environment of mutual respect.
- **Individual Accountability**—We think and act like owners.
- **Continuous Improvement**—We relentlessly pursue excellence across all aspects of our business.

We look for opportunities to hire promising individuals early in their careers and invest in their long-term development—an approach that we believe fosters high employee retention, builds intellectual capital, and increases the diversity of viewpoints, backgrounds, and experiences across the firm, including within our executive leadership team. This continuity in our people reinforces continuity in our philosophy, process, and culture, helping to facilitate consistent decision making and strong long-term outcomes for our clients.



For the purposes of this report, we use the term "client(s)" as a general term intended in most instances to refer to both separate account clients and shareholders in our Funds, except where noted.

Our independence and financial strength enable our client-first focus. As a firm 100% owned by active employees, we align our interests with those of our clients rather than the interests of external shareholders or sales targets.

Our Commitment to Client Alignment

We measure success by our ability to deliver attractive long-term investment performance for our clients through our time-tested investment approach, which is grounded in fundamental research and value-oriented security selection. We believe that evaluating financially material environmental, social, and governance (ESG) factors helps us better understand the potential risks and opportunities of a company or bond issuer, and that fulfilling our stewardship responsibilities is an important part of our investment process.

Our independence and financial strength enable our client-first focus. As a firm 100% owned by active employees, we align our interests with those of our clients rather than the interests of external shareholders or sales targets. No employee at Dodge & Cox is directly compensated for increasing assets under management or new client acquisition. Instead, we focus our resources on carefully managing investment portfolios and investing in our business.

Our compensation structure emphasizes the success of the firm rather than any individual and rewards long-term contributions. We view portfolio outcomes as the result of collaborative decision making, allowing every portfolio to benefit from the full team's expertise. Reflecting the firm's alignment with our clients' objectives, all members of our Investment Committees own shares in the Dodge & Cox Funds.¹

Our focus on clients' long-term success means our culture is rooted in compliance and ethics. Throughout our history, we have served our clients without the distraction of business practices that can create conflicts of interest. Our Code of Ethics guides employees to operate with clients' interests foremost and requires them to avoid or disclose potential conflicts of interest.

Client Engagement and Transparency

We engage with each separate account client to develop a thorough understanding of their investment objectives, risk tolerance, income and liquidity needs, reporting expectations, and other considerations, including ESG factors or exclusions. We also meet with many of our larger fund shareholders on a range of topics, such as investment reviews, operational due diligence, ESG integration, and investment stewardship, as requested.

Our Client Reporting, Request for Proposal (RFP), and Communications teams support these engagement efforts. We regularly respond to client requests for information and due diligence questionnaires, which also serve as a channel for understanding evolving client priorities. In 2025, client feedback was a factor in the development of our first Climate Report and updates to our Engagement Tracker.

We provide transparency on our stewardship practices through standard and customized disclosures. We disclose proxy voting records for our U.S. mutual funds and Undertakings for Collective Investment in Transferable Securities (UCITS) funds annually on our website. For separately managed accounts, we provide voting records based on clients' Investment Management Agreements, investment guidelines, side letters, or as requested. Reflecting clients' interest in ESG integration, we continue to evaluate opportunities to expand our ESG-related reporting capabilities. Upon request, we provide portfolio carbon emissions, weighted average carbon intensity metrics, and portfolio exposure to ESG-related factors such as fossil fuels.

As a signatory of the Principles for Responsible Investment (PRI), we prepare a Transparency Report when required, summarizing how we consider ESG factors in our investment process. We were pleased to be accepted as a signatory to the UK Stewardship Code for the fourth consecutive year in 2025.

¹ Note that our Investment Committee members are based in the United States and are invested in our U.S.-domiciled mutual funds. They are ineligible to invest in our Irish domiciled UCITS funds, which are limited to investment by qualified non-U.S. investors.



Community Engagement and Corporate Responsibility

Our founders believed Dodge & Cox should play an active role in our community and prioritized giving back through financial support and hands-on involvement. As our firm has grown, so have our opportunities to serve the community locally and globally.

Charitable Giving and Volunteer Initiatives

Charitable giving and volunteerism are strong elements of our culture, so we actively encourage employee participation in community service. We primarily support local non-profits focused on providing educational opportunities for youth and global organizations providing critical emergency relief, education, and health care services.

Our Charitable Giving and Volunteer Committees organize a range of opportunities for employees to make an impact, providing hands-on support and/or donations across a broad group of non-profit organizations each year. Many of our employees, including our most senior leaders, are actively involved in their communities as board members, donors, and volunteers. Dodge & Cox's gift-matching program allows employees to match their charitable gifts up to a set amount, amplifying the impact of their personal donation. In 2025, over 50% of our eligible employees participated in the gift-matching program.



Corporate Sustainability

Consistent with our view that stewardship encompasses both how we invest our clients' assets and how we manage our firm, we take steps to understand and reduce the environmental impact of our own operations. Our Sustainability Committee works closely with our Sustainability Action Group to develop and implement measures aimed at reducing our environmental and carbon footprint.

As part of this approach, we measure and disclose firm-wide greenhouse gas (GHG) emissions. In 2025, we partnered with a third-party consultant to calculate emissions for the 2024 calendar year and to assess the relevance of Scope 3 categories to our business. To mitigate the impact of our GHG emissions, we donated to Climate Vault, Inc., which purchases and vaults carbon emissions allowances from government-regulated compliance carbon markets. Additional details on our emissions methodology and results are available in our [Climate Report](#).

We also take steps to reduce the environmental footprint of our office operations. We have implemented steps to reduce waste and resource use, including transitioning away from plastic water bottles, using compostable or reusable utensils, cups, and dishware in our office kitchens, adapting our office practices to reduce paper usage, and participating in electronic waste recycling programs in some of our office locations. We work from leased office space in LEED² Gold buildings in the United States, a LEED Platinum building in Shanghai, and a BREEAM³ certified building in London.

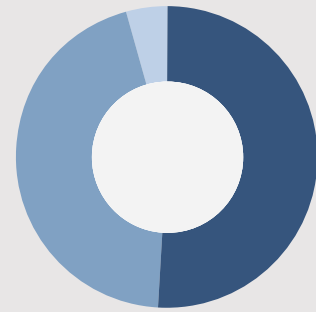
In 2025, we hosted a sustainability lunch-and-learn for employees to learn about our partnership with Great Forest, a leader in sustainable waste management consulting. The Sustainability Committee and Sustainability Action Group also partner with other groups at the firm to provide volunteering opportunities for employees, such as planting trees and maintaining gardens.

² LEED (Leadership in Energy and Environmental Design).

³ BREEAM (Building Research Establishment and Environmental Assessment Method).

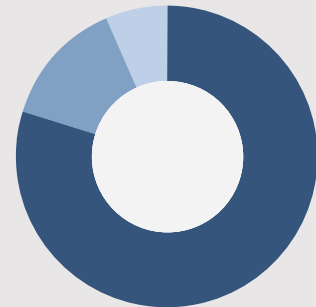
By Asset Class

	AUM (\$ billions)	% of AUM
■ Equity	237.4	50.9
■ Fixed Income	209.6	44.9
■ Balanced	19.6	4.2
Total	\$466.6	



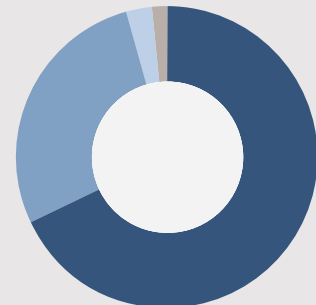
By Strategy Geography

	AUM (\$ billions)	% of AUM
■ U.S.	372.7	79.9
■ International*	64.0	13.7
■ Global*	29.8	6.4
Total	\$466.6	



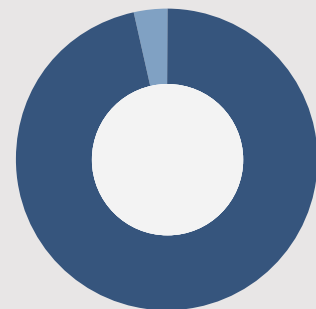
By Client Type (Institutional vs. Retail)

	AUM (\$ billions)	% of AUM
■ U.S. Mutual Funds**	317.1	68.0
■ Institutional Separate Accounts	129.8	27.8
■ UCITS Funds***	11.9	2.6
■ Private Clients	7.7	1.6
Total	\$466.6	



By Client Geography

	AUM (\$ billions)	% of AUM
■ U.S.	450.8	96.6
■ Non-U.S.	15.7	3.4
Total	\$466.6	



As of December 31, 2025

Totals may not sum due to rounding.

* Our International and Global strategies include investments in both developed and emerging market countries.

** Dodge & Cox manages seven U.S. mutual funds. We estimate that 80% of the current assets across the Dodge & Cox Funds are owned or directed by institutional investors (e.g., defined benefit and defined contribution retirement plans, foundations, endowments, operating and corporate assets) and intermediary advisors. Therefore, approximately 20% of the Funds' assets are considered retail.

*** The Dodge & Cox Worldwide Funds plc is an umbrella fund with four sub-funds that is open to both institutional and retail investors. We estimate that approximately 95% of the current assets across the Dodge & Cox Worldwide Funds are owned or directed by institutional investors (e.g., retirement plans, sovereign wealth, insurance) and intermediary advisors.

Stewardship of Our Clients' Investments

As stewards of our clients' capital, we assess how the companies we invest in are positioned today and how they are adapting to changes in regulation, competition, and societal expectations.

Long-Term Investment Horizon

We believe successful value-oriented investing requires patience and persistence. Our long-term focus is built on the conviction that comes from deep fundamental research and the wide-ranging perspectives of our experienced investment team. We build portfolios security by security, seeking to take advantage of price inefficiencies that may drive attractive long-term returns across a range of economic and market scenarios. Our three-to-five-year investment horizon supports low portfolio turnover, helping reduce transaction costs for clients.

We apply our value-oriented investment philosophy across a select set of strategies: U.S., global, international, and emerging market equity; balanced; and U.S. and global fixed income. Our Investment Committees construct diversified portfolios by carefully selecting securities on a bottom-up basis, while maintaining a high active share.⁴ Our approach enables us to better understand our investments' potential opportunities and risks which we believe serves as a key source of differentiation and value add for our clients.



We believe successful value-oriented investing requires patience and persistence.

⁴ Active Share is a measure of how much an equity portfolio differs from its primary benchmark index.

Building Investment Conviction

Analyst-Driven Research—Our collaborative Equity and Fixed Income Analyst teams are the engine behind our idea generation and risk analysis for our strategies. Global Industry Analysts cover industries and companies around the world, drawing on the expertise and analysis of our Credit Research Analysts within our Fixed Income team to develop a comprehensive view of companies' capital structures. We apply a similar approach to evaluating other fixed income investments, such as structured products and government-related securities. Our Credit Research Analysts and other Fixed Income Analysts stress test the downside protection of each credit and structured product investment opportunity.

Team-Based Review—After an analyst has conducted their research on a company or issuer, our Sector Committees, composed of analysts who cover industries within that sector, rigorously stress test the assumptions of the recommendation. The group identifies areas for additional research and advises the Investment Committees on intra-sector relative value.

Collective Judgment-Based Decisions—Each investment strategy is managed by an Investment Committee, which is a group of five to ten senior investment professionals. Collectively, this group evaluates and approves new portfolio investments, as well as adds, trims, and sales, to construct a diversified portfolio on a bottom-up basis. Investment Committees also monitor portfolio-level risk with a focus on avoiding permanent loss of capital.

Through our deep fundamental research, we seek to understand how a company or issuer makes decisions, balances the interests of its stakeholders, and manages key risks. In doing so, we pay particular attention to governance structures and practices, as well as risks and opportunities associated with environmental and social factors, when financially relevant and sufficient information is available. We maintain ongoing dialogue with management teams and boards of the companies we invest in to evaluate their priorities and strategies over time.



Integrating Macroeconomic and Systemic Risks into Investment Decisions

We believe that both a company's strategic positioning and its operating environment drive its long-term profitability. Therefore, in addition to our thorough bottom-up analysis of a company's fundamentals, we evaluate its exposure to a range of market and systemic risks. Market risks relate to overall market movements—interest rates, credit conditions, inflation, commodity prices, and foreign exchange rates. Systemic risks can disrupt entire industries, financial markets, or economies through geopolitical conflicts, financial imbalances, or sudden economic shocks, and are often difficult to predict.

We take a probabilistic view of the world and assess how a range of macroeconomic factors could affect individual securities valuations over a multi-year time horizon. Rather than relying on a single-point forecast, our process involves active debate and stress testing under a range of potential outcomes with inputs from individuals across our Equity and Fixed Income teams.

Macroeconomic factors can influence asset returns both in normal times and during periods of economic volatility or crisis. Since our founding in 1930, Dodge & Cox has navigated many challenging periods, including the market crash of 1987, the dotcom bust, the Global Financial Crisis, and the COVID-19 pandemic. In our experience, patience and persistence through turbulent markets can be rewarded over the long term. In challenging markets, we maintain a consistent and disciplined investment approach, drawing on our extensive knowledge of securities, issuers, and sectors to assess risks and identify opportunities while maintaining our strict valuation discipline.

Macroeconomic Factors Evaluated in 2025

- U.S. trade and tariff policy
- Fiscal challenges facing major economies
- Central bank decision making
- Technological change and digitalization, including potential impacts of artificial intelligence (AI)
- Inflation outcomes
- Recession risks
- Geopolitical risks
- Elections and political cycles
- China's structural transformation
- Commodity prices, including longer-term implications of the energy transition and decarbonization
- Supply chain diversification and nearshoring
- Demographic and other structural issues

Assessing Systemic Risks

Several groups work with our Global Industry Analysts, Credit Research Analysts, and Investment Committee members to identify how market and systemic risks present areas of vulnerability and opportunity for our investment portfolios. Our Macro team plays a key role in analyzing, monitoring, and forecasting possible outcomes from ongoing geopolitical and macroeconomic developments. The team monitors key indicators—sovereign debt levels, private sector leverage, asset prices, banking system health, and other signs of macro imbalances—and produces country-specific assessments of systemic risk so our analysts and Investment Committee members can consider the potential impact of these factors in their bottom-up company analyses.

Our Global Industry Analysts also evaluate whether ESG factors could pose systemic risks to companies' long-term business models due to evolving regulations, changes in consumer preferences, technological disruptions, or other structural shifts. The dialogue between our Macro team and Global Industry Analysts on these topics helps us optimize our exposures based on our view of the risks and returns distribution.

Navigating Market and Systemic Risks

After identifying key portfolio economic exposures and risks, our Investment Committees consider risk management questions such as:

1.

Are these exposures an intentional part of our investment thesis or an unintended aggregation of unwanted risk?

2.

What risk premium is embedded in this exposure?

3.

Is the magnitude of the exposure appropriate for the portfolio?

In some cases, the market pricing of a risk exposure creates an attractive long-term return opportunity. Our analysts' ongoing dialogue with company management teams and boards helps inform our views on company leadership effectiveness at managing the underlying risks facing their businesses. We may decide to invest in a company that has significant exposure to a particular risk if we believe the company is likely to address it effectively or the operating environment is likely to improve in ways current prices may not reflect.

Our assessment of market-wide and systemic risks extends beyond individual security selection to inform our stewardship activities. When we identify systemic risks with potential implications across multiple holdings or sectors, we may:

- Engage with companies to understand their preparedness and strategic response; and
- Participate in industry forums to contribute perspective on market functioning (as described in our Industry Group Engagement section).

For example, our participation in the Credit Roundtable addresses systemic risks to bondholder protections across the fixed income market. Rather than engaging company by company on covenant degradation, our industry-level advocacy helped establish new market standards that benefit all bondholders.

Industry Group Engagement

As long-term investors, we believe that well-functioning capital markets and appropriate regulatory frameworks support long-term value creation. To that end, we engage on systemic and market-wide issues through industry groups and directly with policymakers. This market-level stewardship complements our company-specific engagement activities.

We are selective in our industry participation, focusing on organizations where we believe our perspective as value-oriented, long-term investors can contribute meaningfully to policy development and market standards.

Participation in Industry Groups and Market Initiatives in 2025

- Investment Company Institute (ICI)
- Securities Industry and Financial Markets Association (SIFMA)
- The Credit Roundtable (CRT), founding member
- 20-20 Investment Association
- Council of Institutional Investors (CII)
- Credit Rating Agency Advisory Groups
- International Financial Reporting Standards (IFRS) Sustainability Alliance

The following examples illustrate our engagement through select industry groups.

Investment Company Institute (ICI) is an association representing regulated funds globally with a mission to strengthen the asset management industry to benefit long-term individual investors.

ICI seeks to encourage adherence to high ethical standards, promote public understanding, and otherwise advance the interests of funds, their shareholders, directors, and advisers. Over the years, individuals across our firm have served as representatives for Dodge & Cox on various ICI groups within their respective disciplines. For example, our Head of Investment Stewardship is a member of the Proxy Issues Working Group, and our Head of ESG Integration is a member of the ESG Advisory Group. As members of these groups, representatives attend regular meetings and contribute as relevant to the ICI's policy and educational efforts.

In 2025, ICI wrote to the U.S. Securities and Exchange Commission (SEC) to offer assistance with future proxy-related rulemaking and to request clarity on the agency's intended direction for proxy reform, particularly given uncertainty from conflicting court decisions and regulatory changes affecting how investment advisers vote proxies and engage with portfolio companies.

Securities Industry and Financial Markets Association (SIFMA) is an advocacy association for broker-dealers, investment banks, and asset managers operating in the United States and globally.

Dodge & Cox is a member firm of SIFMA, which advocates on its members' behalf for legislation, regulation, and policy with the aim of promoting fair and orderly markets. SIFMA's Asset Management Group brings the asset management community together to provide views on U.S. and global policy and create industry best practices.

Dodge & Cox representatives attend various committee meetings to stay informed on industry regulations and support advocacy efforts. In 2025, as part of broader policy initiatives, SIFMA engaged with the California Air Resources Board on SB 253 and SB 261, legislation that require companies doing business in California that meet certain thresholds to disclose carbon emissions and climate-related risks and opportunities. SIFMA provided input on reporting requirements, timelines, assurance expectations, and the scope of covered companies.

The Credit Roundtable (CRT) mission is enhancing bondholder protections for the benefit of investors, issuers, and underwriters through education, outreach, and advocacy.

Dodge & Cox was a founding member of the CRT in 2007. Today, the organization comprises roughly 40 buy-side firms with a combined \$4 trillion in fixed income assets under management. The CRT's initial focus was enhancing covenant protections in investment-grade bonds, the quality of which had degraded significantly over the years, culminating in more leveraged buyouts, leveraged recapitalizations, and other corporate actions that adversely impacted bondholder value. With significant input from members of our Credit team and under the leadership of our former CEO, Dana Emery, the group published a white paper in December 2007 with model covenants meant to increase protections from these transformative events and changes of control that significantly impact a company's credit profile. This white paper became the new market standard for investment-grade corporate bond issuance—resulting in several notable improvements in investor protections—and helped facilitate the efficient flow of debt capital and market growth from 2007 onward. Ms. Emery subsequently became co-chair of the CRT, a position she held for several years.

A senior member of our Fixed Income team has held a position on the CRT Board since its formation, with our firm's representatives actively contributing to the CRT's durability and expansion into other initiatives, including ongoing improvements in the new issue underwriting and distribution process, liability management transactions (e.g., tender and consent activity), and providing critical input into market liquidity dynamics for consideration by regulators and other market participants.

Our current representative, Tony Brekke (our Credit Sector Head and a member of the U.S. Fixed Income Investment Committee) is Co-Chair of the CRT and chairs the CRT's Communications Sub-Committee.

In 2025, the CRT published two comment letters addressing concerning trends in corporate liability management; Mr. Brekke was actively involved in preparing both. The first comment, published in September 2025, was written as a broad description of certain tactics employed by issuers and their advisors to erode protections afforded by existing bond indenture provisions. The comment proposes several drafting improvements that bondholders may wish to push for in bond documents to protect their interests. The CRT followed up on this comment with a letter, also published in September 2025, addressing a specific consent and tender transaction launched by Warner Brothers Discovery, Inc. The CRT viewed this liability management exercise as particularly coercive and harmful to bondholders, and the comment letter was directed explicitly to the SEC's Office of the Investor Advocate in an effort to engage directly with the Commission to protect the interests of bond investors. This outreach has proven fruitful as SEC staff has reached out to the CRT Board to engage more deeply in 2026.

Outcomes from Industry Participation in 2025

- We provided feedback to ICI on proxy reform, which was incorporated into its letter to the SEC, contributing to ongoing regulatory dialogue on proxy voting transparency and conflicts of interest.
- Through SIFMA's Asset Management Group, we provided input on proposed regulations affecting separate account proxy voting, helping shape practical implementation approaches.
- As a CRT member, we provided input on issuer actions that were unfavorable to bondholders, contributing to a 2025 comment letter and broader market dialogue on bondholder protections.

ESG Governance Structure and Resources





Managing and Supporting Our Stewardship Responsibilities

Our governance structure supports and guides our ESG integration and investment stewardship efforts. Our Director of Research oversees and sets the direction for our ESG research integration approach, in collaboration with our Research Policy Council.⁵ Analysts across our investment team are responsible for incorporating financially material ESG factors into their ongoing research and analysis, as well as maintaining dialogue and engaging with companies when they believe a factor may be material to our investment thesis. Our collective investment decision-making process enables us to incorporate a range of perspectives on ESG considerations.

Three committees drive our ESG integration and investment stewardship activities: our ESG Research Steering Committee, ESG Integration Committee, and Proxy Policy Committee. These committees report to the members of our Business Strategy Committee,⁶ which includes all members of the Dodge & Cox Board of Directors, as well as to our Research Policy Council and Client Strategy Committee,⁷ for direction and approval with respect to our ESG practices.

Committee Activity in 2025

Our ESG and Proxy Committees typically report on an annual basis to groups that include our highest level of senior management. In 2025, our Director of Research and ESG professionals provided an update to the members of our Business Strategy Committee, Client Strategy Committee, and Research Policy Council on the ESG industry and regulatory landscape as well as our ESG integration and investment stewardship activities. They also updated the Dodge & Cox Funds Board of Trustees and the Dodge & Cox Worldwide Funds Board of Directors. During the reporting period, our Head of Investment Stewardship and Proxy Officer also presented proposed changes to the Proxy Voting Policy on behalf of the Proxy Policy Committee to the Dodge & Cox Funds Board of Trustees for its approval.

Key Decisions and Initiatives Approved by the Committees in 2025

- Publication of our first Climate Report
- Development and launch of the executive compensation data dashboard
- Enhancements to engagement tracking protocols
- Annual review and approval of our ESG Policy Statement
- Updates to the Proxy Voting Policy





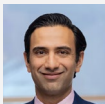


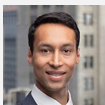
⁵ Our Research Policy Council oversees the firm's investment team and its long-term resource planning. It is composed of senior investment leaders, including our Chief Executive Officer (CEO) and Chief Investment Officer (CIO).

⁶ Our Business Strategy Committee monitors and evaluates opportunities and challenges facing our overall business. It includes all members of the Dodge & Cox Board of Directors along with other senior business leaders.

⁷ Our Client Strategy Committee oversees and coordinates the firm's client service efforts across departments and strategies, including client communications and monitoring industry trends affecting our clients.

ESG Research Steering Committee (established 2021)

Works to formalize and further develop the ways in which we integrate financially material ESG factors into our investment process. Its members evaluate new data sources, develop analytical tools, and recommend process improvements to support our investment team's assessment of relevant ESG factors. Led by our Director of Research, with senior investment analysts, Head of ESG Integration, and Head of Investment Stewardship.

	Industry Experience (years)	Firm Tenure (years)	Board and Business Committees*	Investment Committees
 Steven C. Voorhis, CFA (Chair) Director of Research	31	29	WWF Board, BSC, RPC	U.S. Equity, Global Equity
 Amanda L. Nelson Global Industry Analyst	29	25		
 Matthew B. Schefer, CFA Credit Research Analyst	19	17		Global Fixed Income, Balanced
 Sonia F. Lurie Head of Investment Stewardship and Proxy Officer	16	14		
 Salil A. Phadnis, CFA Global Industry Analyst	16	14		
 Claudia Y. Silva Head of ESG Integration and ESG Integration Research Analyst	12	3		
 Tory H. Sims, CFA Equity General Manager	11	9		
 Raja Patnaik, Ph.D. Portfolio Strategy Analyst	8	6		
Average of industry and firm tenure	18	15		
Percentage of women and/or people of color	75%			

*Board and Business Committees:

D&C Board:

Dodge & Cox Board of Directors

WWF Board:

Dodge & Cox Worldwide Funds plc Board of Directors

BSC:

Business Strategy Committee

RPC:

Research Policy Council









CSC:

Client Strategy Committee

This is not an exhaustive list of committees at the firm; individuals may be involved in others not listed.

ESG Integration Committee (formalized 2021)

Oversees client-related ESG integration efforts, taking into consideration our clients' evolving expectations as well as ESG-related industry trends and regulatory changes. Its members collaborate across departments to guide client reporting and communications related to our ESG integration approach. Led by our Head of ESG Integration, with senior leaders on our Client Service team, as well as our ESG Integration Client Analysts and Head of Investment Stewardship.

	Industry Experience (years)	Firm Tenure (years)	Board and Business Committees*	Investment Committees
 Stephen A. Haswell Managing Director, Dodge & Cox Worldwide Investments Ltd.	32	5	WWF Board, CSC	
 Steven T. Gorski Director of Client Service	31	31	BSC, CSC	
 Sonia F. Lurie Head of Investment Stewardship and Proxy Officer	16	14		
 Caitlyn C. Phan ESG Integration Client Analyst	16	9		
 Laurence V. Reeves ESG Integration Client Analyst & International Business Insights Analyst	16	9		
 Claudia Y. Silva (Chair) Head of ESG Integration and ESG Integration Research Analyst	12	3		
 Tory H. Sims, CFA Equity General Manager	11	9		
 Doug S. Silverman Head of Equity Client Service	9	9		
Average of industry and firm tenure	18	11		
Percentage of women and/or people of color	63%			

*Board and Business Committees:

D&C Board:
Dodge & Cox Board of Directors

WWF Board:
Dodge & Cox Worldwide Funds plc Board of Directors

BSC:
Business Strategy Committee




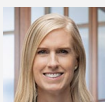
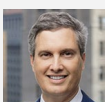
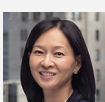
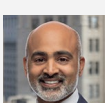
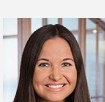
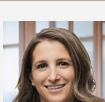
RPC:
Research Policy Council

CSC:
Client Strategy Committee

This is not an exhaustive list of committees at the firm; individuals may be involved in others not listed.

Proxy Policy Committee (established over 15 years ago)

Oversees proxy voting process and policy. Led by our Head of Investment Stewardship (Proxy Officer), with Global Industry Analysts, Investment Committee members, Director of Research, and Legal/Compliance representatives.

	Industry Experience (years)	Firm Tenure (years)	Board and Business Committees*	Investment Committees
 Roberta R.W. Kameda General Counsel	36	19		
 Steven C. Voorhis, CFA Director of Research	31	29	WWF Board, BSC, RPC	U.S. Equity, Global Equity
 Roger G. Kuo, CFA Chief Executive Officer and President	30	27	D&C Board, BSC, RPC	International Equity, Global Equity
 Katherine M. Primas Chief Compliance Officer	29	20		
 John N. Iannuccillo, CFA Global Industry Analyst	28	28		
 Lily S. Beischer, CFA Global Industry Analyst	24	24		Global Equity
 Arun R. Palakurthy, CFA Global Industry Analyst	21	17		
 Megan A. O'Keeffe, CFA International Regulatory Compliance Officer	20	20		
 Sonia F. Lurie (Chair) Head of Investment Stewardship and Proxy Officer	16	14		
Average of industry and firm tenure	26	22		
Percentage of women and/or people of color	78%			

*Board and Business Committees:

D&C Board:

Dodge & Cox Board of Directors

WWF Board:

Dodge & Cox Worldwide Funds plc Board of Directors

BSC:

Business Strategy Committee

RPC:

Research Policy Council

CSC:

Client Strategy Committee

This is not an exhaustive list of committees at the firm; individuals may be involved in others not listed.



Our Dedicated Professionals

Many individuals across the firm work on ESG integration and investment stewardship research and initiatives, including our investment team, members of our ESG and Proxy Committees, and individuals on our Client, Communications, Information Technology, Data, Legal, and Compliance teams. We have seven professionals whose primary role is helping drive our ESG integration and investment stewardship efforts: our Head of ESG Integration and ESG Integration Research Analyst; ESG Integration Research Associate; two ESG Integration Client Analysts; Head of Investment Stewardship who also serves as Proxy Officer; and two Investment Stewardship Analysts. These ESG professionals have an average of twelve years of industry experience and six years of tenure at Dodge & Cox.

Training Our Teams

We support our investment team members' understanding of ESG factors by providing resources and guidance to help them identify and consider financially material ESG factors in the investment process. We also provide guidance to our investment team on proxy voting best practices, the rationale behind our Proxy Voting Policy, and our approach to leading and documenting engagement with issuers. Our Director of Research and our dedicated ESG and investment stewardship professionals provide periodic updates to our investment team on evolving industry developments and enhancements to our ESG research toolkit.

In 2025, we conducted a series of training and information-sharing sessions aimed at strengthening our investment professionals' understanding of available tools and data sets and reinforcing consistent processes and best practices. These sessions included:

- A lunch-and-learn for Research Associates outlining processes for our Company ESG Risk Framework and Company Carbon Risk Assessments, highlighting a resource to augment their assessments of companies' decarbonization targets and competitive positioning.
- A review for Research Associates of workforce-related datasets and tools, including Revelio Labs and internal dashboards to support human capital analysis, accompanied by a reference guide on conducting workforce research using these tools.
- A presentation on our engagement tracking process for our Global Industry Analysts and Research Associates, together with a reference guide for effective engagement documentation.
- An overview of executive compensation analysis, including best practices for evaluating compensation structures and incentives.
- A presentation to Global Industry Analysts on the firm's approach to engagement, followed by written guidance in response to SEC updates related to Schedule 13G and 13D filings.



Trainings Beyond Our Investment Team

Our ESG professionals also provide regular training and updates to teams outside the investment function to support consistent and effective communication of our ESG approach. In 2025, our ESG professionals presented relevant updates to our Client Service team, including updates on composition, recently completed initiatives, and key industry and regulatory developments. Furthermore, our ESG Integration Client Analyst conducted dedicated training sessions with our RFP team, which responds to client questionnaires on a variety of topics, including ESG, to provide additional guidance on our ESG communication and messaging. Across all sessions, we encourage active dialogue and emphasize open lines of communication with our ESG team.

Our ESG professionals also regularly meet with members of our Legal team to discuss evolving ESG-related regulatory and industry developments and, where appropriate, to consult with external legal counsel. In addition, our ESG professionals leverage a variety of ways to monitor the ESG landscape, including meeting with ESG data providers and sell-side analysts, participating in industry conferences and events, and reviewing ESG-related publication and research.

Working with Third Parties

As part of our investment process, our analysts evaluate internal and external ESG-related data and research from a variety of sources. Their investment recommendations stem from our in-depth, proprietary research, which includes review and analysis of third-party research and data sources. Third-party research augments the information we evaluate in developing our own investment thesis on a given company or issuer. While we use third-party ESG data providers and analytical tools as inputs in our investment research and proxy voting processes, investment and proxy voting decisions are based on the judgment and analysis of our investment professionals, not on outside recommendations.

Our ESG professionals, in collaboration with members of our ESG and Proxy Committees, assess the adequacy of our ESG research resources and advocate adding or removing data resources as needed. Currently, we use several different data sources as we believe this variety enables us to gather and assess a range of perspectives, metrics, and ratings methodologies on key ESG topics. This is particularly important for ESG research because ESG risks and opportunities can be challenging to quantify and measure. By using different ESG data providers, our analysts benefit from a variety of models and methodologies.

Oversight and Monitoring

Our ESG Research Steering, ESG Integration, and Proxy Policy Committees oversee the selection and monitoring of third-party providers of ESG data, reporting, and proxy voting services. Members of these Committees collaborate with relevant data and service users to conduct thorough due diligence prior to onboarding any vendor or service provider. They also work with our Data and Information Technology teams to confirm data integration capabilities and compliance with our data-security protocols.

Our ESG professionals maintain regular contact with third-party vendors to stay current on research offerings, product enhancements, and methodology adjustments. We provide feedback when we have recommendations for improvements, identify additional data needs, or believe we have found inaccuracies.

We conduct periodic assessments of our ESG data providers, comparing different sources, and changing providers and data sets as appropriate. We maintain multiple ESG data sources because ESG risks and opportunities are challenging to quantify and measure, different providers use distinct methodologies with generally low correlation, and each offers different types of data and research. This diversity of perspectives helps us better assess the quality and breadth of the research we receive.

We maintain oversight of our proxy voting services provider, ISS, including annual on-site due diligence reviews and regular operational meetings. This oversight is designed to support effective proxy voting execution and accountability. Additional details on our proxy advisor oversight practices can be found in the “How We Use Proxy Research Firms” section of this report.

Provider	Description	Date Started
Institutional Shareholder Services (ISS)	Proxy administration & research	2008
Glass Lewis	Proxy research	2009
MSCI	ESG research	2016
S&P Global Sustainable ¹ (formerly Trucost)	Environmental/climate research	2021
Empirical ESG Research	ESG research	2022
Revelio Labs	Workforce data	2023
Multiple	Academic and sell-side research, credit ratings providers, and market research providers	Various

Vendor Management Program

We have developed a centralized third-party vendor management program and policy to mitigate risks associated with utilizing external service providers. For each vendor, we assign an overall risk tier classification that is generally a function of data classification and operational dependency. Due diligence may consist of one or more of the following: an on-site visit, virtual meetings or calls, a questionnaire, or a documentation review. We determine the method of due diligence based on the vendor's risk profile, compensating controls, and practical considerations. When appropriate, we may engage third parties to support elements of the due-diligence process.

We continually evaluate our ESG integration approach, drawing on feedback from our investment team, clients, consultants, and evolving regulatory requirements.

For Dodge & Cox Worldwide Investments Ltd., a UK private limited company and wholly owned subsidiary of Dodge & Cox, we developed a risk assessment framework and due diligence checklist in 2023 for its in-scope vendors to monitor and mitigate the risks of modern slavery and human trafficking. Dodge & Cox Worldwide Investments Ltd. published a [Modern Slavery Statement](#) in April 2024 and updated it in June 2025.

Evaluating and Enhancing Our Approach

We continually evaluate our ESG integration approach, drawing on feedback from our investment team, clients, consultants, and evolving regulatory requirements. Our ESG and Investment Stewardship professionals gather these inputs and work with our ESG Committees (ESG Integration Committee, ESG Research Steering Committee, and Proxy Policy Committee) and their oversight bodies to identify priorities and recommend enhancements to our approach each year.

Our ESG professionals periodically review various third-party ratings and reviews of our ESG integration approach, as well as ESG-related questions we receive from clients and investment consultants. We became a signatory to the Principles for Responsible Investment (PRI) in 2012 to emphasize our commitment to ESG integration and stewardship. We complete PRI reporting when required and review our PRI Assessment Report when available to assess scores and expectations. We were initially accepted as a signatory to the UK Stewardship Code in 2022, and our signatory status was renewed for the fourth consecutive year in 2025. In 2025, we evaluated California climate disclosure rules with our Legal team and outside counsel and conducted a peer terminology review. These reviews supported our assessment of how our disclosures compare with evolving regulatory requirements and industry practices. As relevant, we share key insights on how we are rated and feedback we have received with senior management and our ESG Committees to identify areas where we can continue enhancing our approach.

Ensuring Reporting Quality

We review reporting and disclosures with our Legal and Compliance teams as well as relevant subject matter experts to ensure accuracy, clarity, and appropriate balance. We also seek input from subject matter experts in relevant business functions to confirm our material is clear and digestible. This helps us objectively evaluate internal processes and learn from a diverse range of opinions and expertise. In addition to our business review, internal compliance testing examines various aspects of our ESG reporting process and proxy votes and tests our disclosures for consistency with steps taken in that process. We introduced this testing in 2022 and continued to expand implementation through 2025. We periodically review and refine this testing to support effective oversight. These governance structures and oversight processes support our ESG integration approach—the practical application of how we evaluate environmental, social, and governance factors within our investment process.

ESG Integration Approach

Our investment process relies on intensive bottom-up research, strict price discipline, and team-based decision making. We seek opportunities that can create value for our clients through this disciplined, value-oriented approach. We generally evaluate potential investments over a three-to-five-year investment horizon.

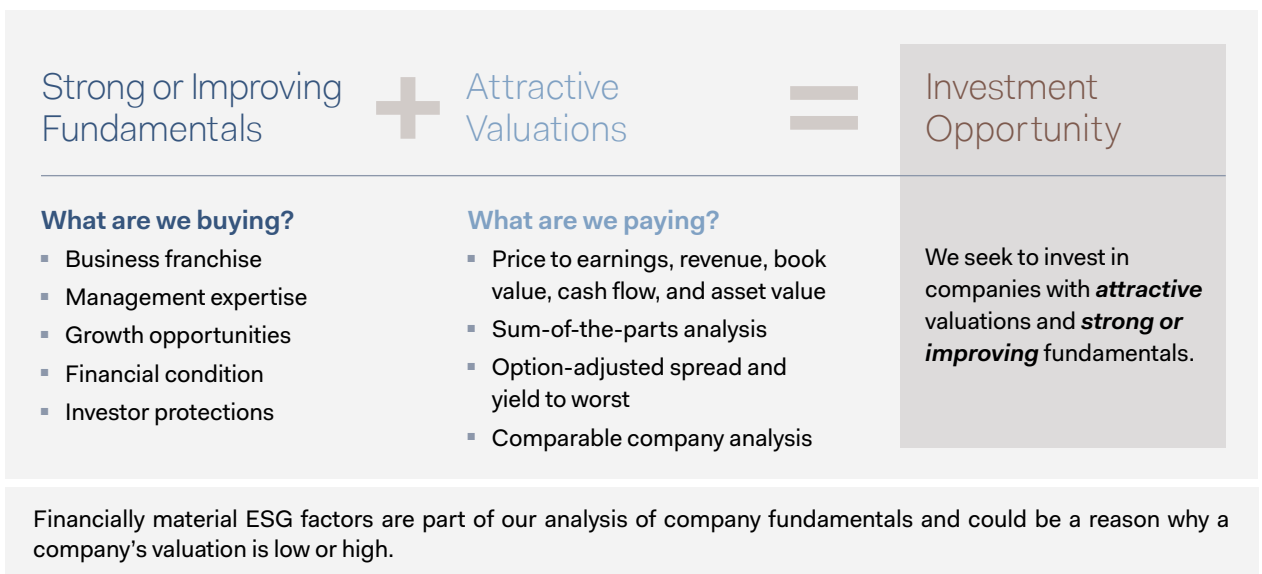
As part of this process, we evaluate ESG factors for their potential financial materiality to a company’s long-term value or an issuer’s ability to fulfill its debt obligations. This evaluation is part of our investment process, which we refer to as ESG integration.

Our ESG Policy Statement

Our [ESG Policy Statement](#) outlines our approach to ESG integration and is published on our website to communicate this approach more broadly. Consistent with our investment philosophy, analyzing, monitoring, and selectively engaging on financially material ESG considerations can help us assess the full range of risks and opportunities associated with an investment. In line with our policy, we seek to ensure material ESG factors are integrated into our research process. Our Director of Research oversees our ESG integration approach in collaboration with the Research Policy Council. Our analysts are responsible for integrating financially material ESG factors into their ongoing research and analysis, and our Investment Committees consider these factors, alongside other relevant investment considerations, when making portfolio decisions.

Our ESG Research Steering Committee reviews our ESG Policy Statement annually to support effective stewardship and the assessment of our policies’ effectiveness. We made non-material updates in April 2025 to refine language on our consideration of ESG factors in our research process, our role in engagement and proxy voting, and our governance structure to better reflect current practices.

We believe market prices change more rapidly than fundamentals. A long-term horizon enables us to focus our research efforts on the factors—such as franchise strength, competitive dynamics, and management quality—we believe ultimately determine the durability and resilience of a company or corporate issuer. Additionally, our long-term investment approach is well suited to evaluating ESG risks and opportunities since they are more likely to occur over a longer time horizon.





Integrating ESG Factors in Our Investment Process

As part of our bottom-up research process, we develop a well-rounded view of a company's fundamental strengths and weaknesses. Where relevant to our decision to invest, this analysis may include the ways in which financially material ESG factors could affect the company's ability to generate long-term value.

Our investment analysts conduct their own due diligence and analysis, which typically incorporate conversations with company management teams and boards, reviews of company reports, sell-side research, and other information from third-party data providers, including ESG data and research as relevant. Our analysts then summarize their research in a report that is distributed to the relevant Investment Committees and includes a qualitative overview of the risks and opportunities they have examined.

Within their reports, our analysts formulate an investment thesis that describes key opportunities and associated risks that appear most critical to the future success of the investment. ESG considerations assessed as part of our research and investment process vary across asset classes, sectors, and issuers. For corporate bonds, our Credit Research Analysts typically collaborate with our Global Industry Analysts to evaluate ESG factors that we believe are likely to affect a company's ability to meet its debt obligations. We evaluate ESG factors that our analysts believe may be financially material; however, not every ESG factor will be relevant or identified for every investment. When an analyst determines a financially material ESG factor could be a key driver of the investment thesis, the analyst typically highlights it in the research report. The analysts then present their recommendations to our Investment Committees, which evaluate portfolio-level risks, including relevant ESG factors, and ultimately decide how to invest our portfolios.

After selecting an investment, our Investment Committees and analysts actively monitor the price and underlying fundamentals of companies we hold widely across our client and fund accounts. The analyst may recommend adding, trimming, or exiting a position if material changes to our investment thesis occur. Consistent with the security selection process, Investment Committees consider a range of risk factors, which may include risks related to financially material ESG issues, as well as the return outlook for the portfolio's broader opportunity set. Generally, we intend to invest in a company for several years to allow time for our longer-term investment thesis to play out. The ongoing evaluation of our current holdings is an important part of our investment process.

How We Approach ESG Integration for Fixed Income

The relationship between a company and its equity holders is different from its relationship with its bondholders.

Due to these differences, our Credit Research Analysts are highly attuned to potential governance issues when lending money to a company, and they put additional emphasis on downside protection. We pay attention to relevant bond covenants, which are bondholder protections, and we may attempt to negotiate more favorable covenants when possible. Within our strict valuation framework, we may also evaluate ESG-labeled bond issuances such as green bonds, whose proceeds are used to advance positive environmental objectives, or sustainability-linked bonds, whose coupons are linked to ESG-related key performance indicators.

Our fixed income portfolios can invest in sovereign bonds, municipal bonds, securitized products, and other security types that each present their own considerations and limitations in the context of ESG integration. For these types of securities, we may evaluate financially material ESG factors as part of our research when relevant to our investment thesis and when sufficient information is available.

Factors Influencing ESG Integration in Equity vs. Fixed Income

	Common Equity	Fixed Income
Relationship to company	Owner	Lender
Risks often skewed to downside?	✗	✓
Able to vote proxies?	✓	✗
Ongoing new issuance?	Rare	✓
Finite maturity?	✗	✓
Seniority	Bottom of capital structure	Senior to equity
Collateral	✗	Sometimes
Non-corporate issuance?	✗	Sovereign, municipal, securitized
ESG-linked use of proceeds?	Rare	Sometimes: Green, social, sustainable bonds

Aligning with Our Clients' Stewardship and Investment Policies

Our U.S. mutual funds and UCITS funds are governed by their respective fund documentation, which outlines our ESG integration and investment policies for each respective fund family and fund. We review fund documentation regularly and make these documents available on our website.

We manage separate accounts in accordance with the Investment Management Agreement (IMA) agreed upon and signed by Dodge & Cox and the client. The IMA includes the investment guidelines for the account and any security restrictions, including ESG, socially responsible investing, or religious exclusions. The IMA also typically includes a client's proxy voting preference—either to retain voting authority over their assets or grant authority to Dodge & Cox to vote in line with our internal Proxy Voting Policy.

We work with each separate account client who seeks to apply exclusionary restrictions. Clients may provide us with a list of restricted securities or exposures to exclude from the portfolio. For clients who do not provide a restricted list, we subscribe to a third-party dataset that provides various options to screen companies based on mutually agreed upon guidelines the client selects, which we then implement for the relevant account(s). Typical screens have included, but are not limited to, restrictions on companies with revenue exposure to tobacco, alcohol, gambling, weapons, or fossil fuels, including oil, gas, and thermal coal. We code investment guideline restrictions that have been agreed upon with a client into our compliance system to conduct pre-trade and post-trade compliance checks. Compliance personnel monitor potential violations and work with Client Portfolio Managers and Portfolio Implementation Associates to address any breaches in consultation with the client, as appropriate.

Our ESG Integration Frameworks

We use a set of frameworks to consistently implement our approach to evaluating ESG risks and opportunities across companies, issuers, and countries. These frameworks support our long-term, analyst-driven research process by helping ensure financially material considerations are identified, assessed, and monitored in a consistent manner. They are ultimately designed to complement our fundamental analysis and support informed analysis of ESG factors.

Company ESG Risk Framework

Our analysts use our Company ESG Risk Framework as a guide to assess whether ESG considerations may pose a financially material risk for a given company over our three-to-five-year investment time horizon, as well as to determine if there are any financially material ESG opportunities for the company. They complete this assessment during the initial purchase phase for companies and corporate issuers we hold widely across our funds and separate accounts and update it each calendar year.⁸

We formally launched this more standardized assessment of ESG risks in 2017. Our ESG Research Steering Committee revised the framework in 2021, adding more explicit considerations about climate change risks. Since then, we have continued refining the framework and published it online within our Research Portal, further integrating this information with our other internal company research, which has improved accessibility and tracking.

Our Global Industry Analysts consider financially material ESG factors within the context of a company’s specific business lines, industry, and regions of operation. Below are examples of ESG factors we consider; not all factors will be relevant to each company. The complete framework can be found in the Appendix.

Environmental	Social	Governance
Climate Change	Human Capital	Capital Allocation
Pollution or Environmental Damage	Human Rights and Community Relations	Ownership Structure
Raw Material Sourcing	Customer Satisfaction and Safety	Management and Board

Baker Hughes

EQUITY HOLDINGS

Baker Hughes Company (Baker Hughes) is a leading U.S. energy technology company that designs and manufactures solutions aimed at making energy supply more reliable, affordable, and sustainable. We invested in the company because of its growing exposure to durable industrial end markets, margin expansion potential from portfolio optimization, and disciplined execution through its business system.

The oilfield services and equipment sector has historically been emissions-intensive due to the energy and materials required in drilling and production. Recognizing this challenge, Baker Hughes reports that it has embedded sustainability into its strategy, stating a commitment to achieve net-zero Scope 1 and 2 emissions by 2050 and directing an increasing share of capital toward lower-carbon solutions. Baker Hughes invested \$643 million in R&D in 2024 and identified energy transition R&D as a top sustainability priority. New energy orders have accelerated from just over \$1 billion in 2024 to a record \$2 billion in 2025, and the company maintains a target of \$6–\$7 billion in annual new energy orders by 2030, spanning Carbon Capture, Utilization, and Storage (CCUS), hydrogen, geothermal, clean power, and emissions abatement technologies.

⁸ Excluding smaller positions in our emerging market strategy and certain holdings in separately managed accounts.

Baker Hughes' liquefied natural gas (LNG) and natural gas business is a major pillar of its transition strategy and a critical enabler of near-term decarbonization and global energy security. The company reports strong demand for LNG turbomachinery, compressors, and modular liquefaction systems, with LNG being the largest end market within the Industrial & Energy Technology segment in 2025, generating approximately \$5.8 billion in revenue. As countries replace coal with gas and seek flexible generation to support renewables and AI-related load growth, Baker Hughes expects its LNG technologies to play an increasingly important role in lowering system-wide emissions.

Alongside LNG, the company reports expanding its carbon capture portfolio through advanced solvents and modular capture units, scaling hydrogen technologies across blue and green production pathways, deploying methane detection and abatement solutions, and investing selectively in next-generation geothermal. These initiatives reinforce Baker Hughes' long-term strategy to support a lower-carbon energy system while continuing to serve essential global energy needs. Our Global Industry Analyst assessed both mature and emerging opportunities across Baker Hughes' low-carbon portfolio to evaluate the company's long-term positioning in the energy transition.

Philips

EQUITY HOLDINGS

Koninklijke Philips N.V. (Philips) is a global healthcare technology company with leading positions in diagnostic imaging, patient monitoring, image-guided therapy, and personal health products. After exiting our position in Philips in 2018, we re-initiated our investment in 2025 due to the strength of the company's core, market-leading franchises and the potential for margin expansion and free cash flow recovery as legacy issues related to the device recall described below are resolved over the coming years.

In 2021, Philips voluntarily recalled certain Respironics sleep and respiratory care devices due to a foam component that could degrade and potentially release particles into the device airpath. In 2024, the company reached a consent decree with the U.S. Department of Justice (DOJ) and U.S. Food and Drug Administration (FDA), which Philips described as providing a defined roadmap to demonstrate regulatory compliance and restore the business. Philips has reported that it has strengthened its quality management systems as part of meeting the consent decree requirements and has remediated more than 99% of actionable registered devices globally. The company reached an approximately \$1.1 billion settlement to resolve the majority of U.S. personal injury litigation and remains a defendant in class action and collective proceedings in other jurisdictions, which we continue to monitor as part of our ongoing company assessment.

Philips continues investing in expanding access to care through its core healthcare portfolio. The company reports that in 2025 its products and solutions improved the lives of 2 billion people, including 253 million in underserved communities. In February 2026, Philips announced updated 2030 Impact Ambitions, with a goal of improving the lives of 2.5 billion people per year by 2030, including 400 million in underserved communities.

Our investment team regularly meets with Philips' management to discuss progress toward lifting the U.S. consent decree, strengthening quality systems, and resolving outstanding legal matters both in the United States and internationally, which we view as important steps toward restoring operational stability. We believe Philips' ongoing remediation efforts and its broader commitment to healthcare access position the company to rebuild trust with patients, regulators, and investors as it works toward normalized operations.

Microsoft

EQUITY HOLDINGS

Microsoft Corporation (Microsoft) is one of the world's largest technology companies, known for its software and cloud computing services. We invested in Microsoft because of its strong secular growth underpinned by its leading cloud platform, highly profitable and recurring revenue model, and rare combination of commercial excellence and productive R&D.

As AI adoption accelerates, Microsoft's expanding data center footprint is driving rapid growth in energy demand. In February 2026, Microsoft announced it had achieved its 2025 goal of matching 100% of electricity consumption with renewable energy. Building on this milestone, the company has committed to be carbon negative by 2030 and remove all historical emissions by 2050, supported by a continuously expanding portfolio of renewable and zero-carbon energy sources.

In 2025, Microsoft reported adding nearly 20 gigawatts of new renewable and carbon-free electricity to its contracted clean-energy portfolio. Microsoft also expanded its investments in next-generation energy technologies, including advanced nuclear. Its partnership with Helion Energy for fusion-generated power is expected to come online as early as 2028. The company is also exploring small modular reactors to support round-the-clock clean power for AI infrastructure.

Microsoft's growing focus on renewable and nuclear energy underscores its goals of pairing innovation in AI with accountability in climate action. Our Global Industry Analyst reviewed Microsoft's clean energy strategy as part of assessing the company's ability to balance AI-driven growth with long-term decarbonization goals.

MEC

CORPORATE BOND ISSUERS

MidAmerican Energy Company (MEC) is a leading regulated electric and gas utility owned by Berkshire Hathaway Energy (BHE), serving nearly 1.6 million customers across Iowa, Illinois, South Dakota, and Nebraska. We invested in MEC's bonds due to their high-quality credit profile, which has been historically supported by predictable cash flows, conservative leverage, and disciplined capital management under BHE's long-term ownership.

In addition to these financial strengths, MEC's operations have demonstrated a sustained focus on renewable generation and environmental sustainability. Since 2004, the company has invested approximately \$16 billion in renewable energy projects. MEC states that these investments have helped maintain low and stable retail electric rates while reducing exposure to fuel and carbon price variability. For example, in 2024, renewable energy generation exceeded 90% of the company's retail electricity demand in Iowa. In 2025, the Iowa Utilities Commission approved MEC's proposed 800-megawatt solar project, marking the largest solar approval in Iowa state history and quintupling MEC's existing solar resources. Looking forward, MEC has signaled its intention to expand its renewable portfolio through additional wind and solar projects to meet growing customer demand while maintaining an emphasis on reliability and affordability across the states it serves.

Our Fixed Income and Global Industry Analysts conducted fundamental research to evaluate the company's long-term credit resilience and environmental performance, including its substantial renewable generation portfolio. We view MEC's sustained investment in renewable generation as integral to the company's ability to meet growing power demand and support its long-term cash flow generation.

BXP, Inc. (BXP) is the largest publicly traded developer and owner of premier office properties in the United States, with a portfolio concentrated in the high-barrier coastal markets of Boston, New York, San Francisco, Washington, D.C., and Los Angeles. We hold BXP's bonds, including green bonds, for their stable lease-driven cash flows, and the company's long average lease terms, diversified tenant base, and demonstrated ability to navigate real estate cycles.

BXP reports that it has embedded sustainability into its long-standing development strategy, and the green bonds we own are tied to projects designed and constructed to meet LEED certification standards. The company's green bond framework formalizes this approach by allocating proceeds to eligible green building projects that satisfy recognized third-party environmental criteria. According to the company, BXP's development activity focuses on modern, energy-efficient buildings engineered to meet high performance thresholds. Its current multi-billion-dollar pipeline includes large office and life-science developments with significant pre-leasing to high-quality tenants who incorporate advanced building systems, reduced energy intensity, and sustainable design features. These practices enhance the environmental credibility of BXP's green bond program and align with tenant demand for efficient, high-quality workspace.

We view these sustainability-oriented developments as a strategic strength that reinforces BXP's competitive positioning by elevating asset quality, improving long-term operating efficiency, and supporting tenant retention in markets where modern, high-performance buildings command a premium. Our Fixed Income Analysts conducted fundamental research on both BXP's credit profile and development strategy, and we believe the company's commitment to premier quality LEED-aligned projects provides a durable foundation for its green bond issuance and long-term creditworthiness.

Carbon Risk Assessment

As part of our Carbon Risk Assessment, our analysts assess climate transition risks, such as regulatory and market risks related to carbon pricing, by analyzing a company's carbon intensity, as well as its competitive positioning and decarbonization targets, when we deem those to be financially material to a company's long-term outlook. Our ESG Research Steering Committee launched this assessment in 2022, and our analysts update the assessment each calendar year for companies and corporate issuers we hold widely across our client and fund accounts.⁹

How We Assess a Company's Carbon Risk



⁹ Excluding smaller positions in our emerging market strategy and certain holdings in separately managed accounts.

To complete this analysis, our investment team can review our carbon risk dashboard to compare how a company's carbon intensity ranks versus those of its industry peers, as well as those of other companies in our portfolios and their relevant benchmarks. The dashboard displays data on carbon emissions, both absolute and relative emissions, as well as temperature alignment with the Paris Agreement goals.¹⁰ Our analysts may also review research and data from other sources, which may include company corporate sustainability reports, company Carbon Disclosure Project reports, and sell-side research.

Our analysts ultimately use the dashboard and their own research to assign a company's risk level—Very High, High, Medium, or Low—based on its carbon intensity and decarbonization goals. We record this analysis in the dashboard so our investment team can view the individual company risk levels and compare across portfolios. We view the Carbon Risk Assessment as one tool in our investor toolkit to evaluate a company's fundamentals. We do not screen a company in or out of our portfolio based on its carbon risk. Rather, our analysts can use the carbon risk level as an indicator to conduct further research on a company.

Stellantis

CARBON RISK ASSESSMENT

Stellantis N.V. (Stellantis) is a global automotive manufacturing company that designs, manufactures, and sells vehicles under 14 well-known brands. We invested in Stellantis because of its strong governance alignment, high-quality franchise composed of a historically well-positioned North American pickup and SUV franchise, and a historically well-run European auto business, as well as its attractive valuation.

Stellantis' direct manufacturing emissions—defined as Scope 1 and 2 emissions—are relatively modest compared to peers. However, when considering Scope 3 emissions, the company faces meaningfully higher carbon risk, as the use of its products—internal combustion engine vehicles—drives substantial downstream emissions. After evaluating the company's full emissions profile, the analyst determined that including Scope 3 emissions better reflects Stellantis' true transition risk and therefore classified the company as High Carbon Risk.

Our carbon risk assessment is based on carbon intensity—carbon emissions normalized by annual consolidated revenues—because it allows for easier comparison across companies of different sizes. On this basis, Stellantis' operational carbon intensity places it in the lower half of the MSCI ACWI Automobiles industry. The assessment also considers a company's decarbonization targets and regulatory environment. In Stellantis' case, the European market presents notable near-term considerations, as the company will need to significantly increase its electric vehicle sales mix to comply with the EU's 2030 fleet-wide CO₂ emissions-reduction targets. However, when Scope 3 emissions are incorporated, overall carbon risk increases materially. Stellantis' portfolio remains skewed toward internal combustion engine pickup trucks and SUVs, particularly in the United States, which, over the long term, elevates its regulatory and transition risk relative to peers'.

Overall, Stellantis earns a High Carbon Risk rating in our framework. While its operational emissions are manageable, the company faces significant transition and regulatory risks tied to its vehicle mix and the pace of electrification, which we will continue monitoring closely.

¹⁰ The Paris Agreement commits participating countries to limit global temperature rise to well-below 2°C above preindustrial levels and pursue efforts to limit warming to 1.5°C.

Sovereign ESG Framework

We complement our rigorous, bottom-up company and issuer research with in-depth analysis of macroeconomic market drivers. The Macro team researches and discusses broader macroeconomic topics (e.g., demographics, commodity price impacts, tariffs, AI impact, tail-risk analysis) and develops tools and models to help idea generation and investment decision making across our equity and fixed income strategies.

Our Macro team also plays a key role in analyzing, monitoring, and forecasting possible outcomes from ongoing geopolitical and macroeconomic developments. This team conducts in-depth analysis on approximately 37 developed and emerging market EM countries (~90% of the world's GDP)—including the Euro area—that are part of our investment universe, as well as broader macroeconomic themes. The team also monitors a broad set of emerging market countries through its EM Macro Monitors, which assess macroeconomic strengths and vulnerabilities across more than 80 EM economies.

The team uses a variety of resources, including monitors and models we have developed internally to evaluate economic, currency, interest rate, and systemic risk trends for each country. Analysts also consider a variety of financially material ESG factors as part of their country analysis. They leverage our Sovereign ESG Framework to provide a quantitative and qualitative assessment of ESG-related risks and opportunities for the countries we cover. This framework includes close to 40 ESG indicators that are aggregated into a quantitative ESG overall score, as well as a specific E, S, and G score, for each country. These indicators fall into three categories:

- **Environmental:** Natural resources, environmental exposure, and environmental/climate policy;
- **Social:** Economic framework and empowerment; and
- **Governance:** Political institutions and security.

Our Macro Analysts also draw on their country-specific expertise to outline any notable opportunities or risks due to developments in policy, regulation, or international agreements as part of our qualitative assessment. Our Macro Analysts highlight the extent to which the top three to five investment opportunities or risks for the country are related to ESG factors.

Analysts first completed the Sovereign ESG Framework at the end of 2021 for sovereign markets in which we have exposure through our global fixed income strategy, as well as for several other countries we cover. They have updated the framework annually since then, and we plan to continue doing so going forward.



South Korea

SOVEREIGN BONDS

South Korea benefits from strong institutions, a highly educated workforce, and disciplined macroeconomic management, which together support a resilient and competitive economy. In 2025, we increased our investment in South Korean local currency government bonds, reflecting attractive valuations alongside confidence in the country's policy framework and long-term prospects.

Governance and social foundations remain key strengths, anchored by a credible central bank, responsible fiscal and monetary policies, and robust rule of law. South Korea's leadership in semiconductors and its integral role in the global AI supply chain reinforce our views on its competitive positioning and export sector resilience. While the economy is energy intensive, South Korea's relatively high reliance on nuclear power has helped moderate carbon intensity, and the country remains committed to ambitious climate targets, including net-zero emissions by 2050.

Policy developments over the past year have reinforced stability and growth prospects. Smooth presidential elections in 2025, following political stress in late 2024, demonstrated institutional resilience and restored political confidence. The new administration under President Lee Jae-myung has advanced a pro-growth agenda, including increased fiscal support and higher investment in research and development for strategic sectors, such as AI and advanced manufacturing. The U.S.–South Korea trade agreement signed in late 2025 reduced tariff-related uncertainty and signaled stronger cooperation in key industries, while continued support for the Corporate Value-Up program strengthens incentives for improved corporate governance. We believe the South Korean won is undervalued relative to its strong fundamentals, and we expect it to appreciate over time.

South Africa

SOVEREIGN BONDS

In 2025, we maintained our position in South African local currency government bonds. This decision reflected improving governance and policy credibility, progress on structural reforms, and still-attractive valuations in local currency markets, despite a declining interest rate environment. Institutional quality has continued strengthening under President Ramaphosa, supported by an independent central bank, strong courts, freedom of speech and press, and improving regulatory oversight. The reduction of the inflation target from 4.5% to 3.0% reinforced monetary policy credibility, while banking sector reforms led to South Africa's removal from the Financial Action Task Force (FATF) jurisdictions under increased monitoring (i.e., "gray list"). Fiscal consolidation has continued, with sustained primary surpluses, and the formation of the country's first coalition government since the 1990s has improved accountability and policy coordination.

Progress has been most visible in the Energy sector. Reforms to a sector long dominated by Eskom, South Africa's state-owned energy company, have restored round-the-clock electricity supply, while regulatory changes have expanded the role of independent power producers and catalyzed private investment in wind and solar generation. We expect new renewable capacity to steadily replace aging coal-fired plants over time. We also anticipate further reforms at state-owned logistics provider Transnet, supporting South Africa's medium-term growth outlook. These developments align with South Africa's commitments under the Paris Agreement and support lower carbon intensity alongside improved economic reliability. Taken together, improvements in governance, energy policy, and fiscal management support a constructive long-term outlook for South Africa's sovereign credit.

How ESG Factors Can Influence Our Investment Decisions

We take multiple factors into account when making investment decisions. While we do not limit our investment universe based on ESG factors, our assessment of financially material ESG considerations has contributed to decisions not to invest in or to sell positions in certain companies or issuers. Typically, these decisions are based on governance-related concerns we believe could impact long-term value, although social or environmental factors may also be financially relevant in certain cases.

In 2024, we sold our bond position in a U.S. utility primarily due to its heightened exposure to wildfire risks. We considered several factors, including the drivers of wildfires; the ability of utilities to better monitor, prevent, and mitigate wildfires; the potential financial materiality of legal liabilities; and the prospects for legislative and regulatory support. While we believed management was taking appropriate actions to reduce the prospective risk of wildfires, we did not believe we were being adequately compensated for potential tail risks posed by wildfires. As a result, we sold the position. If market pricing becomes more attractive in the future, we may repurchase the bonds if we believe we would be more adequately compensated for the wildfire risk.

ESG Topics We Prioritized in 2025

Generally, we prioritize ESG issues at the company and industry levels based on their financial relevance. However, in some instances, the same or similar ESG issues may be financially material for companies across a range of industries. In those cases, we will conduct cross-sector research and look for ways we can provide our investment team with data and tools to support their analyses. In 2025, we continued leveraging third-party resources to access companies' human capital data, launched an executive compensation dashboard, and continued our analysis of climate change and the global energy transition, including research on the risks and opportunities carbon markets can pose to our portfolio companies.

Executive Compensation

Executive compensation practices can provide clear insight for us as investors into how a company's management team is motivated and what they are incentivized to prioritize. As long-term investors, we want to ensure management maintains a long-term focus incentivized by a well-constructed compensation policy.

Given the importance of this topic, in 2025, our Investment Stewardship team, in collaboration with members of our Portfolio Strategy Group, built a tool that leverages AI to extract relevant executive compensation data from proxy reports and other public filings for the companies that we invest in as well as their relevant peers. The data then flows into a dashboard our Global Industry Analysts can use to perform peer and historical comparisons.

Climate Change and the Energy Transition

We view climate change as one of the major challenges facing society and the global economy over the coming decades. We take its associated risks seriously, both as a firm and within our investment process. If we view those risks as material to a company's long-term value, we assess how the management team is adapting its business model to mitigate climate-related risks and take advantage of potential opportunities in the global energy transition. When relevant to the nature of its operations, this analysis typically includes evaluating a company's corporate governance and strategy for reducing its carbon intensity over time.

Since 2021, a group of analysts covering companies within the Industrials and Energy sectors has led an annual research review and discussion on the global energy transition. They analyze the growth and cost of renewables, the outlook for battery development and electric vehicle penetration, and the resulting impact on our expectations for oil and natural gas demand. These discussions are intended to spark debate regarding whether certain economic shifts are cyclical or secular, how these trends may affect our current holdings, and whether there are parts of the market we should further explore for potential new investment ideas.

Over the past year, our ESG Integration team also conducted landscape assessments to review the risks and opportunities carbon markets can pose to our portfolio companies as well as the impact of potential climate legislation. The team also continued updating our company Net Zero Tracker, which logs the carbon emissions reduction goals and net-zero commitments of the companies we invest in. The team reviewed this research with our ESG Research Steering Committee.

At the company level, our analysts evaluate climate-related physical and transition risks and opportunities when they have the potential to be financially material to our investment thesis. They also complete our Carbon Risk Assessment, which we detailed previously in this section. These frameworks demonstrate how we identify and analyze ESG factors. When we believe direct dialogue can enhance our understanding or influence outcomes, we engage with company management and boards.



As climate disclosure requirements and emissions-related regulations continue expanding, we developed our Climate Report in alignment with the Task Force on Climate-related Financial Disclosures (TCFD). The report outlines our governance, strategy, and risk-management approach to climate-related risks and opportunities and includes disclosure of our corporate and investment-related emissions.

Engagement Philosophy



As active, bottom-up investors, we engage regularly with company management and boards, which helps us assess management's priorities, understand strategic direction, and build long-term relationships. We do not form opinions on everything a company does. We engage when we believe it can enhance our understanding of a company, protect or enhance shareholder value, or both. Our concentrated portfolio and long holding period enable us to build relationships with company management and boards over multiple years and engage substantively on issues we view as material to our investment thesis. Some of these issues may include capital allocation, investment decisions, cost structures, employee retention, environmental considerations, climate change, artificial intelligence, and other company-specific matters. Conversely, management teams, investor relations, and company boards may also seek our input on various topics, including ESG issues.

We define engagement as communication with a portfolio company or issuer in which we express our views on the ways issues could affect the company's ability to generate long-term value. We focus our engagement on financially material matters. Typically, we consider that governance factors affect all companies, while environmental and social factors vary by industry, geography, and business model. We may incorporate a company's response to our engagements into our proxy voting and/or investment decision making.

Engaging with Companies

We have multiple avenues for interacting with companies. We estimate members of our investment team collectively conduct more than 1,000 general due diligence meetings each year, including meetings with company management teams, boards, third-party research providers, consultants, a company's competitors, customers, suppliers, and other sources to broaden our understanding of a company's strengths and weaknesses. Where relevant, insights from these discussions may inform subsequent engagement with companies. While most of these meetings are led by our Global Industry Analysts and Credit Research Analysts, our Investment Stewardship team participates when we anticipate proxy matters or ESG topics will be significant to the conversation. Meetings may take place in our office, via video conference or teleconference, at industry conferences, or at company locations around the world. If we believe our views on a particular topic could benefit long-term shareholders and are important to our investment thesis, we may engage on those topics with company management teams.

In 2025, our Investment Stewardship team participated in 73 meetings with 54 unique companies, representing approximately 30% of our widely held equity holdings¹¹. We track discussion topics and key takeaways from these meetings and consider them, as appropriate, when implementing proxy voting decisions.

We estimate members of our investment team collectively conduct more than 1,000 general due diligence meetings each year.

¹¹We define widely held equity holdings as securities issued by companies held in our equity funds other than our emerging markets funds.

Typical participants in company due diligence meetings include:

Dodge & Cox Participants	Issuer Participants
<ul style="list-style-type: none"> ▪ Global Industry Analysts ▪ Credit Research Analysts ▪ Investment Committee members ▪ Sector Committee members ▪ Head of Investment Stewardship ▪ Investment Stewardship Analysts 	<ul style="list-style-type: none"> ▪ Chair of the Board ▪ Lead Independent Director ▪ Chair of the Compensation Committee ▪ Chief Executive Officer (CEO) ▪ Chief Financial Officer (CFO) ▪ General Counsel or Corporate Secretary ▪ Head of ESG and Sustainability

Discussion and Engagement Topics

We engage on issues we believe are financially material to each company’s long-term value. These topics vary by company, region, and sector based on our fundamental analysis. We most often engage on governance topics, but if we view an environmental or social issue as financially material, we may also choose to share our thoughts on those issues.

Though discussion and engagement topics differ for each company, we frequently see common topics emerge. Governance topics span across all companies, and environmental and social topics are generally more relevant for specific industries and regions. We also typically engage with companies on controversies or litigation cases we believe could have significant liabilities for the company and/or cause significant reputational damage. We track our discussions and engagements on ESG themes that arise from meetings we have with company management and boards through our Engagement Tracker.

Our top engagement topics in 2025, by frequency, were compensation, strategy, performance and capital allocation, board-related matters, and leadership and succession planning. Other ESG topics we may discuss or engage on include the following.

<h3 style="margin: 0;">Environmental</h3> <ul style="list-style-type: none"> Decarbonization and net-zero targets Capital expenditures for energy transition investments Physical risks Environmental restoration and remediation obligations Critical mineral sourcing Exposure to changes in tax credits and government incentives 	<h3 style="margin: 0;">Social</h3> <ul style="list-style-type: none"> Human capital management Data privacy and cybersecurity Employee health and safety Access to medicine and drug pricing Human rights issues Product liability Artificial intelligence 	<h3 style="margin: 0;">Governance</h3> <ul style="list-style-type: none"> Board composition Board oversight of financially material environmental and social strategy Company ownership structure Succession planning Board and management team priorities Capital allocation decisions Compensation plan and incentive targets
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Navigating Regional Differences

Generally, we apply our corporate governance and proxy voting principles consistently across geographies. The standards for governance, however, can differ from market to market. In more mature markets, such as the United States and United Kingdom, corporate governance standards may be more stringent and issuer disclosures more robust. Furthermore, in mature markets, companies are more likely to have well-established communications with investors.

In certain markets, we take differences in corporate governance standards into account when assessing a company's practices and determining how best to engage with a company. For example, in Japan, many companies have historically lacked independent directors on their boards. As Japanese exchanges have implemented director independence standards, a number of independent Japanese directors have appeared to become over-boarded—i.e., they serve on too many boards. We are consequently more understanding in our engagements with Japanese companies on director independence because we recognize the importance of the broader attempt to achieve board independence.

We have also paid special attention to capital allocation and encouraged different practices. Again, using Japan as an example, we have observed that many Japanese companies have historically maintained inefficient cross-shareholdings rather than returning cash to shareholders or making investments.

Engaging as a Fixed Income Investor

As we describe in our ESG integration approach, as corporate bondholders, we act as lenders to the company. Our role as lenders rather than owners shapes how we engage with bond issuers. Our Credit Research Analysts are highly attuned to potential governance issues when lending money and emphasize downside protection. We pay attention to relevant bond covenants, which are bondholder protections, and we may attempt to negotiate stricter covenants when possible. These negotiations typically take place during calls with company management teams.

For additional insight on certain issuers, our Credit Research Analysts collaborate with our Global Industry Analysts and may join them in company meetings, when relevant. This collaboration supports a more comprehensive assessment of issuer-specific governance risks and opportunities from both an equity and credit perspective.

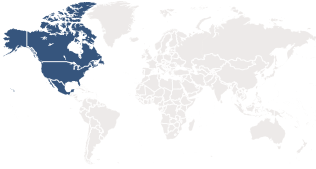
Air Products

ENGAGEMENT

Region: North America

Sector: Materials

Engagement Topics: Governance

**BACKGROUND AND OBJECTIVE**

Air Products and Chemicals Inc. (Air Products) is a U.S.-based industrial gas company that supplies atmospheric, process, and specialty gases, related equipment, and services to a wide range of industries worldwide. In October 2024, activist investor Mantle Ridge launched a proxy contest at the company to elect four director candidates. Mantle Ridge was especially focused on removing the CEO and Chair, Seifi Ghasemi, believing him to be entrenched, having served on the Board as the CEO for over 10 years alongside directors who had not provided sufficient oversight. Its dissident campaign included proposing a new CEO candidate, in addition to the director candidates it nominated. Mantle Ridge believed the company needed change following financial underperformance, capital allocation issues, and dysfunctional corporate governance.

APPROACH AND OUTCOME

Our Global Industry Analyst and Head of Investment Stewardship met with the company's management team and members of the Board, as well as Mantle Ridge and its director nominees in January 2025. Our discussion covered each party's slate of nominees, focusing on industry experience, board oversight, succession planning, and overall strategic vision. We also addressed the company's stock underperformance, capital allocation, and current project risks—seeking input from both sides to better understand their perspectives and priorities.

In January, Mantle Ridge secured three out of four board seats in the proxy contest. The following month, CEO Seifi Ghasemi announced his decision to step down from his role. We have continued to meet with members of management, including the new CEO Eduardo Menezes as well as with the Board. We have inquired about the new dynamics of the Board and continue to monitor the company's changes and progress on stated goals following the proxy contest.

Holcim

ENGAGEMENT

Region: Europe

Sector: Materials

Engagement Topics: Governance,
Environmental**BACKGROUND AND OBJECTIVE**

Holcim Limited (Holcim) is a Switzerland-based building materials and solutions company that produces and distributes cement, concrete, aggregates, and a broad range of construction products and services used across infrastructure, residential, commercial, and industrial projects worldwide. We met with Holcim management multiple times in 2025, discussing a variety of topics including the company's spinoff of its North American business, Amrize, as well as decarbonization initiatives and efforts to reduce the clinker factor, a key indicator of production costs and emissions in cement manufacturing.

APPROACH AND OUTCOME

Ahead of Holcim's spinoff of Amrize, which was completed in June 2025, we spoke with management about capital allocation strategy, leadership planning, and board composition.

In our conversations, management shared its long-term plan to invest in carbon capture technologies and the impact of decarbonization on its business, as the company is a major producer of low-carbon building materials. We also asked the company about its timeline for clinker factor reduction. The company shared that, particularly for Amrize, reduction is expected to be gradual. Unlike Europe, which has strong regulatory support for sustainability and recycled materials, North America lacks similar incentives. Consequently, management expects a slower reduction of the clinker factor, with progress being driven by select corporate clients' own environmental goals rather than by broad market demand. We continue to have in-depth conversations with the company on these topics.

Mitsubishi Chemical

ENGAGEMENT

Region: Japan

Sector: Materials

Engagement Topics: Governance,
Environmental**BACKGROUND AND OBJECTIVE**

Mitsubishi Chemical Group Corporation (Mitsubishi Chemical) is a Japan-based global chemical company that develops and supplies specialty materials, industrial chemicals, polymers, and industrial gases for various applications. In 2025, we spoke with members of management on environmental topics, as well as on capital allocation, a key engagement topic when communicating with Japanese companies.

APPROACH AND OUTCOME

Our Global Industry Analyst spoke with the company about its coke (a raw material used in blast furnaces) and petrochemicals businesses, which are its two most carbon-intensive businesses. Management shared that the coke business is facing a key decision year, with the company considering restructuring or divesting the business. Regarding the petrochemicals business, the company is considering a joint venture that may lead to the closure of one of its production facilities.

Additionally, we spoke about capital allocation. Management expects approximately \$3.5 billion of proceeds from the sale of its pharmaceutical business. Management will use some of the proceeds to pay down debt; however, it is close to its current target on a debt-to-equity ratio. The company will utilize a portion of the cash to execute share repurchases, with the remainder reserved for growth opportunities. We continue to closely monitor the company for execution on these opportunities.

In early 2026, the company announced its withdrawal from the coke business, taking a significant step in its ongoing portfolio restructuring.

Suncor

ENGAGEMENT

Region: North America

Sector: Energy

Engagement Topics: Governance,
Environmental**BACKGROUND AND OBJECTIVE**

Suncor Energy, Inc. (Suncor) is an integrated oil company operating in the Canadian oil sands and offshore Canada. We have engaged the company over the years and have described previous engagements in our 2022 and 2023 reports. We invested in Suncor because of its strong business franchise, high free cash flow, effective management team, and attractive valuation.

In 2025, we engaged with the company on strategic matters and environmental considerations. Suncor previously announced a target to achieve net-zero emissions for Scopes 1 and 2 by 2050. In June 2024, Suncor removed this target from its website due to the passage of the Canadian Federal Bill C-59 that amended the Competition Act, which Suncor determined created uncertainty around how companies can communicate its environmental action plans and targets. On its website, Suncor has emphasized its ongoing commitment to “environmental performance, sustainable development, and the work [the company is doing] to reduce greenhouse gas emissions and achieve its related ambitions.” However, it has temporarily removed environmental and climate content from its website as it awaits guidance from the Competition Bureau on what is required to comply with these new laws.

APPROACH AND OUTCOME

During our meetings with Suncor’s management in 2025, we discussed the company’s upcoming turnaround cycle, outlining the extensive pre-planning underway to ensure smooth execution across the business. Suncor management outlined how better operational data can empower field teams and could be utilized to incentivize and support its employees. Finally, management noted that with operations running well, it now feels it has greater flexibility to pursue M&A, which represents a meaningful shift from its previous, more conservative stance on such types of corporate transactions.

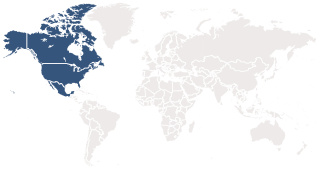
UnitedHealth

ENGAGEMENT

Region: North America

Sector: Health Care

Engagement Topics: Governance

**BACKGROUND AND OBJECTIVE**

UnitedHealth Group Inc. (UnitedHealth) is a health care services company in the United States that operates four segments (UnitedHealthcare, Optum Health, Optum Insight, and Optum Rx) to deliver health benefits, care services, data and technology solutions, and pharmacy care programs. The company has faced significant challenges including the loss of its CEO for the UnitedHealthcare segment in 2024. The company's subsequent CEO, Andrew Witty, also unexpectedly resigned from the company in May 2025. Other setbacks include a cybersecurity attack and a DOJ investigation into its Medicare billing practices.

In 2025, we had the opportunity to share our views on executive compensation and recent corporate governance trends with the company.

APPROACH AND OUTCOME

In 2025, we engaged with members of UnitedHealth's Board and management to learn more about how they were responding to recent setbacks, leadership changes, succession planning, and executive compensation during this tumultuous period. Across multiple engagements during the year, we reiterated our preference for performance-linked compensation programs and sought the company's perspective on recent corporate governance developments.

We asked for more details about the DOJ investigation of UnitedHealth's coding practices. We recognized the gravity of these allegations and continue following the investigation. The company shared the work its Public Responsibility Committee was doing to make changes and regain public trust.

We believe the company heard our views and continue to monitor the company closely.

Anonymous Fixed Income Security

ENGAGEMENT

Region: North America

Sector: Industrials

Engagement Topics: Governance

**BACKGROUND AND OBJECTIVE**

A portfolio holding sought bondholder consent for the separation of a subsidiary.

APPROACH AND OUTCOME

We discussed the transaction with the company and its bankers and conveyed our view that the transaction was disadvantageous to bondholders in certain respects.

Despite our engagement, the transaction continued without any changes.

Working Collaboratively

We believe better outcomes can often be achieved by engaging directly and privately with companies. We prefer to have ongoing conversations and do not typically file shareholder resolutions or join public campaigns. However, we recognize that in certain circumstances, collaborative engagement can be an effective way to engage with a company or to address market-wide issues, systemic risks, or concerns affecting many investors. We maintain relationships with a variety of stakeholders and evaluate collaborative engagements on a case-by-case basis.

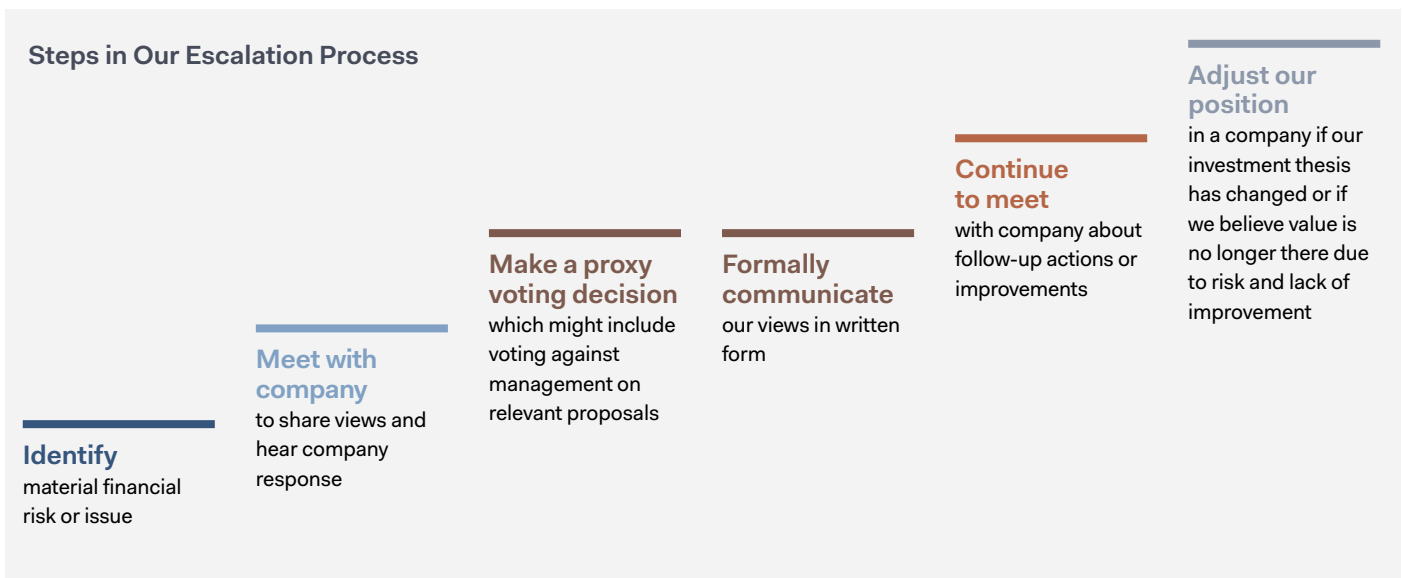
We also consider communicating with other investors, including those with dissenting views, about specific companies we hold when we believe doing so is likely to maximize the value of our clients' investment portfolios, consistent with our policies and procedures and applicable legal requirements. We acquire securities on behalf of our clients solely for investment purposes. We do not seek to affect, change, or influence the control of any company in which we invest.

When applicable, we may speak with peers to share our evolving views and listen to their perspectives on ESG topics. Some of the topics we have discussed included proxy proposals on climate change, diversity, compensation—especially long-term incentive plans—and the mechanics of proxy voting. Participating in industry forums, panels, and conferences helps us stay current on best practices.

We did not participate in formal collaborative engagement campaigns or investor coalitions in 2025, reflecting our preference for direct engagement and our assessment that the issues we prioritized were better addressed through individual company dialogue.

Escalation of Issues

We typically find engagement conversations to be productive and sufficient for us to express our views. If we feel a company has not adequately addressed our concerns on a certain issue, we may escalate our stewardship activities or take steps to ensure our concerns are noted.



As an active manager, we continuously assess risks and specific issues related to each company we invest in, and we may adjust our position in the company if our initial investment thesis changes.

We evaluate and assess each engagement's potential outcome based on management's reaction to the discussion, actions, and long-term performance. Because of our long-term investment outlook, we monitor identified issues over an extended period. If direct engagement with the company has not resulted in progress toward our objective of maximizing shareholder value, we may escalate the engagement through additional meetings with management and the board. Further escalation could include voting against management on relevant proposals or formalizing our engagement by expressing our views in written form.

We generally continue meeting with a company after voting a significant proxy or expressing our views in written form to understand follow-up actions or improvements the company is making to address our concerns.

When escalating issues, we usually involve the Global Industry Analyst who covers the company and more senior members of our investment team, such as our Chief Investment Officer, Director of Research, or members of our Investment Committees. If an escalation relates to making a proxy voting decision, the Investment Stewardship team may collaborate with members of the Proxy Policy Committee, the Global Industry Analyst, and, when deemed necessary, the relevant Investment Committees to make a proxy voting decision we believe is in our clients' best long-term interests. These decisions may also include dialogue with the company.

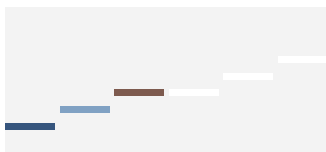
As an active manager, we continuously assess risks and specific issues related to each company we invest in, and we may adjust our position in the company if our initial investment thesis changes. Before deciding whether to add to, trim, or sell a particular position, we consider on a case-by-case basis whether escalation is likely to contribute to our objective on a particular issue and a better long-term investment outcome for our clients.

Our escalation approach, as outlined in the earlier visual, typically applies across asset classes and regions, with consideration of security type limitations and regional differences.



Akzo Nobel

ESCALATION



Region: Europe

Sector: Materials

Escalation Step: Make a proxy voting decision

BACKGROUND AND OBJECTIVE

Akzo Nobel N.V. (Akzo Nobel) is a Netherlands-based global producer of paints and coatings, offering a portfolio of branded products used in building and renovation, automotive and specialty applications, and industrial, marine, and infrastructure markets worldwide. We have had multiple discussions over the years with Akzo Nobel's management and Board about the company's compensation program. In 2025, we continued identifying concerns with the program, noting what we believed to be a lack of shareholder alignment in its long-term incentive plan metrics.

APPROACH AND OUTCOME

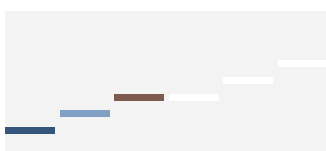
In 2025, our Global Industry Analyst and Head of Investment Stewardship met with the Chair of the Board to discuss the company's compensation program. We expressed frustration over the company's long-term incentive plan metrics and shared our previously stated preference for the use of a total shareholder return (TSR) metric, which is a per share metric. The company proposed updates to its plan; however, the updates did not include any per share metrics. We also provided suggestions on refinements to the company's compensation peer group.

Though the company appeared to acknowledge our statements, at the time of our engagement, we did not note any change nor any indication the company intended to incorporate TSR or some other per share metric into its long-term incentive plan.

We voted against the company's compensation report to signal our dissatisfaction with the company's compensation practices. The proposal passed with 82% support. The company has disclosed in its 2026 proxy that it intends to incorporate TSR into its compensation program in future years, in response to our feedback.

AB InBev

ESCALATION



Region: Europe

Sector: Consumer Staples

Escalation Step: Make a proxy voting decision

BACKGROUND AND OBJECTIVE

As described in our last two reports, we have been monitoring and expressing concerns with the executive compensation policy at Anheuser-Busch InBev SA/NV (AB InBev), a Belgium-based drinks and brewing company. In 2025, we remained concerned that the company's long-term incentive plans did not clearly define maximum award limits and long-term incentive awards were largely not subject to performance conditions. A lack of disclosure in both the short-term and long-term incentive plans has made it difficult for shareholders to determine whether pay and performance are reasonably aligned. Additionally, the company has not sufficiently responded to shareholder dissatisfaction related to the company's compensation practices over the last few years. Furthermore, we believe independent shareholders are not adequately represented on the Board.

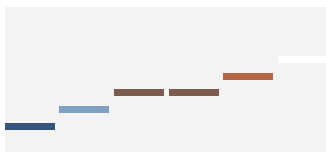
APPROACH AND OUTCOME

In 2025, we again voted against the compensation report. We also decided to vote against the non-independent directors up for re-election at the company. We believed a more independent board would create more visibility into board actions and allow for stronger shareholder responsiveness.

The compensation proposal received 71% support; though it passed, its level of support may be indicative of some shareholder dissatisfaction. The three directors we voted against received support levels ranging from 73% to 77%. We will continue to monitor AB InBev's compensation and board composition practice.

Bayer

ESCALATION



Region: Europe

Sector: Health Care

Escalation Step: Continue to meet

BACKGROUND AND OBJECTIVE

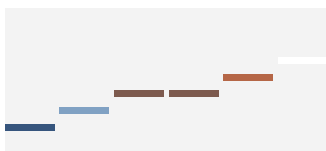
Bayer AG (Bayer) is a Germany-based multinational pharmaceuticals and life sciences company. We have engaged with Bayer's CEO and Chair over ongoing litigation surrounding its weedkiller RoundUp, in which Bayer faces claims that RoundUp's active ingredient, glyphosate, causes cancer. Bayer also faces lawsuits related to polychlorinated biphenyls (PCBs) in the water supply. We have incorporated an estimate of both current and future RoundUp and PCB liabilities into our financial valuation. As we described in our 2023 report, we also remain concerned about the company's executive compensation plan.

APPROACH AND OUTCOME

In 2025, Bayer included a capital authorization proposal on its annual general meeting (AGM) ballot to access additional capital for potential litigation settlements. We conveyed our concerns about this approach, particularly the disproportionate burden it placed on equity shareholders relative to other stakeholders. After receiving approval from our Proxy Policy and Investment Committees, we voted against the proposal. We also voted against the compensation report, as management payouts did not align with shareholder outcomes. The capital authorization proposal received 82% support; the compensation report received 67% support. Following the AGM, the company contacted us to discuss the relatively low support for the compensation report, and we reiterated our view that further alignment between management payouts and shareholder outcomes is needed.

Norfolk Southern

ESCALATION



Region: North America

Sector: Industrials

Escalation Step: Continue to meet

BACKGROUND AND OBJECTIVE

Norfolk Southern Corporation (Norfolk Southern) is a large freight railroad operating company with an extensive railroad network in the eastern United States. As we detailed in last year's report, we have escalated engagement with the company over a number of concerns, including a proxy contest, the termination of its former CEO for cause, the executive compensation program's lack of pay-for-performance alignment, and a major derailment of one its trains in 2023.

Additionally, the company announced a merger with Union Pacific in July 2025, whereby the company would be acquired by Union Pacific.

APPROACH AND OUTCOME

Our Global Industry Analyst and Investment Stewardship team met multiple times with members of management and the Board. In April 2025, we discussed improvements the company made to align executive compensation with shareholder outcomes after the company failed to receive majority support on its 2024 Say-on-Pay. Upon receiving shareholder feedback, the company made changes to its executive compensation program, including reintroducing operating ratio in the short-term incentive plan, adding a relative TSR modifier to its long-term incentive plan, and increasing the CEO's stock retention requirements. We also probed the integration of new and existing Board members following the proxy contest.

Following the announcement of the Union Pacific–Norfolk Southern merger, we met with both companies' management teams to discuss the rationale for the transaction, the regulatory review process, potential public-interest benefits, and the composition of the combined board. We also discussed whether "golden parachute" payments would be subject to a double-trigger provision and the base and bonus multiplier for cash payouts. We ultimately supported the vote on the merger as well as termination payments given the attractive premium the merger consideration represented.

Proxy Voting Process

We vote based on our objective of maximizing long-term shareholder value.

We view proxy voting as an important component of our stewardship responsibilities. We vote based on our objective of maximizing long-term shareholder value. Our Investment Stewardship team works with our Global Industry Analysts and the Proxy Policy Committee to execute the hundreds of proxies we vote on behalf of our clients and fund shareholders each year. Our Investment Stewardship team makes voting decisions based on our detailed Proxy Voting Policy and after carefully evaluating a range of materials, including those provided by the company, proxy voting advisory services, and engagements with companies themselves, as described in the Engagement Philosophy section. Our Head of Investment Stewardship chairs the Proxy Policy Committee as the Proxy Officer. Our Proxy Voting Policy guides our votes and applies to all funds and separate accounts over which we have voting authority.

Our Proxy Voting Policy

Our policy is to vote proxies in a way we believe best serves our clients' interests in their capacity as shareholders of a company. We normally vote in support of company management when it aligns with our [Proxy Voting Policy](#) of maximizing shareholder value and when adequate information on a proposal is provided. We vote against proposals we believe would negatively impact the long-term value of shareholders' investments.

We vote all proxies where we have discretion in accordance with our Proxy Voting Policy, which is available publicly on our website and is reviewed annually by our Proxy Policy Committee. Annually, our Proxy Officer and other members of the Investment Stewardship team also review key votes and provide a summary of the proxy season to the Proxy Policy Committee. The Proxy Policy Committee is updated regularly on any critical issues related to proxy voting as they occur.

As part of our annual review process, we updated our Proxy Voting Policy in February 2025. Updates to the policy include, among others: (i) specifying we will generally support management proposals to amend bylaws or articles if we believe the proposed amendments would have a neutral or positive effect on the value of an issuer's shares; (ii) codifying into the policy our practice of reviewing whether capitalization proposals are overly dilutive; (iii) clarifying our position on voting against the replacement or repricing of underwater stock options; (iv) clarifying that our voting decisions on directors may take into account whether the board's actions are consistent with shareholder-approved outcomes, including the treatment of shareholder proposals that receive majority support and management proposals that do not receive shareholder approval.

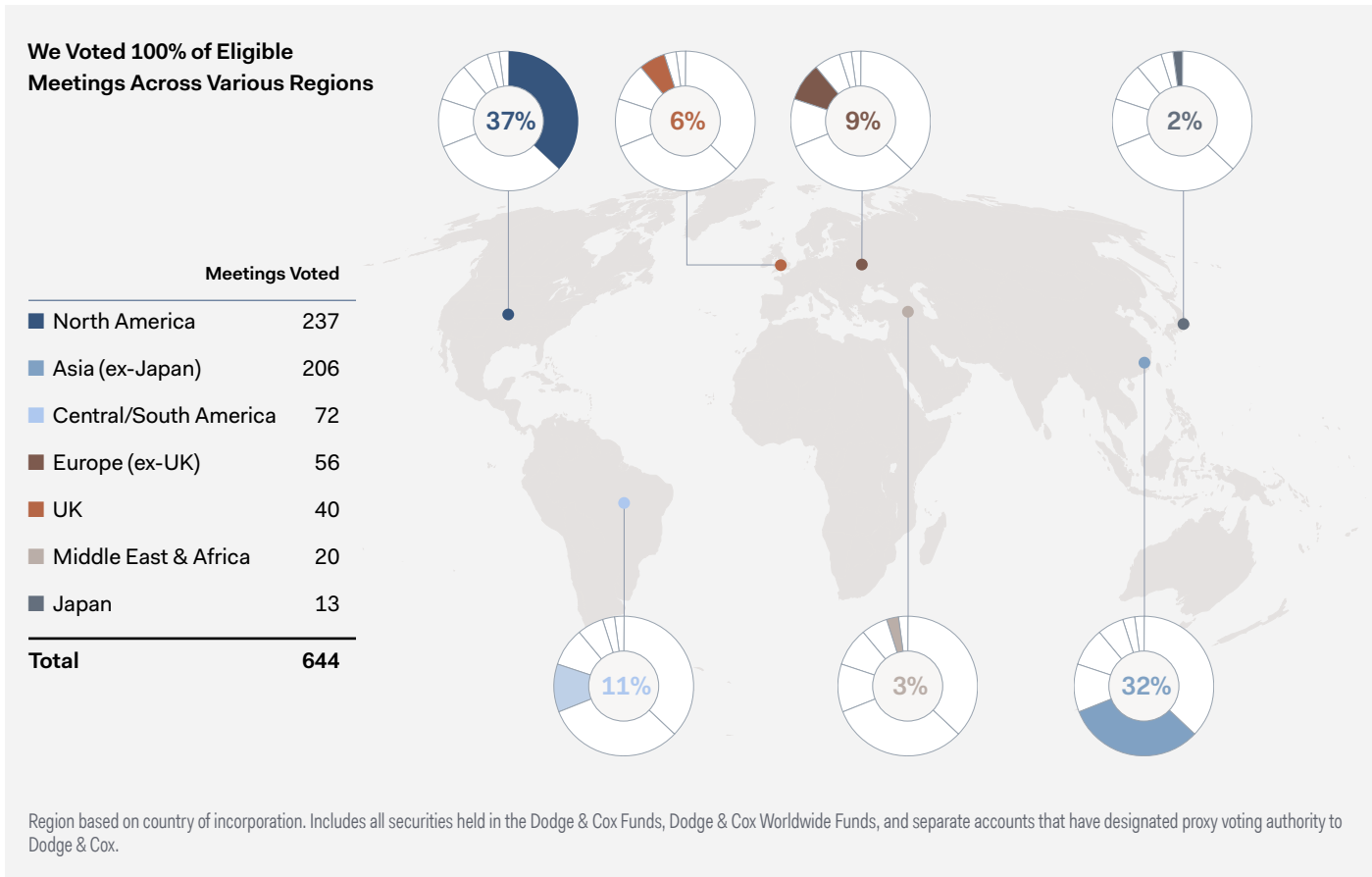
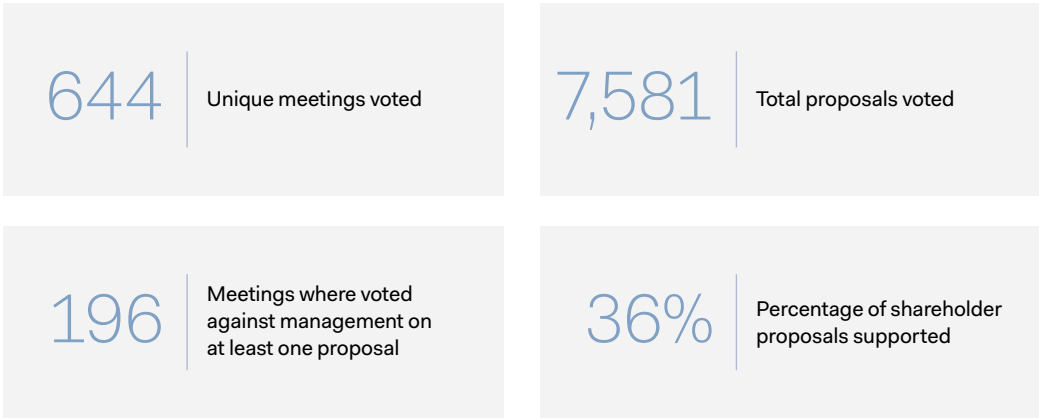
Voting Proxies on Behalf of Our Clients

Our Proxy Officer or her delegate reviews all proxies. Our Global Industry Analysts also review proxies for the companies they cover when deemed appropriate by the Proxy Officer or delegate. We vote proxies according to our Proxy Voting Policy and may also consult the Proxy Policy Committee, which consists of the Proxy Officer, analysts, a subset of the firm's Investment Committee members, and individuals from our Legal and Compliance teams. For certain companies held in our Emerging Markets Stock Fund, we use Institutional Shareholder Services (ISS) as a delegate to implement our Dodge & Cox Proxy Voting Policy.

When items are not covered under our policy, our Proxy Officer or delegate may work directly with the Global Industry Analyst and a member of our Proxy Policy Committee to perform an additional review. We believe having multiple individuals review our rationale and voting decisions best serves our clients. Examples of topics we review on a case-by-case basis include mergers and acquisitions, golden parachutes, related-party transactions, and contested elections.

Our 2025 Proxy Voting Activities

In 2025, we were eligible to vote at 644 meetings. We cast votes at all eligible meetings.



We normally vote in support of company management when it aligns with our Proxy Voting Policy and when adequate information on the proposal is provided. We do, however, vote against proposals we believe would negatively impact the long-term value of our investment. We may speak with management when we vote against certain proposals.

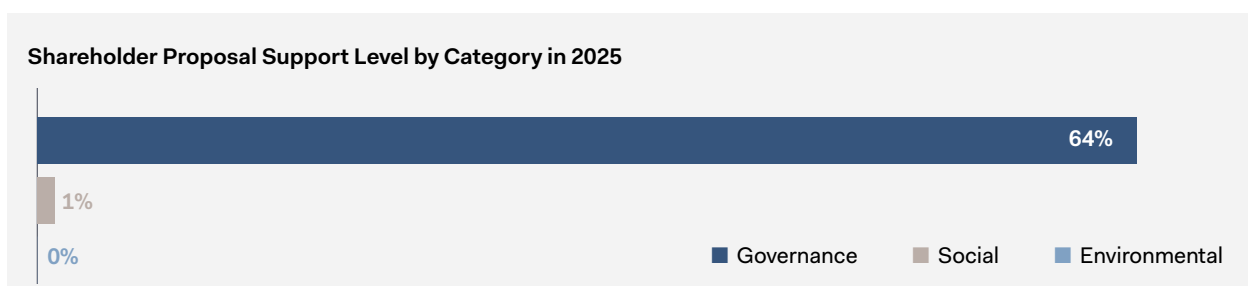
Our Proxy Voting Policy reflects the rationale for our vote. Examples of situations in which we may vote against a management proposal and the corresponding rationale include:

- Voting against a director nominee when insufficient information is provided on the nominee;
- Voting against a director nominee linked to risk oversight or corruption concerns;
- Voting against the creation of separate classes with different voting rights, as dual-class capitalization structures provide disparate voting rights to different groups of shareholders with similar economic investments; and
- Voting against excessive severance packages or golden parachute agreements that do not align with shareholders' best interests.

How We Consider Shareholder Proposals

We believe a company's management team is generally in the best position to make decisions regarding a company's strategy and business operations. We expect company management to identify and oversee financially material environmental and social risks and to disclose those risks to shareholders. To the extent not addressed in our Proxy Voting Policy, we review management and shareholder proposals related to governance, social, and environmental issues on a case-by-case basis and consider supporting proposals that address material issues we believe protect and/or enhance the company's long-term value.

In 2025, we supported 36% of all resolutions raised by shareholders. The following chart breaks down our support levels for shareholder proposals by category.



Supported 100% of management-proposed environmental proposals.

Key Governance, Social, and Environmental Topics Supported in 2025

Governance

- Provide right to act by written consent
- Adopt simple majority vote
- Reduce ownership threshold for shareholders to call special meeting (acceptable threshold of 10%)

Social

- Report assessing diversity and inclusion efforts using quantitative metrics

Environmental

- Approve Corporate Social Responsibility Report
- Approve Climate Action Plan

Over the past several years, more companies have begun disclosing material data, including emissions and emissions reduction efforts. In 2025, we clarified in our Proxy Voting Policy that we do not support shareholder proposals we view as dictating a company's strategy. As such, we may review current company disclosures to determine whether a shareholder proposal is additive or unnecessary, and whether we view the shareholder proposal as dictating a company's strategy. Proponent intention may also be taken into consideration when deciding whether to support a shareholder proposal. In 2025, we did not consider the environmental shareholder proposals received to be additive or necessary to existing disclosures and/or we viewed the proposals as dictating company strategy. When we deem a company has financially material climate-related risks or opportunities, we will expect that company to have a climate strategy and will typically vote in favor of well-considered management climate-related proposals.

Identifying and Resolving Conflicts of Interest

We are sensitive to conflicts of interest that may arise in the proxy decision-making process—for example, when:

- Proxy votes regarding non-routine matters are solicited by an issuer who has an institutional separate account relationship with Dodge & Cox;
- A proponent of a proxy proposal has a significant business relationship with Dodge & Cox (e.g., an employee group for which Dodge & Cox manages money);
- Dodge & Cox has business relationships with participants in proxy contests, corporate directors, or director candidates;
- A Dodge & Cox employee has a personal interest in the outcome of a particular matter before shareholders (e.g., a Dodge & Cox executive has a relative who serves as a director of a company); or
- A member of the Dodge & Cox Funds Board of Trustees¹² is a director of a public company held by the Funds.

¹²The Dodge & Cox Funds are governed by a Board of Trustees. Dodge & Cox manages the day-to-day operations of the Funds under the direction of the Board of Trustees.

Dodge & Cox is committed to identifying and resolving conflicts in our clients' best interests.

Dodge & Cox is committed to identifying and resolving conflicts in our clients' best interests. If a proxy voting proposal gives rise to a material conflict of interest and the proposal is not addressed by our policies and procedures, the Proxy Officer or delegate may escalate the issue to the Proxy Policy Committee who will consult Dodge & Cox's Chief Compliance Officer (CCO) and senior management. The Proxy Policy Committee, CCO, and senior management may consult with an independent consultant or counsel to resolve material conflicts of interest.

In 2025, we did not identify any material conflicts of interest related to proxy voting requiring escalation of action.

Monitoring Voting Rights

To uphold the integrity of the proxy voting process, we perform ballot-to-ballot, share-to-share reconciliations for all widely held meetings to ensure we are executing all eligible votes. Our Investment Stewardship team works with our Client Service Associates during account set up and interfaces directly with our clients' and funds' custodians to facilitate proxy voting. Accounts that have delegated voting authority to Dodge & Cox are set up to deliver electronic ballots to our vote administrator, ISS, so we can execute our votes through the ISS platform. To facilitate this process, we send a daily record of our holdings to ISS. When ballots are missing or shares do not reconcile with our expectations, we reach out to the separate account client's or fund's custodian, confirming the account has been set up correctly to deliver ballots to our administrator and asking for control numbers for any missing ballots identified so we can ensure votes are cast.

We also maintain a votable shares monitoring system for regulatory filing purposes, leveraging information we receive from Bloomberg that indicates if a security has voting rights attached to its shares. Companies listed in certain jurisdictions, for example France, may issue securities with double voting rights and extra dividends with registered shares. For those eligible shares we have chosen to register, we also track the extra voting rights we receive.

How We Use Proxy Research Firms

We have retained ISS to administer proxy voting and reporting for our clients. We may review proxy research from ISS and Glass Lewis as one component of our proxy process. When making proxy voting decisions, we rely on our own Proxy Voting Policy. Our voting decisions are driven by our Proxy Voting Policy and are informed by our company discussions and engagements, local market standards, and analysis/input from our Investment Stewardship team as well as members of our investment team. In 2025, we voted against ISS recommendations approximately 5% of the time.

As part of our proxy advisor research oversight, we meet with ISS annually to conduct due diligence on its operations, cybersecurity, legal and compliance, technology, conflict reviews, and control and audit practices. These checks and balances are designed to ensure our voting decisions are informed by accurate information aligned with our Proxy Voting Policy.

In 2025, members of our Investment Stewardship team met with ISS at its headquarters in Maryland to review its policies, procedures, and controls. This meeting included discussions on conflicts of interest, research, voting operations, and legal/compliance review. We also meet with ISS approximately every two weeks to receive updates on meetings and to raise any concerns on proxy vote administration. Further, we monitor developments and challenges in the proxy advisory space, including at Glass Lewis. We rely on our own Proxy Voting Policy when making proxy voting decisions. When we identify data we believe to be inaccurate, we may reach out to the proxy advisory firm to discuss our findings.

Considerations for Separate Account Clients

Separate account clients have the option to vote their own securities or to have us vote proxies on their behalf in line with the Dodge & Cox Proxy Voting Policy. In separate accounts over which we have been given full discretion, we vote based on our objective of maximizing long-term shareholder value. We do not accept delegation of proxy voting responsibilities when clients mandate use of their own proxy voting policy, though we may be able to work with our proxy administrator, ISS, to implement other voting policies per their IMAs.

Voting Limitations

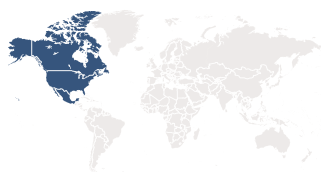
We vote proxies for which we have voting authority consistently across all our portfolios and funds in accordance with our Proxy Voting Policy. While we use our best efforts to vote proxies, in certain circumstances it may be impractical or impossible to do so. For example, when a client has loaned securities to a third party, those securities are generally not readily available for proxy voting. We may also be prohibited from voting certain shares or required to vote in proportion to other shareholders under applicable regulatory requirements or company governance provisions. Corporate governance standards, disclosure requirements, and voting mechanics vary greatly across international markets. Some international markets require securities to be “blocked” or registered to vote at a company’s meeting; absent an issue of compelling importance, we will generally not subject our clients to this liquidity loss. We also may not be able to vote proxies for certain international holdings if we do not receive meeting information in time or meet the requirements necessary to vote. The costs of voting in international markets may be substantially higher than for U.S. holdings, and as a result we may limit our voting where issues presented are unlikely to materially impact shareholder value.

Baxter

PROXY VOTING

Region: North America

Sector: Health Care



BACKGROUND AND OBJECTIVE

Baxter International Inc. (Baxter) is a U.S.-based health care products company. In 2025, the company received a shareholder proposal asking the company to adopt a share retention policy for senior executives. The proposal asked that the five named executive officers at the company retain at least 30% of net after-tax shares awarded through equity pay programs until reaching normal retirement age of at least 60 years. The proponent believed share retention was necessary to focus executives on the company’s long-term success, particularly considering the continued share price decline since 2019 and the absence of an independent board chair.

APPROACH AND OUTCOME

Our Head of Investment Stewardship and Global Industry Analyst evaluated the proposal in the context of the company’s governance practices and long-term performance. After much consideration, we decided to vote for the share retention shareholder proposal, in light of the company’s share price struggles and a desire to encourage more share ownership among senior executives to better align executives with the outcomes for shareholders. The requirement to hold 30% of net shares awarded did not seem overly burdensome. We sought approval to vote in favor of this proposal from our Proxy Policy Committee.

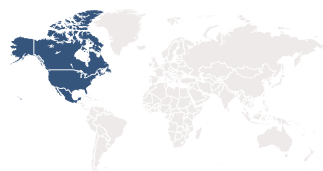
Ultimately, we voted in favor of the proposal to signal to the company we believed their executives needed more “skin in the game” to align incentives with shareholders. This proposal received 37% support at the company’s AGM.

FedEx

PROXY VOTING

Region: North America

Sector: Industrials

**BACKGROUND AND OBJECTIVE**

FedEx Corporation (FedEx) is a U.S.-based transportation, ecommerce, and business services company providing express shipping, ground delivery, freight, and supply chain solutions. In 2025, we identified concerns with the company's compensation program. The company granted a former named executive officer (NEO) a large separation payment and accelerated outstanding equity under circumstances that did not appear to constitute an involuntary termination. We also noted that discretionary and one-time awards made to NEOs undermined the program's pay-for-performance framework and diluted alignment with long-term shareholder interests.

APPROACH AND OUTCOME

Our Global Industry Analyst and Head of Investment Stewardship determined it was appropriate to vote against the Say-on-Pay proposal to signal our concerns. They sought and received approval from our Proxy Policy Committee and Investment Committees to vote against the proposal in 2025.

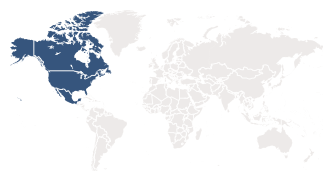
The proposal ultimately passed, receiving approximately 63% support at the AGM, though the elevated level of shareholder opposition reflected shareholder concern regarding FedEx's executive compensation practices.

Meta

PROXY VOTING

Region: North America

Sector: Communication Services

**BACKGROUND AND OBJECTIVE**

Meta Platforms, Inc. (Meta) is a U.S.-based multinational technology conglomerate. In 2025, the company again received a shareholder proposal to approve a recapitalization plan that would give all stock one vote per share. Meta currently maintains a dual-class share capitalization structure, whereby Class A shares have one vote per share, and Class B shares have ten votes per share. The Chair and CEO holds a majority of the Class B shares.

The company also submitted an equity incentive plan proposal for a shareholder vote. We found the proposed 2025 Equity Incentive Plan to be overly dilutive and to contain an evergreen provision, a feature that automatically replenishes the pool of shares available for employee issuance each year without requiring repeated shareholder approval.

APPROACH AND OUTCOME

We are generally opposed to dual-class capitalization structures that provide disparate voting rights to different groups of shareholders with similar economic investments and will generally oppose the creation of separate classes with different voting rights. For existing dual-class structures, we take into consideration various factors, including governance, management, and whether a provision is in place to sunset this structure. As in previous years, we evaluated this proposal on a case-by-case basis. In 2025, as in 2024, we voted for the one-share, one-vote recapitalization proposal to signal our desire for shareholder voting power at Meta to align with economic interest.

Although the proposal did not pass, partly due to the dual-class stock structure, we believe our vote sent an appropriate signal to management regarding shareholder rights and corporate governance best practices.

Regarding the equity plan proposal, we carefully considered the plan's features and dilutive potential. Our Global Industry Analyst determined the plan to be overly dilutive. We sought approval from our Proxy Policy Committee to vote against the plan, which ultimately received 72% support at the AGM.

Prosus

PROXY VOTING

Region: Europe

Sector: Consumer Discretionary

**BACKGROUND AND OBJECTIVE**

Prosus N.V. (Prosus) is a Netherlands-based global technology investor and operator focused on technology businesses in Asia, Europe, and the Americas. We continued to have concerns in 2025 with the company's compensation policy. Specifically, we had concerns around the granting of a "moonshot bonus" to the CEO, which would be earned if two conditions related to market capitalization and net value creation are met by June 30, 2028.

If both conditions are achieved, the CEO would receive a one-time award of \$100 million in shares of Prosus and its controlling shareholder, Naspers, in 2029. Additionally, we believed the compensation policy showed minimal changes, despite receiving low support from free-float shareholders in the previous year. A significant portion of long-term incentives remained non-performance related, with substantial vesting occurring before the third anniversary.

APPROACH AND OUTCOME

We sought feedback from our Proxy Policy Committee and relevant Investment Committees about voting against the company's compensation policy. Ultimately, we voted against the compensation policy again in 2025 to signal our dissatisfaction with the CEO's pay program and the company's limited responsiveness to free-float shareholder concerns.

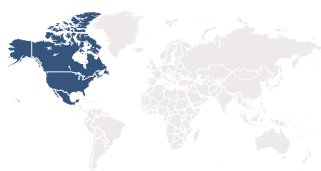
While the proposal passed, it is important to note that Naspers, the controlling shareholder of Prosus, holds more voting power than free-float shareholders. When the Naspers share count is removed, the support rate from free-float shareholders alone was approximately 22%.

Regeneron

PROXY VOTING

Region: North America

Sector: Health Care

**BACKGROUND AND OBJECTIVE**

Regeneron Pharmaceuticals, Inc. (Regeneron) is a U.S.-based company that discovers, develops, manufactures, and commercializes medicines for treating various diseases worldwide. In 2025, we spoke with the company multiple times on a number of governance topics, including declassifying its Board and eliminating supermajority voting requirements, both of which were put to a vote for shareholders at the company's AGM.

APPROACH AND OUTCOME

Over the past few years, we have spoken with members of Regeneron's management about making positive changes to its corporate governance practices. In 2025, our Head of Investment Stewardship spoke with a member of Regeneron's management about the company's plans to declassify its Board to hold annual director elections. The company acknowledged our feedback on this matter, and put the matter to a shareholder vote at the 2025 AGM.

We have also engaged with management to eliminate the supermajority voting requirement. The company understands the importance of the issue and one shareholder proposal asking the Board to remove certain supermajority voting requirements passed in 2024.

Ultimately, we voted in support of the declassification proposal as well as proposals to eliminate supermajority voting requirements.

Although the proposals to eliminate supermajority voting requirements did not pass, the declassification proposal passed, receiving 81% support at the AGM.

Fixed Income Portfolios

Fixed income portfolios rarely present proxy voting issues. Nonetheless, we take an engaged approach with our fixed income investments. When comparable situations arise, such as a tender offer, we evaluate and respond in a manner we believe is aligned with our goals to provide the best investment outcomes.

Our Credit Research Analysts typically review relevant bond covenants. When possible, we try to negotiate tighter covenants at the time a company issues debt. Our success varies throughout the economic cycle. When markets are bullish and liquid, we usually have limited bargaining power. However, when conditions are less liquid, our requests are more likely to be considered (i.e., we have more opportunity to condition our offer to purchase a company's bonds on certain terms and conditions changes in the offering documents). Some examples of successful debt negotiations include Legg Mason in 2012 and Sallie Mae in 2008.

In 2025, in the accounts under our management, we analyzed tender and exchange offers for a dozen issuers. We participated in those offers we believed could provide the best investment outcome and declined offers we deemed unattractive.

Money Market Funds

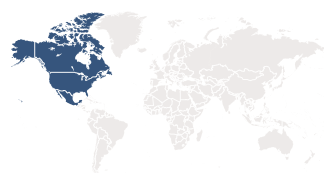
While our fixed income holdings do not typically include proxy voting rights, we do vote on certain proposals related to money market funds selected as cash sweep vehicles by our separate account clients and funds. These are typically the most common proxy votes in our fixed income portfolio. Our vote guidelines for these types of mutual fund proxies can be found in our Proxy Voting Policy.

Anonymous Fixed Income Security

PROXY VOTING

Region: North America

Sector: Consumer Discretionary



BACKGROUND AND OBJECTIVE

After a portfolio holding was taken private, we sought ongoing access to the company's financial information, which was no longer posted to the SEC website. We were eventually able to connect with members of the issuer's treasury team, who initially provided an agreement that enabled existing bondholders to access private financial information.

APPROACH AND OUTCOME

Unable to get comfortable with prospective investors' inability to access information, we engaged with the company to urge them to broaden access, which it ultimately did.

Disclosing Our Proxy Voting Activities

We disclose our proxy voting activities for our U.S. mutual funds to the SEC through our Form N-PX as well as annually on our [website](#). We also disclose the proxy voting activities for our UCITS funds on our [website](#).

Separate account clients can request proxy voting reports detailing meeting information, ballot proposals, and the votes we have cast for each proposal. Reports can be distributed on a quarterly or ad hoc basis based on the individual client's request.

In Closing

At Dodge & Cox, our mission is to deliver superior long-term investment results to enable our clients to achieve their financial goals. Since our founding in 1930, we have operated our firm with strong corporate governance, client-aligned values, and a commitment to exemplary stewardship. Just as the companies we research must adapt to new challenges, we focus on continuously enhancing our organization and our investment capabilities on behalf of our clients.

Our stewardship approach reflects who we are: value-oriented investors with a long-term horizon, a commitment to deep fundamental analysis, and high active share portfolios. We believe this approach—prioritizing quality of analysis over quantity of activities—serves our clients well. We will continue to apply the same discipline and long-term orientation that defines our investment process to how we engage with companies, exercise our rights as shareholders, and manage our business.

We hope this report has helped you gain a deeper understanding of how we seek to accomplish our mission by acting as careful stewards of our firm and our clients' capital. We welcome feedback and ongoing dialogue with our clients on our stewardship approach and activities.



Appendix

UK Stewardship Code 2026 Mapping

Policy and Context Disclosure	
Disclosure A Organization, Investment Beliefs and Stewardship Approach	An overview of our firm, client base, and assets under management can be found in Stewardship of Dodge & Cox (pg. 4–7). A breakdown of our assets under management by asset class, geography, and client type is included in that section. Our investment beliefs and how they inform our approach to stewardship, including direct management across all strategies without external managers, are set out in Stewardship of Clients' Investments (pg. 9–14).
Disclosure B Governance and Resources	Details of our governance structure, including our three ESG and Proxy committees, their reporting lines to our Board, and committee activity, can be found in ESG Governance Structure and Resources (pg. 16–23). Details of our dedicated stewardship professionals, training, and the third-party service providers, systems, and technology that support our stewardship activities can be found in ESG Governance Structure and Resources (pg. 20–23).
Disclosure C Policies, Processes and Review	Our ESG Policy Statement and its review process are addressed in ESG Integration Approach (pg. 25–26). Our Proxy Voting Policy and its updates can be found in Proxy Voting Process (pg. 50). How we evaluate and improve our overall stewardship approach is discussed in ESG Governance Structure and Resources (pg. 23).
Disclosure D Conflicts of Interest	Our conflict management framework for proxy voting, including the five scenarios we monitor and the Proxy Policy Committee's role in resolving them, can be found in Proxy Voting Process (pg. 53–54).
Disclosure E Dialogue with Clients and/or Beneficiaries	How we communicate our stewardship approach to clients and the public is described in Stewardship of Dodge & Cox (pg. 5). Our proxy voting disclosure practices are addressed in Proxy Voting Process (pg. 58). How client and consultant feedback shapes our stewardship priorities can be found in ESG Governance Structure and Resources (pg. 23).
Activities and Outcomes Report	
Principle 1 Integrating Stewardship and Investment	Our approach to integrating ESG factors into our investment process is evidenced throughout ESG Integration Approach (pg. 25–37). This includes our frameworks, how integration has differed across equity, fixed income, and sovereign bond portfolios, and the key ESG themes we prioritized in 2025. Case studies are included.
Principle 2 Promoting Well-Functioning Markets	How we identify and respond to market-wide and systemic risks, including through participation in industry initiatives, can be found in Stewardship of Clients' Investments (pg. 10–14). How we engage with issuers is detailed in Engagement Philosophy (pg. 39–48).
Principle 3 Engagement	Our engagement philosophy and prioritization approach are set out in Engagement Philosophy (pg. 39–48). Details of the topics covered, regional and asset class variations, our collaborative approach, our escalation process, and case studies are included.
Principle 4 Exercising Rights and Responsibilities	Our proxy voting approach, 2025 voting activity, rationale for votes against management, and approach to shareholder proposals can be found in Proxy Voting Process (pg. 50–58). Case studies are included throughout. How voting can form part of our escalation process is addressed in Engagement Philosophy (pg. 45–48).
Principle 5 Selection and Oversight of External Managers	This Principle is not applicable to Dodge & Cox. We manage assets internally across our strategies and do not invest through external managers.
Principle 6 Monitoring Service Providers	How we monitor and use our proxy voting administrator can be found in Proxy Voting Process (pg. 54–55). How we oversee our ESG data providers and our vendor management is described in ESG Governance Structure and Resources (pg. 21–23).

Note: This table maps content from the Dodge & Cox 2025 Stewardship Report to the requirements of the UK Stewardship Code 2026 (effective 1 January 2026).

Company ESG Risk Framework

Environmental	Social	Governance
<p>Climate Change</p> <p>Q: Are there material risks from the energy transition (e.g., carbon emissions and decarbonization strategy, policy/regulatory changes, shifts in consumer behavior and market sentiment, and technology disruption)?</p> <p>Q: Are there material risks from physical climate change or other environmental impacts (e.g., destruction from wildfires, hurricanes, or other natural disasters, productivity loss from extreme heat, long-term effects of sea level rise)?</p> <hr/> <p>Pollution or Environmental Damage</p> <p>Q: Are there material risks of other types of environmental damage or pollution, not including carbon emissions (e.g., toxic releases/spills, contribution to biodiversity loss, waste generation)?</p> <hr/> <p>Raw Material Sourcing</p> <p>Q: Are there material risks of operational disruption caused by lack of access to natural resources or dependency on scarce resources (e.g., water intensive activities in a water-scarce region)?</p>	<p>Human Capital</p> <p>Q: Are there material risks related to human capital management (e.g., employee engagement, diversity and inclusion, employee health and safety, labor practices)?</p> <hr/> <p>Human Rights and Community Relations</p> <p>Q: Are there material risks related to negative impacts on community groups or human rights violations (e.g., negative health impacts on communities, exploitation of vulnerable populations)?</p> <hr/> <p>Customer Satisfaction and Safety</p> <p>Q: Are there material risks related to negative impacts on consumers (e.g., data security and privacy issues, product safety issues, affordability of products, selling practices)?</p>	<p>Capital Allocation</p> <p>Q: Are there material concerns related to the company's capital allocation?</p> <hr/> <p>Ownership Structure</p> <p>Q: Are there material risks related to company ownership and/or ownership structure (e.g., activist investor activity, takeover defenses, different voting rights across share classes)?</p> <hr/> <p>Management and Board</p> <p>Q: Are there material risks related to the company's board, such as lack of independence, poor track record, or lack of relevant experience?</p> <p>Q: Are there material risks related to the company's management and its alignment with shareholder interests, such as concerns around management compensation, key performance indicators, corruption, or track record?</p>

Additional Considerations

- Q:** Have ESG issues had a reputational impact on the company, positively or negatively? If yes, please describe the impact, how the company is managing it, and how you have incorporated this into your analysis?
- Q:** Are there external ESG factors that could pose a risk to the company's long-term business model? This could be due to regulations, changes in consumer preferences, technological disruptions, or other structural shifts in the industry.
- Q:** Summarize any material ESG-related investment opportunities (e.g., investing in clean technology or offering services in underserved markets).
- Q:** Do you have any concerns regarding the company's management of environmental or social risks in its supply chain?
- Q:** Have you had discussions or engaged with the company on any ESG-related issues?
- Q:** What due diligence have you done related to these ESG risks or opportunities? Please list resources used or describe discussions with management.

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