

J. STERN & CO.

Voting Activity Summary 2024

Our Voting Policy

Our stewardship activities are an integral part of how we manage assets for our clients. The guiding principle governing our approach to voting is to act in line with our fiduciary responsibilities in what we deem to be the best interests of our clients. While we are a boutique asset manager, we are willing to take a stand and to use our vote wisely to foster change.

In the ordinary course of our business, we look to support company management. This reflects our focus on companies with leadership teams that have a track record of value creation. However, we will withhold support or oppose management if we believe that it is necessary and appropriate to do so.

We seek to vote on all issues raised. The majority of resolutions relate to specific corporate governance issues which are required under local stock exchange listing requirements, including but not limited to: approval of directors, approval of annual reports and accounts, approval of incentive plans, capital increases, reorganisations, mergers, and acquisitions. We vote on both shareholder and management resolutions.

We undertake our own internal work in assessing resolutions, applying our voting principles to each item. These principles include ensuring the board's diversity and independence, protecting minority shareholder rights, ensuring that executive compensation is tied to the long-term prospects of the business and shareholder value creation, upholding ESG issues and supporting capital increases only for legitimate financing reasons. Where appropriate we draw from external research, but ultimately the final decision will reflect our own assessment of what we believe to be the issues at stake.

Responsibility for assessing the merits of each resolution lies with the individual analyst covering the company and our dedicated ESG analyst. Their conclusions are presented to the ESG Committee and the CIO who then reach a decision for each company's set of resolutions. We have voted against and will continue to vote against board recommendations if we believe that doing so is in the best interests of our clients.

Securities are held on behalf of clients in multiple countries and at multiple custodians and banks, which may constrain or restrict us from voting. Therefore, our voting activities are subject to our contractual obligations with those clients and applicable local laws and regulations. As such, we will vote where this is possible or administratively feasible, unless directed otherwise by clients.

Proxy Voting Summary Jan 1st – Dec 31st, 2024

Type of Resolutions

All Resolutions	Number of Resolutions	Votes Against Management
Audit	46	0
Ratification	46	0
Board of Directors	451	3
Election	451	3
Capital	45	0
Preemptive Rights	1	0
Share Issuance	30	0
Share Repurchase	14	0
Compensation	87	0
Directors	32	0
Executive	55	0
Financial Statements	50	0

Approval	50	0
Governance	35	4
Compensation	2	0
Independent Chair	2	2
Policies	27	1
Political Activities	4	1
Meetings & Voting	13	0
AGM Related	13	0
Non-Financial Statements	9	0
Approval	9	0
Shareholder Rights and Defence	9	6
Special Meetings	2	2
Voting	7	4
Social and Environmental	47	24
Charitable Contributions	3	0
Consumer Issues	12	6
Diversity and Inclusion	8	5
Environment and Sustainability	5	3
Human Rights	12	3
Lobbying	7	7
Grand Total	792	37

Company Breakdown

Company	Total Resolutions	Voted With Management	Voted Against Management
Abbott	14	14	0
Adobe	17	17	0
Alcon	24	24	0
Alphabet	23	18	5
Amazon	28	19	9
American Tower	15	13	2
Amphenol	14	13	1
ASML	13	13	0
Becton Dickinson	13	13	0
Block	4	4	0
Booking	16	15	1
Coloplast	12	12	0
DexCom	14	12	2
Diageo	20	20	0
Draft Kings	13	12	1
Eaton	14	14	0
Eli Lilly	12	10	2
EssilorLuxottica	34	34	0
Estée Lauder	7	7	0
Givaudan	20	20	0
Hermes	20	20	0
Honeywell	15	14	1
Idexx Labs	7	6	1
Lindt	21	21	0
L'Oréal	22	22	0
LVMH	20	20	0
Mastercard	19	18	1
Meta	23	19	4
MTU	10	10	0
Nestlé	29	29	0
Nvidia	15	13	2
Otis	14	14	0
Pernod Ricard	17	17	0

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Raytheon Technologies	19	17	2
Roche	25	25	0
Salesforce	20	19	1
Schlumberger	14	14	0
Schneider Electric	21	21	0
Siemens Healthineers	34	34	0
Sika	21	21	0
The Walt Disney	21	19	2
Thermo Fisher	14	14	0
Visa	15	15	0
Xylem	13	13	0
Zoetis	16	16	0
Grand Total	792	755	37

In 2024, we voted on a total of 792 resolutions at the AGMs of 45 companies (vs 40 AGMs in 2023 and 38 AGMs in 2022). We voted against the companies' Board of Directors recommendation on 37 instances (vs 38 in 2023 and 36 in 2022), in line with our voting principles.

Our Commitment to Better Corporate Practices

In 2024, we focused on the following priority topic areas pushing for better governance practices through the:

- Board of Director elections,
- Separation of the Chair and CEO roles,
- Equal voting rights for all shareholders,
- Special shareholder meetings,
- Lobbying and climate lobbying activity disclosures.

We decided to vote against the re-election of two members of **Walt Disney's** Board of Directors (Michael B.G. Froman, re-elected with 87.5% of investor support and Maria Elena Lagomasino, 62.9%) and voted to abstain from the election of one member of **Nvidia's** Board of Directors (Melissa B. Lora, 99.7%). We took these decisions to highlight the need for stronger board independence and more dynamic board succession planning. We believe that the membership of any board should be renewed at regular intervals and that a board's composition should reflect a broad range of relevant business perspectives, essential in maintaining effective oversight and addressing evolving business challenges.

The number of social and environmental resolutions presented at AGMs increased from 44 in 2023 to 47 in 2024, an increase of 6%. In 2024, we choose to vote against the board's recommendation in 24 of the 47 (51%) social and environmental resolutions presented. We voted for both disclosure-based and action-based resolutions, as we believe both have a role to play in achieving better outcomes. Social and environmental resolutions remained a prevalent topic during the 2024 voting season, both the number of proposals as well as average shareholder support remained relatively stable compared to 2023. Examples of voting in individual cases are listed below.

Consistent with our past voting decisions, we again chose to vote against management in favour of resolutions requesting the separation of the roles of Chairman and CEO. We believe a separation of these two roles ensures the board's independence from management, improves oversight, accountability and reduces the potential for conflicts of interest. We voted in favour of such proposals at two companies, namely **Honeywell** (receiving 25.8% support), and **Salesforce** (21.3%).

We chose to vote in favour of resolutions to eliminate dual share class structures at two companies **Meta** (receiving 26.3% support), and **Alphabet** (31.3%). Such resolutions seek to

promote equal shareholder voting rights and protect minority interests.

To further support minority interests, we chose to vote against management in favour of reducing the threshold required to call a special shareholder meeting at two companies **Amphenol** (receiving 40.3% support), and **American Tower** (45.4%). Our principle is to support proposals requesting a threshold of 15% of outstanding common stock. We believe that this level provides the best balance between enabling shareholders to push for change when needed whilst shielding companies from unnecessary disruption.

We voted in favour of resolutions at the AGMs of **Eli Lilly** (receiving 25.1% support), **Raytheon** (30.4%), **DexCom** (51.5%), **Amazon** (29.5%), **Alphabet** (15.2%) and **Mastercard** (25.4%) requesting enhanced reporting on lobbying activity. Of note, at the AGM of **Meta** (8.2%), we also chose to support a resolution requesting greater disclosure on how Meta's lobbying activities align with the Paris Agreement. While climate lobbying proposals garnered lower support, we believe it is important that companies' lobbying activity is consistent with their stated climate-related objectives.

We chose to support a variety of environment and sustainability focussed proposals. At **Amazon**, we supported two resolutions, the first requesting a report on packaging materials especially as it pertains to the use of plastics (receiving 28.4% support) and a second requesting the company follow the guidance of the GHG Protocol Corporate Standard to report all material scope 3 GHG emissions (15.1%). At **Raytheon** we supported a resolution requesting a Greenhouse Gas Reduction Plan, that sets out a roadmap to net zero and which includes scope 3 GHG emissions (receiving 25.5% support). We believe these proposals are highly topical for the companies and greater disclosures on these issues would be of value for investors. Notably, each proposal gained significant support across a broad investor base.

We continued to pursue resolutions that supported Diversity Equity and Inclusion (DE&I) and a breadth of human rights issues. We believe that equal representation and the ability to leverage talent are key success factors for any business. We specifically voted against management on eight occasions as it pertains to DE&I and human rights shareholder proposals.

We supported resolutions requesting additional reporting on gender/racial pay at **American Tower** (receiving 49.0% support), **Dexcom** (34.7%), and **Amazon** (29.3%). We supported resolutions at **Meta** (receiving 18.4% support) and **Alphabet** (14.1%) requesting that the company publishes an annual report on progress on addressing child safety issues.

An important topic in 2024 was reporting on generative AI related risks. We decided to vote in favour of resolutions seeking greater disclosure about policies aimed at managing misinformation generated or disseminated by generative AI at **Meta** (receiving 16.7% support) and **Alphabet** (17.6%). We expect AI-related issues to remain the subject of close scrutiny as investors seek to evaluate regulatory or financial risks associated with the broader use of AI.

In 2024, as in 2023, some of our digital transformation holdings received up to 14 shareholder resolutions at their AGMs requesting additional information or enhanced practices on a breadth of environmental and social areas. This reflects the significance of these companies as large employers and their multi-faceted impact on broader society. Our support for a select number of these resolutions echoes these considerations and ultimately acts as an effective way of mitigating associated long-term risks to our investments and as a consequence may drive change.

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Our approach and principles with regard to proxy voting are detailed in our Stewardship and Engagement Policy document available on our website.