

J. STERN & CO.

Voting Activity Summary 2023

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, 2023

Type of Resolutions

All Resolutions	Number of Resolutions	Votes Against Management
Audit	40	0
Ratification	40	0
Board of Directors	400	0
Election	400	0
Capital	64	0
Preemptive Rights	1	0
Share Issuance	51	0
Share Repurchase	12	0
Compensation	98	2
Directors	27	0
Executive	71	2

All Resolutions	Number of Resolutions	Votes Against Management
Financial Statements	39	0
Approval	39	0
Governance	57	11
Independent Chair	7	7
Policies	47	3
Political Activities	3	1
Meetings & Voting	9	0
AGM Related	9	0
Shareholder Rights and Defense	7	5
Special Meetings	4	3
Voting	3	2
Social and Environmental	44	20
Charitable Contributions	1	0
Competition Strategy	1	0
Consumer Issues	11	6
Diversity	7	2
Environment and Sustainability	6	3
Human Rights	10	2
Lobbying	7	7
Political Activities	1	0
Grand Total	758	38

Company Breakdown

Company	Total Resolutions	Voted With Management	Voted Against Management
Abbott	19	16	3
Adobe	17	17	0
Alcon	29	29	0
Alphabet	28	23	5
Alteryx	5	4	1
Amazon	33	24	9
American Tower	15	15	0
Amphenol	13	12	1
ASML	15	15	0
Becton	16	15	1
Dickinson	7	7	0
Block	23	23	0
Diageo	12	11	1
Draft Kings	16	16	0
Eaton	19	19	0
Essilor	8	8	0
Luxottica	23	23	0
Estée Lauder	29	29	0
Givaudan	16	14	2
Hermes	14	14	0
Linde	21	21	0
L'Oréal	30	30	0
LVMH	21	20	1
Mastercard	21	15	6
Meta	11	11	0
MTU	30	30	0
Nestlé	16	16	0
Nvidia	13	12	1
Otis			

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Company	Total Resolutions	Voted With Management	Voted Against Management
Pernod Ricard	24	24	0
RTX	20	18	2
Roche	28	28	0
Salesforce	19	18	1
Schlumberger	15	15	0
Siemens Healthineers	31	31	0
Sika	27	27	0
Walt Disney	17	17	0
Thermo Fisher	16	16	0
Visa	14	13	1
Xylem	15	14	1
Zoetis	12	10	2
Grand Total	758	720	38

In 2023, we voted on a total of 758 resolutions at the AGMs of 40 companies (vs 38 AGMs in 2022 and 36 AGMs in 2021). We voted against the companies' Board of Directors recommendation on 38 instances (vs 36 in 2022 and 19 in 2021), in line with our voting principles.

Our Commitment to Better Corporate Practices

In 2023, we focused on the following priority topic areas pushing for better governance practices through the:

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

The number of social and environmental resolutions presented at AGMs increased from 42 in 2022 to 44 in 2023, an increase of 5%. In 2023, we choose to vote against the board's recommendation in 20 of the 44 (48%) 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. Some 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 seven companies, namely **Abbott** (receiving 30.5% support), **Honeywell** (44.4%), **Otis** (36%), **RTX** (43.1%), **Salesforce** (20%), **Visa** (17.4%), and **Xylem** (36%).

We chose to vote in favour of resolutions to eliminate dual share class structures at two companies **Meta** (receiving 28.0% support), and **Alphabet** (30.7%). 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 **Abbott** (receiving 4.3% support), and **Zoetis** (50%). Our principle is to support proposals requesting a threshold of 10% 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 **Abbott** (receiving 23% support), **Alphabet** (17.9%), **Mastercard** (28.3%), and **Meta** (14.6%) requesting enhanced reporting on lobbying activity. Of note, at the AGMs of **Alphabet** (14.2%), **Amazon** (23.9%), and **Meta** (9.8%), we also chose to support

resolutions requesting greater disclosure on how companies' lobbying activities align with the Paris Agreement. While these 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 a resolution requesting a report on packaging materials especially as it pertains to the use of plastics (receiving 32.3% support). At **Honeywell**, we supported a resolution requesting an Environmental and Health Impact Report (receiving 13% support) looking at the impact of its operations on ethnic minority or low-income communities. 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 emissions (receiving 37.8% 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 four occasions as it pertains to DE&I and human rights shareholder proposals.

At **Amazon**, we supported a resolution requesting additional reporting on gender/racial pay. At **Meta**, we supported a resolution requesting that the company publishes an annual report on progress on addressing child safety issues. Notably the resolutions received 29.0% and 16.3% support respectively.

You will have noted that companies in the digital transformation space continued to be the subject of close shareholder scrutiny during 2023, as in 2022. In some cases, up to 18 shareholder resolutions were filed 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.

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