



# SWISS STEWARDSHIP CODE

*Statement*



TITLE

Institutional Shareholder Services (ISS)  
2026



## TABLE OF CONTENTS

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Introduction .....	2
Principle One: Governance .....	3
Principle Two: Stewardship Policies.....	7
Principle Three: Voting.....	7
Principle Four: Engagement.....	16
Principle Five: Escalation.....	22
Principle Six: Monitoring of Investee Entities .....	23
Principle Seven: Delegation of Stewardship Activities .....	24
Principle Eight: Conflicts of Interest.....	24
Principle Nine: Transparency and Reporting .....	33
Appendix .....	34

## Introduction

Institutional Shareholder Services (“ISS”),<sup>1</sup> part of the ISS STOXX group of companies, is pleased to submit the following Signatory Statement on the Swiss Stewardship Code (the “Code”), a voluntary code of conduct for asset owners, asset managers, and service providers “to create an effective basis and guidance for more stewardship across the Swiss investment industry while offering a framework that leads to better comparability.”

ISS’ Signatory Statement primarily reflects its role as a service provider that offers governance research and voting services (sometimes referred to as proxy advisory services) to asset managers, asset owners, and other institutional investor clients. ISS provides institutional investors with independent and objective shareholder meeting research and recommendations based on the clients’ selected and, in many cases, customized proxy voting policies. ISS also helps subscribing institutional investors manage the complex operational process of voting their shares. ISS’ statement also reflects services it offers through ISS Sustainability Solutions, the sustainable investment arm of ISS, that investors can leverage to support their stewardship needs.

As a service provider, ISS does not own or manage assets. Rather, ISS supports institutional investor clients with research, data, and analytics in helping them to exercise their rights as the owners of a corporation at their investment portfolio companies. The statement aims to describe in a meaningful way how ISS addresses all relevant principles of the Swiss Stewardship Code.

### General note about the Statement

As a general matter, ISS is a founding member of the Best Practice Principles Group (BPPG), launched at the recommendation of the European Securities and Markets Authority (ESMA), and is a signatory to multiple global stewardship codes, the foundational principles of which also overlap with the BPPG. Accordingly, ISS’ Signatory Statement mirrors its [BPP Statement](#) which effectively outlines ISS’ governance arrangements and business practices. ISS has adapted its statement to the specificities of the Code to more effectively report against the nine Stewardship Principles, expanding on relevant services, as appropriate.

Feedback regarding the Statement can be provided via [press@issgovernance.com](mailto:press@issgovernance.com).

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<sup>1</sup> For more information about ISS, please visit ISS’ website at <https://www.issgovernance.com/>

## Principle One: Governance

### Principle One: Governance

Consistent with their fiduciary duty to clients, investors and service providers integrate stewardship into their investment management and/or working models with the objective of creating long-term value for clients and other stakeholders. Board leadership, appropriate oversight as well as regular review of governance practices are essential.

As an independent provider of governance research and vote recommendations with more than 40 years of experience, ISS’ core goal is to serve its clients with their full trust and confidence. We seek to earn and retain this trust by providing high quality services which are understood by itsclients to rest upon high degrees of transparency, objectivity, and independence.

ISS aims to help institutional investors understand the governance practices of the companies in which they are invested, given differing proxy ballot items each proxy season and evolving corporate governance practices and requirements in different markets worldwide. In 2025, ISS assisted approximately 1,600 clients make and execute informed proxy voting decisions for approximately 51,000 shareholder meetings in approximately 100 developed and emerging markets worldwide. ISS’ global coverage includes all public company equity meetings for which itsclients hold a ballot.

#### 2025 ISS Governance Research –

#### Key Coverage Statistics

<b>Markets covered</b>	100
<b>Public companies covered</b>	35,000
<b>Meetings covered</b>	51,000

ISS’ clients are primarily institutional investors, including investment managers as well as private-sector and public employee benefit plans; ISS does not serve retail investors directly. ISS serves a diverse range of institutional investors. Some pursue short-term investment strategies, while others are long-term buy-and-hold investors. Some are focused solely on maximizing profit, some on long-term risk management and business sustainability, while others seek to achieve reasonable financial returns in a way that aligns with their (or their clients') stated objectives, or religious or philosophical beliefs. Some ISS clients themselves pursue divergent internal investment and proxy voting strategies, depending on the needs of their own clientele.

ISS’ job is to provide clients with the tools, information, and policy options for them to make their own informed proxy voting decisions and vote their shares in accordance with their respective investment and fiduciary views and responsibilities. To that end, while many clients utilize their own custom policies, ISS continues to embark on thorough review and outreach procedures to update itsbenchmark and specialty policies, and expand the array of available policy choices, in response to the demands of the market.

ISS supports all vote recommendations with extensive data and research based on publicly available corporate reporting and information. Furthermore, ISS does not hold a monolithic view on, or have a stake

in, any proxy voting decision, and ISS may issue distinct recommendations to different clients on the same ballot items based on the different voting policies selected by those clients.

## Fiduciary Duty

As a disinterested service provider, ISS has no stake in the outcome of a particular vote and is similarly indifferent as to whether its clients choose to follow an ISS vote recommendation or not. ISS bases its recommendations on the policies that clients select and, in the case of custom clients, formulate. As a result, ISS may offer different recommendations about the same vote to the same client if that client has selected more than one policy in response to the varying investment objectives of its own clients. For example, ISS may advise clients using its benchmark voting policy to vote 'FOR' a certain proposal, while advising clients who subscribe to ISS' sustainability-based or faith-based policies to vote 'AGAINST' the same proposal.

ISS performs its work in a prudent, open, and honest manner, consistent with its fiduciary responsibilities as an investment adviser registered with the U.S. Securities and Exchange Commission (SEC) under the Investment Advisers Act of 1940 (Advisers Act). ISS is subject to the Advisers Act's fiduciary duties of care and loyalty, which follow the contours of ISS' contractual relationship with its clients. The fiduciary duty of care obliges ISS to render advice that is in the clients' best interest. The duty of loyalty obliges ISS not to subordinate clients' interests to its own. This entails an obligation to "eliminate or at least expose through full and fair disclosure all conflicts of interest which might incline [the] investment adviser — consciously or unconsciously — to render advice [that is] not disinterested."<sup>2</sup> ISS takes these duties seriously and is extremely proud of the fiduciary bond it has forged with its clients over the years.

**Responsibility to Clients.** ISS' services are provided pursuant to a written contract with each client. This is typically structured as a master services agreement which contains contractual terms, including the relevant governing law, how notices are provided, the methods of terminating the contract, and how disputes are resolved. The master services agreement will be incorporated into appendices that describe the specific services being purchased and the costs of such services. The contract provides the agreed basis as to the terms and conditions under which services are delivered. Most services are offered on an annual or multi-year subscription basis.

## Leadership and Governance Research Structure

In November 2023, ISS combined with the index arm of Qontigo Ltd., known as STOXX, to form ISS STOXX. ISS STOXX, through its group companies, provides comprehensive and data-centric research and technology solutions that help capital market participants identify investment opportunities, detect qualitative and quantitative portfolio company risks, and meet evolving regulatory requirements. The new structure allows us to provide a comprehensive suite of products and services across five core business lines that give clients the scale and leverage they need, including in fulfilling their stewardship responsibilities.

<sup>2</sup> SEC, Commission Interpretation Regarding Standard of Conduct for Investment Advisers, Advisers Act Rel. No. 5248 (Jun. 5, 2019) at 23, citing SEC v. Capital Gains Research Bureau, Inc., 375 U.S. 180, 191 (1963).

Gary Retelny is President and CEO of ISS STOXX. The ISS STOXX Administrative Leadership Team also includes Alexis Daur, Head of Global Human Resources; Christoph Hansmeyer, Chief Financial Officer; Allen Heery, Chief Operating Officer and Chief Administrative Officer; and Terry Shen, General Counsel.

**Research Team Structure.** The [Global Research Leadership team](#) is responsible for the development of governance research and proxy vote recommendations, regionally. The team is headed by Gabriel Alsina, Global Head of Governance Research, with 20 senior Heads of Research each responsible for governance research for specific regional or country markets for ISS benchmark policy research or in the context of special situations, custom and specialty policies. The team also includes thought leadership and operational leaders. ISS does not outsource any part of its research process.

The structure of its Global Research Leadership team is organized on a geographic basis for ISS benchmark research, and on a thematic or functional basis in other areas, with Heads of Research for each major area of responsibility. This enables ISS to provide, develop, and retain the wide range of local market and subject-matter expertise that is fundamental to the quality of research and advice under multiple proxy voting policies. ISS' research is underpinned by a deep understanding of the relevant local contexts and markets or country-specific issues and developments, including applicable regulatory frameworks, corporate governance codes and market standards.

Biographies of select [ISS Governance Global Research Leadership](#) team members are available on the Global Research Leadership page of the ISS website.

## Resources

ISS Governance Research has a global research team of approximately 410 full-time professional research analysts, located in Europe, North America, Asia, and Australia, with an average tenure of five years and a wide range of expertise across the markets and topics they cover. In 2024, the research analyst team expanded by more than 10% compared with 2023. In addition, ISS Governance has a large team of approximately 380 professionals collecting data from company disclosures, shareholder meeting materials and other public sources, and ensuring data quality.

The research team includes members with experience in investor stewardship, investment banking, mergers and acquisitions, remuneration consulting, corporate actions, corporate responsibility, and regulatory compliance. Many market analysts are nationals and fluent in the language(s) of the country or region they cover, with relevant local expertise. In larger markets and regions, research teams also often include sector and topic experts to provide the best possible coverage of complex meeting items. ISS analysts and other research and data specialists also provide in-depth knowledge of country codes of best practice, relevant legal and regulatory structures, remuneration practices and the role of government and industry associations in setting global governance standards. ISS' personnel resources include research and data experts fluent in approximately 45 languages. A high proportion of research analysts have advanced degrees in finance, business, law, or other relevant subjects.

Over the course of 2024, approximately 250 temporary seasonal hires, of various professional backgrounds and experience levels, were engaged by ISS to assist its permanent research staff in

managing the high workload volumes associated with various proxy seasons globally. Temporary seasonal hires undergo training in corporate governance concepts, ISS practices and applicable standards as part of their onboarding. They are subject to the same ISS compliance requirements and business principles as permanent staff. The work of temporary seasonal hires is appropriately tailored to their levels of training and ability and is closely supervised by experienced permanent analysts. For example, and most importantly, any analysis undertaken by seasonal hires is reviewed and validated by senior analysts before being finalised and made available to clients. ISS will often hire a certain proportion of temporary seasonal hires into permanent roles each year following the end of their initial contract, subject to the needs of the company.

**Staff Qualifications.** The minimum education standard for research staff is a bachelor's degree from an accredited college or university, but many also possess graduate degrees (MBA, MA, JD) and/or professional certifications (such as CFA, CPA, CEP). The average tenure of ISS' full-time research analysts is five years, and many senior personnel have ten years or more of experience at ISS as analysts and experts and/or experience in relevant fields outside of ISS.

Research team members participate as needed in structured training and development programs, which may include on- and off-site development courses and in-house and external professional training. Many research analysts extend beyond their core research related duties to provide in depth, thematic research pieces covering the latest trends and developments for their market, region, sector, or topic of specialty. These projects are done under the tutelage of team leaders and often involve collaboration across regions, disciplines, and areas of focus.

In addition, ISS has an internal training platform called ISS University. This knowledge-sharing platform is open to all employees and provides learning and development experiences that expand on the expertise of the employees, allowing them to develop strategic skills and thrive in their chosen paths. Amongst other things, the materials provide employees an overview of the different ISS businesses and product suites and many courses are accompanied by an advanced course on each subject.

Training for a new research analyst depends on the individual's experience and specialty but generally includes formal training in corporate governance concepts, ISS policies and processes, and extensive mentoring with one or more senior members of the team. During this period, new analysts may build a foundation in many relevant areas, including board, compensation, environmental and social, and economic issues.

Moreover, research analysts may attend debriefings with senior staff following speaking presentations to clients and others in the industry at which issues are discussed and debated. Collectively, this helps to ensure analysts are abreast of those issues of importance to clients.

**Global Policy Board.** The ISS Global Policy Board (ISS Governance) is headed by Georgina Marshall, who most recently was Global Head of Governance Research, ISS Governance. The Board consists of senior members within Governance Research and leads the annual review, update, and development process for ISS' proprietary proxy voting policies. The Global Policy Board collects feedback through multiple

channels. After considering the broad range of inputs and completing this extensive review process, the final policy updates are determined and approved by the ISS Global Policy Board.

## Remuneration Systems

ISS clients may purchase different elements of the ISS' products and services described above. Fees charged for products and services depend on several factors including the types of products purchased, the volume of products consumed, coverage universes, delivery mechanisms, and individual client use cases. Most services are offered on an annual subscription basis.

## Principle Two: Stewardship Policies

### Principle Two: Stewardship Policies

Investors and service providers develop effective stewardship policies which reflect the principles for effective stewardship and are aligned with their goals and values.

## Principle Three: Voting

### Principle Three: Voting

Investors and service providers commit to active and informed voting with the goal of fostering long-term sustainable value creation. Investors integrate effective voting mechanisms into their investment process.

## Proxy Voting Policies

ISS offers an extensive array of voting policy choices to meet the varied needs of institutional investors and their clients. Investors can choose from ISS' global benchmark policies and from seven ISS specialty policies<sup>3</sup> that evaluate voting issues from a variety of different perspectives – for example, those of public funds, socially-responsible investors, labor unions (Taft-Hartley), boards, faith-based investors, climate-focused investors, and sustainability issues outlined by signatories to the Principles for Responsible Investments ("PRI"). ISS also administers on behalf of clients more than 400 bespoke client custom voting policies and provides customized voting recommendations for institutional investors who want to vote their shares according to their own specific guidelines and philosophies, or those of their underlying clients.

**ISS' Benchmark Policies.** ISS provides research and voting recommendations based on ISS' benchmark policies. These policies are market and/or region-specific; based on generally accepted principles of good corporate governance and stewardship; and consider investor views, as well as national and international corporate governance codes and practices, and corporate and other stakeholder views, where relevant.

<sup>3</sup> For more information on ISS' Policies, please see the ISS Policy Gateway at <https://www.issgovernance.com/policy-gateway/voting-policies/>

The policies are intended to serve as a tool to assist institutional investors in promoting long-term shareholder value, good governance, and risk mitigation. Full details of all ISS benchmark policies are disclosed publicly on its [website](#), including details of the policy updates that are made annually. Additional information such as [FAQs](#) on a selection of policy-related topics is also provided.

ISS' benchmark policies currently comprise 23 market and regional proxy voting guidelines that together cover markets around the globe where its investor clients have public company equity investments. The policy guidelines and the research undertaken is not "one-size-fits-all." The policy guidelines are often market-specific on topics where that is relevant and where different regulations, standards, or governance concerns apply (for instance, UK-specific pre-emption rights policy; US-specific poison pill policy), and even within markets, the policies and the analyses are often case-by-case and take into account the specific facts of the companies covered, with an effort to ensure that the relevant nuances of each company are understood and its corporate governance practices are viewed in the context of best practices, industry norms and its history. For example, issuer explanations on deviations from "comply-or-explain" corporate governance codes are taken into account and are often quoted directly in the research report.

Topics that shareholders vote on and that are covered under the policy guidelines are qualitative by their nature, and ISS' research reports provide both quantitative and qualitative analysis for its clients, not only to explain and support the ISS voting recommendations, but also to provide information that is relevant for investors as they consider their voting decisions.

ISS' benchmark policies are designed to cover all resolutions put forward by listed companies and by shareholder proposal proponents. This includes all resolutions pertaining to shareholder rights, board elections, executive remuneration and external auditors, as well as resolutions pertaining to corporate transactions and/or ESG matters.

In developing and applying its benchmark policies, ISS refers to the [ISS Global Voting Principles](#). The principles provide four key tenets on accountability, stewardship, independence, and transparency, which underlie the approach to developing ISS voting policies and recommendations on management and shareholder proposals at publicly traded companies. We believe these principles guide its work to assist institutional investors in meeting their fiduciary requirements with respect to voting and by promoting long-term shareholder value creation and risk mitigation at their portfolio firms through the support of responsible global corporate governance practices.

These are designed to respect shareholder rights and provide appropriate transparency, taking into consideration relevant laws, customs, and best practice codes of each market and region, as well as the rights and responsibility of shareholders to make informed voting decisions.

**ISS' Specialty Policies.** Some institutional investors may choose to evaluate governance and other issues from a specialized perspective. ISS offers a variety of thematic policy options that may reflect such perspectives. Today, ISS' seven specialty voting policies comprise the following choices, organized by different markets and [available](#) in full on the ISS website:

- Climate;
- Sustainability;
- Public Fund;
- Socially Responsible Investment (“SRI”);
- Catholic Faith-Based;
- Taft-Harley; and
- Global Board-Aligned.

As ISS continuously works to address market demand, in 2023 ISS launched the [Global Board-Aligned Specialty Voting Policy](#) designed to provide subscribing investors with analyses and recommendations that enable them to vote in a manner that upholds foundational corporate governance principles as a means of protecting and maximizing their investments, while generally aligning with the recommendations of company boards on proposals with an environmental or social focus.<sup>4</sup>

These specialty policies are reviewed annually, considering the annual review and update of ISS’ benchmark policies, as well as the evolving market perspectives, best practices, and related legal and market-specific developments.

**Custom Voting Policies.** Many institutional investors apply their own unique set of corporate governance and responsible investment guidelines in implementing their proxy voting activities. For these clients, ISS prepares voting recommendations based on the client’s custom policy(ies) and may also assist clients in developing such custom policies if requested.

**~ 90%**  
Proportion of ballot shares processed by ISS in 2024 on behalf of its institutional investor clients that are linked to clients’ custom voting policies.

ISS administers more than 400 custom voting policies on behalf of clients, and issues vote recommendations based on each individual custom voting policy. In fact, approximately 91% of the total voted shares processed by ISS on behalf of its clients are linked to clients’ custom voting policies. In such cases, where ISS’ clients design their own proxy voting policies, the vote recommendations ISS makes are derived directly from investors’ own proxy voting standards. Of course, even in these cases, investors are not required to follow the recommendations set by their own guidelines. These custom voting policies reflect clients’ unique corporate governance and voting philosophies and may also reflect those of their underlying clients. As a result, the voting recommendations issued under custom policies may well differ from those issues under ISS benchmark or specialty policies.

ISS’ custom research analysts are available to provide guidance to clients to assist them in creating and refining their own voting policies and ensure that they accurately reflect their values and priorities, while also often considering local market, standards, and codes of best practice in each market, to the extent clients wish. For example, clients’ custom policies should ensure that any new or emerging issues that have garnered increased interest in the investment community are appropriately considered.

<sup>4</sup> Press Release, ISS, ISS Launches Global Board-Aligned Voting Policy (March 16, 2023) <https://insights.issgovernance.com/posts/iss-launches-global-board-aligned-voting-policy/>; See also Specialty Policies at <https://www.issgovernance.com/policy-gateway/voting-policies/>

**ESG Factors in Voting Policies.** ISS' services support clients' integration of stewardship and investment, enabling them to take into account material environmental, social and governance issues, as they deem relevant. We seek and listen to clients' feedback, views, and needs regularly, and client views are taken into account in developing policies, methodologies and new products/services. In line with its role in the proxy voting process, ISS does not choose the ballots or agenda items on which we render advice. It provides services only to clients who have hired ISS to do so; analyzes only the companies designated by clients; and bases proxy vote recommendations on voting criteria and policies selected, and in many cases, customized, by its clients. As environmental and social (E&S) shareholder proposals have become more numerous in recent years, so have the number of proposals on which ISS has provided recommendations. The degree to, and manner in, which ISS incorporates certain factors into its analysis and vote recommendations – whether an E&S matter or a more traditionally core governance topic – depends on the nature of the proxy ballot issue and the client's particular voting guidelines. In all cases, ISS' research is grounded in the same objective, independent and analytical approach.

## Understanding Client Objectives and Market Perspectives

ISS' role is to provide clients with the tools, information, and policy options for them to make their own informed proxy voting decisions and vote their shares in accordance with their respective investment and fiduciary views and responsibilities. To that end, while many clients utilize their own custom policies, ISS conducts thorough review and outreach processes to update its proprietary benchmark and specialty policies, and expand the array of available policy choices, in response to the demands of the market. Irrespective of the client's chosen proxy voting policy(ies), ISS supports all vote recommendations with extensive data and research based on publicly available corporate reporting and information.

**Benchmark Policy Development and Update Process.** The ISS benchmark policies are developed through a robust process that uses ISS' analytics- and experience-driven expertise, as well as input from the broader governance and investor community. The ISS research team engages with institutional investor clients, corporate issuers, the academic community, and industry experts worldwide in gathering input on ISS' policies and methodologies each year, including on new and emerging topics. We believe this enables us to evolve the benchmark policies to consistently provide expert and fact-based research through a shareholder value and risk mitigation lens.

Led by the ISS Global Policy Board, which consists of senior members within Governance Research and Voting, the annual policy development process collects feedback through multiple channels, including:

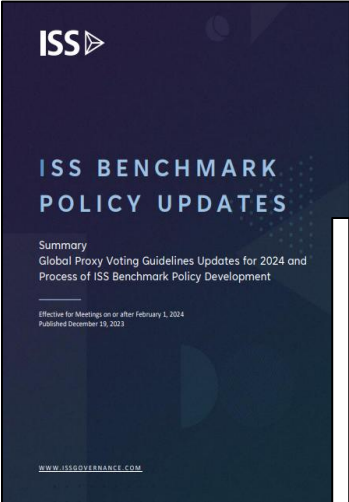
- An annual policy survey open to all interested parties, and designed to obtain a variety of input from institutional investors, their portfolio companies, and other stakeholder groups, to test policy development concepts and elicit feedback;
- Periodic roundtable sessions with clients and other relevant industry groups;
- Ongoing dialogue with, and feedback from, investor clients, and other participants in the capital markets, including issuers; and

- Public comment periods on proposed policy changes each year.

The ISS Global Policy Board and policy subcommittees use such input to develop annual draft policy updates and address emerging governance and other voting-related issues. As noted, proposed changes to the benchmark policy(ies) are subject to public comment. Comments received during the open comment period are posted to ISS’ website to provide the highest level of transparency into the received feedback. Final policy guidelines are typically published in November or December of each year to apply to meetings held from February onwards of the following year. We believe this provides transparency not only to its clients, but also to companies and other interested parties.

In the annual benchmark voting policy updates document, ISS provides a table summarizing changes to the final policy guidelines, organized by market and topic.

**Figure 1:** A snapshot of the level of public transparency provided on [2024 updates to the benchmark voting policies](#).



Asia- Pacific		
Hong Kong	Director Election	Aligns the policy language with added provisions in the Hong Kong Corporate Governance Code applicable to companies that have all their independent non-executive directors serving for more than nine years on the board. Specifically, the update recommends a vote against nominees who are part of the nomination committee in the event the company is unable to align with the recommended best practices set out in the revised Hong Kong Corporate Governance Code.
Singapore	Director Election and Director Classification	Aligns the policy language with the 2023 amended Singapore Code of Corporate Governance and removes the two-tier voting mechanism for long-serving independent non-executive directors, consistent with the recent amendments to the Code and the end of the one-year transition period.
India	Board Permanency	Introduces a 'check-in mechanism' seeking to prevent non-executive directors from holding a board seat on a permanent basis by virtue of contractual arrangements. This policy update is consistent with recent amendments to the Listing Obligations and Disclosure Requirements, carried out by SEBI, to be in effect as of April 1, 2024, requiring shareholder approval for a director's continuation on the board at least

Once finalized, all ISS policy guidelines are made available on the ISS public website each year for full transparency and availability.

## Proxy Research & Recommendation Process

ISS has continued its commitment to provide a wide range of high-quality services and products to its clients. The global and local-market footprint and expertise allow ISS to provide the high-quality research and voting recommendations that clients require and to offer a wide range of options that can support clients' diverse and complex needs.

ISS’ analysts provide in-depth knowledge of best practices, regulations and investor expectations, and this knowledge informs policy developments and analysis undertaken. In-house expertise includes proficiency

on a wide range of topics relevant to ISS' work, including board independence and composition, executive remuneration practices, shareholder rights protections, mergers and acquisitions, environmental and social matters, a variety of local market practices, and the roles of government and industry associations in setting local governance standards.

The research process follows a six-step approach that is designed to ensure the efficient and consistent delivery of high-quality research and voting recommendations to clients:

- Client holdings and meeting feeds are received by ISS;
- Procurement of meeting materials (including proxy statements, meeting agendas, etc.);
- Meeting agenda coding – each agenda item tagged with a code to indicate issue type and facilitate application of voting policies and client reporting;
- Data collection – based on publicly disclosed information;
- Benchmark research preparation and delivery; and
- Specialty and custom research preparation and delivery.

ISS' research services also include:

- Access to research analysts and other specialists: Whether dealing with a complex voting decision or looking for clarity on a complex governance issue, clients have access to ISS' research analysts and other specialists within ISS' Governance Research and Voting business unit.
- Thought leadership: Clients have access to ISS webinars, topical insights, thought leadership output, industry events, educational and thematic research articles, and a range of publications to ensure that they can keep abreast of governance trends and related news in an everchanging landscape (previews and takeaways of thought leadership output are often made available on the ISS Governance website on the [ISS Insights page](#))

**Information Sources.** ISS' governance and voting research is based on publicly available information. ISS aims to consider all relevant information released by analyzed companies, such as annual reports, meeting agendas and resolutions, articles of association, and other public filings. All original company materials used by ISS are referenced or made directly available to clients. In addition, company issued information is supplemented by other publicly available information such as information on board changes, regulatory matters, news events, industry trends, etc. As a result, ISS provides comprehensive data and information, including on board membership, executive remuneration, financial performance, and ownership that provide context as clients review agenda items.

**Local Conditions and Standards.** ISS' research approach is based on structured voting policies and guidelines that incorporate established policy frameworks and internal expertise with investor and, where relevant, broader market feedback. ISS' research teams have relevant expertise, including in local market

practices, standards, regulations and languages, to enable the provision of informed research and voting recommendations.

Benchmark policies are informed by the following main factors:

- ISS' institutional investor clients' views and expectations;
- Relevant input from other market constituents;
- Local regulation and codes of best practices and stewardship codes;
- Global governance standards; and
- New and evolving topics and market trends.

Regarding how an ISS market or regional benchmark voting policy reflects local regulation and market practices, consider this illustrative example: where a UK company has received a significant level of dissent on a resolution at a general meeting and when assessing the company's explanation, the ISS benchmark voting policy follows guidance provided by the Financial Reporting Council (FRC) in the UK Corporate Governance Code. For example, the UK Corporate Governance Code states that when 20% or more of votes have been cast against the board recommendation for a resolution, the company should explain, when announcing voting results, what actions it intends to take to consult shareholders in order to understand the reasons behind the result. In addition, for purposes of this illustrative example, as listed in the appendix to the [ISS 2024 benchmark voting policy for the UK & Ireland](#), ISS also considers other UK laws, regulation, and market practices, such as the Investor Group Directors' Remuneration Reporting Guidance; the Association of Investment Companies (AIC) Code of Corporate Governance; the Pensions and Lifetime Savings Association (PLSA) Stewardship and Voting Guidelines; and the Investment Association (IA) Principles of Remuneration and related IA guidance and publications. On remuneration specifically, the relevant UK guidance includes, among other references, the Investment Association Principles for Remuneration, the Pensions and Lifetime Savings Association's voting guidelines, and the remuneration section of the UK Corporate Governance Code.

## Client Voting Responsibility

ISS provides proxy research and vote recommendations, not voting decisions. The ultimate voting decision for each resolution at a company meeting remains the responsibility of the client. The Governance Research & Voting service allows for client choice throughout the voting process.

Clients select their voting policy either by creating a custom policy or selecting from the proprietary benchmark and/or specialty voting policies; receive research reports that detail the vote recommendations based on the selected voting policy(ies); and have access to ProxyExchange ("PX"), ISS' proprietary platform through which investor clients access, review, and vote their proxies. Clients using PX can flag meetings or votes for further review, including based on their own screening criteria; execute votes contrary to vote recommendations flowing from their selected voting policy(ies); and, notably, change any vote already cast, up to the ballot distributors vote cut-off deadline. In short, if a client

determines it is warranted, they can cancel and change their proxy vote at any time before the voting cut-off date.

## Functionalities of ProxyExchange (PX)

ISS helps many clients manage the complex operational process of voting their shares and reporting their votes to their stakeholders and regulators. Clients select their voting policy either by creating a custom policy or selecting from the proprietary benchmark and/or specialty voting policies. They will then receive research reports that detail the vote recommendations based on the selected voting policy(ies); and have access to ProxyExchange (“PX”), ISS’ proprietary platform through which investor clients access, review, and vote their proxies.

Clients using PX can flag meetings or votes for further review, including based on their own screening criteria; execute votes contrary to vote recommendations flowing from their selected voting policy(ies); and, notably, change any vote already cast, up to the ballot distributors vote cut-off deadline. In short, if a client determines it is warranted, they can cancel and change their proxy vote at any time before the voting cutoff date.

In addition, there are several functionalities of PX that facilitate clients in remaining informed of forthcoming general meetings and offering multiple options for workflow management and vote execution. PX allows clients to easily access key issuer details, including historical research documents and vote history on one platform. PX also offers functionalities that enable filtering of information most relevant to the client and use of visual indicators to facilitate the client’s own analysis of research reports and issuer data. Additionally, PX proactively alerts clients of important forthcoming steps in the proxy voting process and flags topics of interest based on the client’s preferences. In addition, PX has a suite of customisable reporting templates that clients can use for internal or external reporting. Accordingly, PX is designed to grant clients discretion as to how they manage their workflow and enables them to filter information, manually execute proxy votes and even change their vote up until the day before company meetings, where applicable regulatory frameworks and market practice allows.

Figures 2, 3, and 4 below provide screenshots of the PX platform and the manner in which information and the voting process can be managed by clients. (See *Appendix* for full page screenshots.)

Figure 2 provides a screenshot of issuer profile pages available on the PX platform and designed to provide key issuer details, current and historic research reports and voting history in one place.

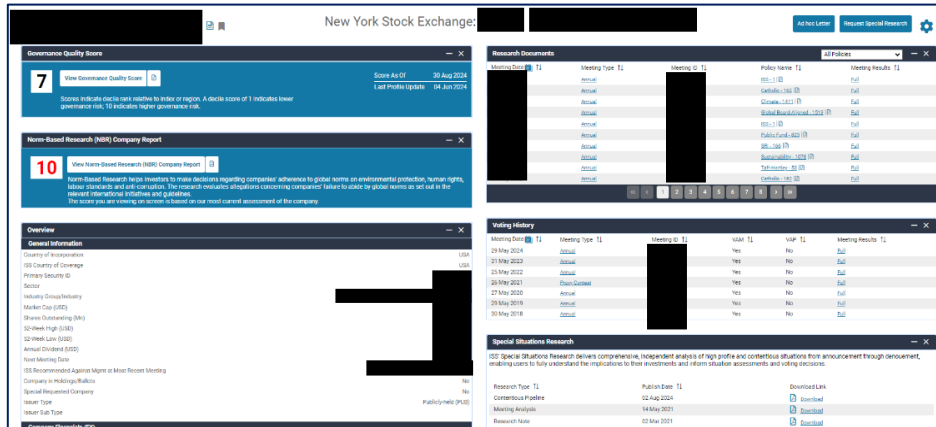


Figure 3 provides an example of one of the vote management functionalities on the PX platform.

More precisely, the screenshot displays a PX page in which ballot items are displayed and listed to the left-hand side in the centre of the screen. In the upper left-hand corner, a dropdown menu allows clients to apply vote recommendations under different policies to the displayed ballot items and conduct comparisons between them, as well as to vote with or against management on all issues, and similarly on shareholder proposals.

To the right-hand side of each of the ballot items listed, there are 4 boxes which correspond to one of four possible voting choices 'For', 'Against', 'Abstain' and 'Do not vote'. The client makes their vote choice by selecting one of these boxes. Just underneath, alongside each other are the recommendations of management and, in this example, the ISS Benchmark and SRI Specialty policies.



Figure 4 provides an example of the dynamic alert functionality available in the PX platform, whereby clients will receive email notifications concerning unvoted ballots, specifying the number of ballots and the related cutoff date for voting.

Please visit ProxyExchange to view this alert in further detail or update your alert settings.

Alert details for: 8 Ballots - Unvoted Ballots with Cut-Off in Next 2 Days(358301776)										
Location Name	Issuer Name	Ticker	ISINs	ADR	Meeting Date	Record Date	Earliest Client Cutoff Date	Meeting ID	Ballot Count	Set Parameters
					10-SEP-24	06-SEP-24	05-SEP-24	1884729	1	Unvoted Ballots
					20-SEP-24	16-AUG-24	05-SEP-24	1886408	6	Unvoted Ballots
					12-SEP-24	10-SEP-24	05-SEP-24	1882024	1	Unvoted Ballots

**Flexible Delivery Options.** ISS is committed to providing clients with easy access to a variety of information and opinions from different sources. To that end, in 2013, ISS took the inclusive step of opening PX to research produced by a number of other services providers, and ISS continues to maintain this availability.

As a result, ISS clients who also subscribe to certain third-party research can benefit from more efficient workflows by utilizing the PX platform to access their varied research subscriptions in one place.

Furthermore, ISS' governance research and vote recommendations are also currently available to clients via third-party platforms as well as via various other electronic means (such as APIs) to assist subscribing clients who wish to utilize such access.

**Add-on Workflow Solutions.** ISS offers several solutions to help investors increase efficiency in the proxy voting process. For example, [ISS Communicator](#) helps investors disseminate information on proxy meetings to internal stakeholders and assists in internal collaboration by the client on its vote decisions. ISS also offers tools to assist investors in their engagement process, databasing engagement notes or preparing engagement materials.

## Principle Four: Engagement

### Principle Four: Engagement

Investors and service providers engage in an active dialogue with investee entities with the aim of generating long-term financial and societal value and of reaching positive and long-term sustainable outcomes. Where necessary, investors collaborate with other investors to increase engagement outcomes. Other stakeholders may be a partner in collaborative engagements as they provide know-how, research and in some cases also specific administrative services to asset managers and asset owners. Where possible and relevant, investors should aim at engaging directly or indirectly in an active dialogue with relevant public stakeholders and policymakers on issues that affect sustainable investment.

## Principle 4.1: Individual Engagement

ISS aims to engage with market participants globally to gain the greatest possible insight for clients while safeguarding the independence of ISS’ research process and analysts.

**Proxy Voting Policy Development.** As described earlier, every year, ISS invites engagement with all market participants and the public during the update and formulation of its benchmark policies and guidelines. ISS’ policy development process includes a survey to identify issues that merit attention, as well as a notice-and-comment period designed to elicit feedback on the proposed policies and practicality of their implementation. This feedback guides the development of the ISS benchmark policies and informs updates to the ISS specialty voting policies.

**Dialogue with Issuers.** ISS’ market outreach is not confined to the policy-setting process. ISS’ governance research team interacts regularly with company representatives, institutional shareholders, shareholder proposal proponents, and other parties to gain deeper insights and to verify material facts relevant to research. Topics discussed can range from general policy perspectives to specific voting items. As a research organization, ISS welcomes constructive dialogue on critical issues that helps to ensure a full understanding of the facts and circumstances, which will in turn inform its research and vote recommendations.

ISS’ policies regarding communication and engagement with issuers and other stakeholders are designed to gain the greatest possible insight for clients while safeguarding the independence of ISS’ research process and its analysts, as well as prioritizing the delivery of timely and high-quality research for the benefit of its institutional investor clients. [Additional information](#) including a set of Frequently Asked Questions on ISS’ engagement process is available on ISS’ website. See *Figure 5* for a preview.

**Figure 5: FAQs regarding ISS’ engagement process**

How can a company request an engagement with the ISS Proxy Research teams?
What guidelines must be followed during engagements with ISS Proxy Research analysts?
When will ISS engage?
What safeguards are in place to ensure the integrity and impartiality of ISS research?
Will the engagement discussion be reflected in the proxy research report?

Participants in the dialogue can expect an informed dialogue with experienced ISS representatives on matters of relevance to research and recommendations, and which may also include information about ISS’ policies and procedures. Further, participants can expect that ISS wishes to have the most complete and accurate publicly available information upon which to base ISS’ research and recommendations to clients.

To ensure consistency, transparency, and quality in interactions with issuers, industry groups, shareholder proposal proponents and other financial market stakeholders, ISS has established and communicates the following principles to all participants that guide engagement broadly: (1) all information must be publicly

disclosed; all discussions are on-the-record, and material non-public information should not be disclosed to ISS and will not be used; (2) companies should not mention during any engagement with ISS' proxy research team any past, present or expected contact with ISS-Corporate or its personnel; disclose or discuss any information obtained from the purchase of ISS-Corporate services or products; or identify their company, either directly or indirectly, as an ISS-Corporate client (or prospective client); (3) ISS Governance cannot provide consulting advice, and there is no guarantee of a particular ISS vote recommendation outcome; and (4) the company participants must be appropriate for the topics to be discussed. These guidelines are explained further in the referenced FAQ document (See also *Figure 5*). ISS' goals with engagement are to facilitate productive and informative dialogue, and to help all stakeholders understand what they may expect from engaging with us.

**Communication During the Voting Period and Proxy Seasons.** During proxy season in particular, at its discretion, ISS engages with corporate executives, board members, institutional investors, shareholder proposal proponents, and other constituents via meetings, conference calls and participation in industry events. The purpose of such engagement is for ISS to obtain, or communicate, perspectives about governance and voting issues to ensure that its research and policy-driven recommendations are based on the most comprehensive and accurate information available. ISS does not aim to influence companies' corporate governance arrangements.

After the meeting agenda has been released and during busy times such as proxy seasons, analysts will generally engage with companies only to clarify points on which there are questions. For ISS, the sole purpose of such dialogue is to improve the quality and substance of ISS' research and vote recommendations.

**Transparency of Engagement for Institutional Clients.** ISS considers its dialogue with issuers, shareholder proposal proponents, and other stakeholders to be part of the core service provided to clients and recognizes the value to clients of transparency into such engagements. ISS' benchmark research includes a summary of any engagement or other dialogue that took place as part of the analysis. Key information released on ISS' dialogue with companies, shareholder proposal proponents, or other stakeholders include the date(s) of dialogue, the topic(s) covered, the initiator of the dialogue, some accompanying notes and the outcome of the dialogue. In some instances, ISS may consider including direct quotes from statements made by participants in the meeting.

**Pre-Publication Review and Data Verification Mechanisms.** ISS' highest priority is the timely delivery of independent, quality research to investor clients. ISS has invested considerable resources over the years in data collection processes, checks and quality controls, and we believe the result is data with a high degree of factual accuracy. As a client-focused company, we balance interactions with subject companies to confirm factual accuracy with the recognition that some clients object to ISS providing subject companies with access to draft reports on philosophical grounds. For these reasons, ISS' pre-publication issuer review policy differs market to market, consistent with prioritizing its obligations to clients and meeting local regulatory requirements. ISS responds to frequently asked questions related to draft report reviews in the earlier referenced document ([FAQs: Engagement on Proxy Research](#)).

All corporate issuers can access – without charge – ISS’ final, published benchmark report on their own company. The report is made available once it has been published to ISS clients.

In certain markets and situations, and consistent with local market regulation, ISS may provide a draft report to the subject corporate issuer. Where provided, the purpose of the draft review is for the subject company to check for factual accuracy the information included in a report and is not an opportunity for the issuer to “lobby” for a particular voting recommendation.

Just as ISS sets clear guidelines for engagement between issuers and ISS research analysts, ISS also makes clear to companies and the public its pre-publication policy. There is no automatic entitlement to review research reports prior to publication, and no drafts are provided in markets or situations where there is insufficient time to do so while still respecting ISS clients’ voting deadlines.

Further, for all markets, ISS does not normally allow pre-publication reviews of pending reports relating to any special meeting or any meeting where the agenda includes a merger or acquisition proposal, proxy fight, or another agenda item that ISS may consider to be of a contentious or controversial nature.

Since 2022, U.S. issuers subject to ISS’ research and vote recommendations can verify more than 400 governance and compensation datapoints via the ISS data verification portal. This mechanism allows companies to review, verify, and provide feedback on core data used by ISS in preparing governance research reports and recommendations.

Datapoints available for verification are principally those used and reflected in ISS’ research reports on companies, including:

- Individual director details such as name, gender, ethnicity, etc. (as disclosed);
- Board and committee characteristics, including committee names, memberships, etc.; and
- Individual executive pay figures, including salary and bonus from the summary compensation table and grant details, equity plan details, gross-ups, etc.

**Factual Errors & Complaints, Feedback Management.** ISS strives to be as accurate as possible in its research and publications. The governance research and recommendations are based on public information, so any significant fact which an issuer, a shareholder proposal proponent or any other stakeholder would like to see reflected in a report must be publicly disclosed to all shareholders in a timely fashion, including in markets where such disclosure may not ordinarily be required. In proxy contests, we expect both management and dissident shareholders to publicly file any materials presented to ISS.

ISS makes clear that it does not invite or consider any material non-public information, but to the extent such information is provided to us, whether intentionally or not, it will not be considered or included in a research report.

If a corporate issuer believes ISS’ governance research contains an error, we encourage them to immediately notify us via the [ISS Help Center](#). If we determine that there is a material error that should

be brought to the clients' attention, we will promptly issue a "Proxy Alert" which is the mechanism we use to update a previously issued report.

Similarly, if new, significant information relating to a voting issue is publicly disclosed in a timely manner and ISS is informed of its availability, a Proxy Alert may be issued if sufficient time is available before the voting deadlines in that market for ISS' clients to review any changes in the Proxy Alert (which could include a change to a previously issued vote recommendation) and to act upon this information if they so choose. The clients who received the original report will automatically receive any Proxy Alerts issued for that company.

**Feedback Review Board.** In addition, ISS has instituted a [Feedback Review Board](#) ("FRB") to provide a mechanism to all stakeholders to communicate with ISS. The FRB is not a conduit for lobbying or advocating for favorable shareholder meeting vote recommendations, or a replacement for established primary channels for engaging with ISS on time-sensitive or company specific matters. Rather, the FRB is an ISS body, comprising senior ISS leadership, that serves as a channel to communicate with ISS any unresolved concerns regarding accuracy of research, accuracy of data, policy application, and general fairness of ISS policies, research, and recommendations.

## Principle 4.2: Collaborative Engagement

ISS Sustainability Solutions, the sustainable investment business arm of ISS, offers subscribing investor clients with services aimed at facilitating engagement by participating institutional investor clients who would like to engage with publicly listed companies on a defined universe of topics. The product suite includes several engagement-focused services which leverage ISS' research and data capabilities to support investors' collaborative engagement efforts and their reporting on their short, medium, and long-term engagement activities.

**Collaborative Engagement Services.** ISS Sustainability's Collaborative Engagement Services allow investors to participate in a joint outreach and dialogue with companies on material sustainability-related themes. By engaging collaboratively, institutional investors can increase their focus on specific issues and effectively communicate their concerns to corporate management.

ISS Sustainability facilitates engagement by subscribing clients with their investee companies. Clients rely on ISS Sustainability's expertise to measure their engagement process over the engagement life-cycle, to evaluate engagement success at the topic and company levels and to track the status of their engagements on a quarterly and annual basis. Such engagement solutions include the Norm-based Engagement Solution, which helps investors across markets to jointly engage with companies regarding their sustainability risk and performance in line with established standards for Responsible Business Conduct; and Thematic Engagement Solution, which helps investors engagement with their portfolio

companies on their top-priority sustainability themes, covering biodiversity, water risk, carbon risk, governance matters, among other topical and material sustainability themes.

ISS Sustainability also offers collaborative engagement toolkits for alignment with industry guidelines and frameworks, such as the SFDR Collaborative Engagement solution that allows investors to participate in a joint outreach and dialogue with companies on material ESG themes that are aligned thematically with most of the key mandatory Principal Adverse Impact indicators within the European Union's Sustainable Finance Disclosure Regulation (SFDR).

More information on the Collaborative Engagement Services is available [here](#).

### Principle 4.3: Public Policy Engagement

In addition, as appropriate, ISS contributes to industry discussions and interacts with policymakers (e.g., responding to regulatory consultations), when solicited and as relevant to the regulatory framework in which ISS and/or ISS' clients operate. By sharing its expertise and insights as a service provider to institutional investors, ISS seeks to contribute to the effective functioning of capital markets and a regulatory framework that supports investor protection. Over the years, ISS has responded to numerous stewardship-, governance- and ESG-related consultations, and participated in investor roundtable discussions on such matters.

In addition, as documented under *Principle 4* in the signatory statement to the UK Stewardship Code, ISS is a member of several global and regionally focused industry associations and initiatives. These industry associations and initiatives provide fora in which the investor and service provider community can share their experiences, insights, and best practices and discuss emerging market trends, market-wide and systemic risks.

Related to stewardship specifically, it is worth highlighting that ISS is a member of the FCA [Vote Reporting Group](#) aimed at designing a comprehensive and standardised proxy vote reporting framework. As a member, ISS is offering its practitioner expertise on how to deliver the vote reporting information through a public register by leveraging existing reporting activities and being mindful of practical challenges and feasibility.



The work of regulators, financial supervisors and international organisations generally also allow ISS to identify emerging risks and areas of regulatory interest, such as cybersecurity and operational resilience, the decline in biodiversity, the extent and quality of corporate disclosure on environmental and social

issues, and relatedly, greenwashing on the part of corporates and financial institutions. ISS' research offerings, as described under *Principle 1*, help address many of these areas.

## Principle Five: Escalation

### Principle Five: Escalation

Investors and service providers, where necessary, escalate their stewardship activities to encourage investee entities towards generating long-term financial, environmental and societal value and towards reaching positive and long-term sustainable outcomes.

ISS utilizes a policy-centric, client-driven approach to determine when a recommendation to vote against a specific agenda item is warranted. As discussed in *Principle 3 Voting*, ISS' clients will select an ISS proprietary, or create their own custom, proxy voting policy which sets guidelines for how to approach different ballot items at annual meetings.

ISS' analysts will analyze relevant, publicly available information to determine the context and circumstances of each public company the clients are invested in and determine whether a 'vote against' recommendation is warranted under the guidelines of a chosen voting policy. ISS can, and does, offer contradicting votes on the same ballot item at the same company under different policies that maintain different perspectives and thresholds on key governance concepts.

Clients utilizing custom voting policies can also request a 'REFER' recommendation when specific criteria or threshold are met: 'REFER' recommendations provide research-driven flags to clients without the accompanying 'vote for' or 'vote against' recommendation. For ISS' proprietary voting policies, we utilize the yearly benchmark review process, further expanded on in *Principle 3 Voting*, to ensure that benchmark and specialty voting policies reflect the perspectives and philosophies of institutional investor clients. Fundamentally, ISS strongly believes that the determination of when to escalate stewardship activities to a vote against a specific agenda item at an annual meeting lies with its clients. ISS' duty as a service provider is to empower its clients with informational and operational efficiencies so they can vote their shares as they see fit.

## Principle Six: Monitoring of Investee Entities

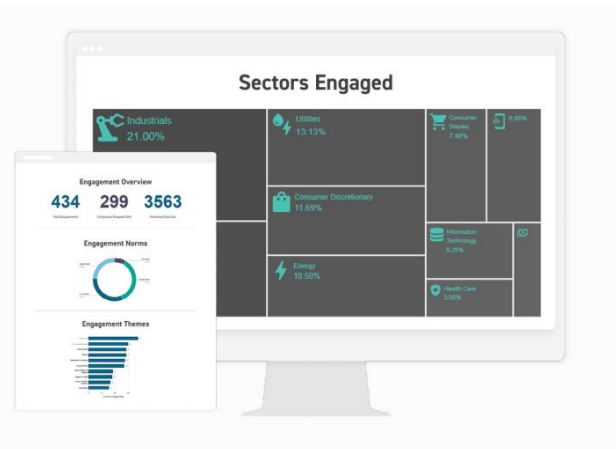
### Principle Six: Monitoring of Investee Entities

Investors and service providers regularly monitor investee entities to track, assess and review the effectiveness of their stewardship activities.

ISS provides a range of services that allow institutional investors to review and monitor their stewardship activities.

**Engagement Disclosure Solutions.** In 2025, ISS launched a new Engagement Disclosure Solution, designed to enable institutional investors to showcase their engagement activities and meet global regulatory and best practice standards for disclosure. The audit-ready solution supports collaborative, self-managed, and third-party engagements, with customizable, branded outputs for public display on the investor’s website or as part of internal engagement reporting. The solution fully automates data upload, output preparation, and disclosure of engagements with companies inside or outside of investors’ portfolios.

This new engagement solution complements ISS’ existing comprehensive suite of voting engagement and disclosure solutions, collaborative engagement services and other workflow solutions which support a wide variety of investor use cases. The solution streamlines regulatory reporting, supporting structured reporting under Sustainable Finance Disclosure Regulation (SFDR), Shareholder Rights Directive II (SRD II), Stewardship Codes, and other national and global standards. In tandem with supporting investors’ compliance with global standards, the solution enables investors to enhance transparency to a variety of constituents, by clearly communicating engagement activities to clients, regulators, and beneficiaries. Investors can also choose to restrict certain engagement data disclosure to internal users only, for enhanced control and confidentiality.



**Voting Disclosure Service for Institutional Investors.** Increasingly, institutional investors are under a legal, fiduciary and/or contractual obligation to publicly disclose their voting records. In this regard, ISS offers a Vote Disclosure Service to help institutional investors disclose their voting policy and voting records to appropriate stakeholders. Stakeholders can easily search and view the voting records disclosed for each security in each portfolio. In response to the U.S. Securities and Exchange Commission’s (“SEC”) adoption of amendments to its vote disclosure rules and the related Form N-PX, requiring enhanced proxy voting

disclosure by registered investment funds and disclosure of “say-on-pay” votes for institutional investment managers, ISS expanded its own service offerings with the Form N-PX Vote Disclosure Solution to support investors’ data management and reporting needs.

## Principle Seven: Delegation of Stewardship Activities

### Principle Seven: Delegation of Stewardship Activities

When delegating stewardship activities, investors ensure consistency of the delegated activities with their own investment beliefs, stewardship policy and strategy. They remain responsible and accountable for the effectiveness of the delegated activities.

**Enabling Underlying Clients’ Direct Ownership of Votes.** With the launch of Vote Preference in November 2022, ISS is also proud to enable a technological environment that facilitates the ability of asset owners to more directly control their proxy voting decisions (i.e., in cases where their asset managers’ portfolios are sub-advised or are in a pooled vehicle). ISS Vote Preference is a market driven product that leverages PX and API technology to allow asset managers to capture and execute the vote intentions of their underlying clients via their client’ custom voting policies or use of one of ISS’ numerous off-the-shelf policy choices. We believe this use of technology can improve interaction between asset managers and their clients and help ensure that proxy votes are cast in line with the wishes of the underlying beneficiaries.

## Principle Eight: Conflicts of Interest

### Principle Eight: Conflicts of Interest

Investors and service providers manage conflicts of interest in the best interests of their clients. They assess their investment activities and the interests of their clients to detect and suitably handle actual or potential conflicts of interest, disclosing these conflicts along with the measures taken to mitigate them.

ISS is committed to conducting business with the highest degree of ethics, integrity, and transparency. As a service provider to institutional investors, ISS understands and takes extremely seriously the potential for actual or perceived conflict of interest which might impact the integrity of research and services ISS provides to clients. Such potential conflicts of interest need to be effectively managed and mitigated by appropriate measures. To that end, ISS has adopted and publicly discloses conflict-of-interest policies, which detail its procedures for addressing potential or actual conflicts of interest that may arise in connection with the provision of some services.

### ISS' Business Practices and Principles

ISS' goal is to serve our clients with their full trust and confidence. We earn and retain this by providing high quality services which rest upon high degrees of transparency, objectivity, and independence. Because of the breadth of our client base, we understand and address the potential for actual or perceived conflicts of interest which may result from our many business activities.

We act in accordance with the following fundamental tenets:

- We place our clients' interests first and above our own.
- We never use, leverage, or favour a relationship with one client to the deliberate disadvantage of another.
- All aspects of our research, methodologies and all voting policies and vote recommendations, are based on fair, thorough, independent, and objective analysis, without regard to any economic or other inappropriate influence.
- We disclose and explain information about our internal processes and methodologies used in the development of our services, voting policies, and our voting recommendations.
- We take strong measures to fully safeguard client information.
- We believe transparency is a keystone of trust, and so, subject to the higher need for client confidentiality, we appropriately disclose any actual or apparent potential conflict of interest relationships or situations as they arise.
- Ultimately, we are guided by this most basic tenet: Do the right thing.

These principles are embedded deeply in our culture and in the policies we develop, the procedures we follow, the decisions we make, and the actions we take every day.

## Conflicts of Interest Policies

ISS has a dedicated Compliance Department, headed by a Chief Compliance Officer, that routinely reviews the business and updates policies and procedures as necessary to reflect business changes or other developments. Over the years, ISS has implemented specific compliance and disclosure practices described in more detail below.

In general, ISS has identified three primary potential conflicts of interest that are explained in this section, summarised as follows:

- i) A client relationship between a corporate issuer and ISS Corporate Solutions, Inc. ("ISS-Corporate"), a wholly owned subsidiary of ISS. ISS-Corporate helps companies design and manage their corporate governance, executive compensation, sustainability, and financial programs to align with company goals, reduce risk, and manage the needs of a diverse shareholder base by delivering data, tools, and advisory services;

- ii) A client relationship between ISS and a client that is (or is affiliated with) a corporate issuer or acts as the primary shareholder proposal proponent seeking to have a specific proposal acted on by shareholders; and
- iii) The relationship between ISS and its majority owner, Deutsche Börse AG (“DB”), a public company whose shares are traded on the Frankfurt Stock Exchange and minority owner, General Atlantic (“GA”), a private equity firm.

i) **Corporate Issuers That are Clients of ISS-Corporate**

ISS-Corporate provides corporate issuers with analytical tools, data, and advisory services to enable them to improve shareholder value and reduce risk through the adoption of improved corporate governance and E&S practices. One potential conflict between ISS’ core business for the benefit of institutional investors and the work of ISS-Corporate arises when ISS-Corporate provides advice to an issuer on a matter covered by ISS ESG research offerings. In addition, some of the products and services offered by ISS-Corporate are closely related to some of the proxy voting matters which will ultimately be analysed by ISS during its review of an issuer’s proxy statement. For example, subscribers to certain ExecComp services offered by ISS-Corporate receive web-based tools and, in some cases, advisory services that rely upon the analytical framework developed by ISS to assess and make vote recommendations with respect to equity compensation plans that are put to a shareholder vote.

As described below under ISS Policy Regarding Disclosure of Significant Relationships, ISS takes the view that in light of the products and services provided by ISS-Corporate, any paying-client relationship between ISS-Corporate and a corporate issuer, where ISS provides vote recommendations and research regarding that issuer, is deemed to be significant. Disclosure of these types of relationships is proactively made available to ISS’ clients.

**ISS’ Internal Firewall.** Beyond disclosure, a critical component of ISS’ approach to managing this potential conflict of interest is the firewall we maintain between the business for institutional investors and the ISS-Corporate business focused on corporations. This firewall includes the physical, functional, and technological separation between ISS-Corporate and ISS, with a particular focus on the separation of ISS-Corporate from the ISS business units which provide research offerings. A key goal of the firewall is to keep the research teams from learning the identity of ISS-Corporate’s clients, thereby helping to ensure their objectivity and independence. The firewall manages this potential conflict via several layers of separation:

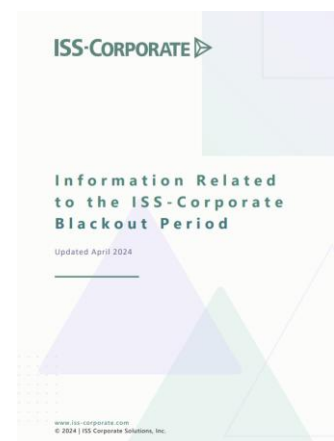
- ISS-Corporate is a separate legal entity from ISS.
- ISS-Corporate is physically separated from ISS and its day-to-day operations are separately managed.
- ISS’ research teams work independently from ISS-Corporate.
- ISS-Corporate and ISS staff members are prohibited from discussing a range of matters, including the identity of ISS-Corporate clients.
- ISS employees’ salaries, bonuses and other forms of compensation are not linked to any specific ISS-Corporate activity or sale.

ISS-Corporate explicitly informs its corporate clients that ISS will not give preferential treatment to, and is under no obligation to, support any proxy proposal of a corporate issuer or provide a favourable rating, assessment, and/or any other favourable result to a corporate issuer, whether or not that corporate issuer has purchased products or services from ISS-Corporate.

ISS is transparent about its ISS-Corporate business, and the entire business is described in detail on the ISS public website. Additionally, ISS' standard institutional client contract contains disclosures regarding ISS-Corporate and its work with corporate issuers, and each research report issued by ISS contains a legend indicating that the subject of the analysis or report may be a client of ISS-Corporate and reminds ISS' institutional clients of how they can inquire about any issuers use of ISS-Corporate products and services.

Because of the policies and procedures that we have implemented, we believe the existence of, or potential for, a business relationship between ISS-Corporate and a corporate issuer, or the non-existence thereof, does not affect the impartiality of ISS' research and provides preferential treatment to none.

**ISS-Corporate Blackout Policy.** In addition, ISS-Corporate maintains a “blackout” policy under which its interactions with corporate issuer clients and prospects are limited for a certain period under specific circumstances. This period typically spans from the point in time immediately after definitive proxy materials are published and/or filed with the appropriate regulatory body, and upon which ISS may be providing research, analysis and vote recommendations to shareholders of that corporate issuer, until the business day after the shareholders’ meeting related to those published or filed proxy materials. During the blackout period, ISS-Corporate staff are prohibited from assisting corporate issuer clients, whether directly or indirectly, with advisory services that relate to any matters that are currently “live”, meaning matters that are addressed in and/or are the subject of the definitive proxy materials that triggered the start of the blackout period.



ii) Corporate Issuers That are Clients of ISS

Within ISS' institutional client base, there is a subset of institutional investor clients who are themselves corporate issuers (or have a parent or affiliated company that is a corporate issuer) or who may act as the primary shareholder proposal proponent seeking to have a specific proposal acted on by shareholders. These clients, in their capacity as institutional investors, may buy any number of ISS' research offerings. The products and services offered to these clients are the same as the products and services available to all of ISS' clients, and the nature of ISS' relationships with these clients is not directly related to the topics covered in ISS' research offerings.

ISS has a broad base of institutional clients with a broad range of portfolio holdings on which ISS provides coverage through its research offerings. Thus, in the ordinary course of its business, ISS will inevitably provide research coverage on:

- This subset of clients who are themselves corporate issuers (or have a parent or affiliated company that is a corporate issuer); or

- Issuers at which an ISS client may have put forth a shareholder proposal.

In these circumstances, these clients could have a particular interest in the research and recommendations provided by ISS. In assessing this scenario, ISS views the potential significance of the relationships with these types of clients as a function of the dollar value of the client relationship and the potential that a client might use its client relationship with ISS as a lever to exert influence on ISS' offerings (whether in their capacity as a corporate issuer, shareholder proposal proponent or otherwise). After considering ISS' business operations and other benchmarks for significance/materiality, including measures used in different contexts under securities laws and rules, ISS has determined it appropriate to adopt a 5% threshold, so that ISS will view a relationship with an institutional client as significant if the annual revenues received from that client across all of the businesses within the ISS STOXX group of companies are in excess of 5% of the total, consolidated revenues for the ISS STOXX group of companies for the most recently completed fiscal year. If any of these relationships meet this significance threshold, those relationships are proactively disclosed to ISS' client base.

### iii) Ownership Structure

ISS operates on an arm's length basis from Deutsche Börse AG (DB) and General Atlantic (GA), and these companies have adopted policies designed to protect the independence and integrity of ISS' research offerings. ISS has formally adopted [policies on non-interference](#) and potential conflicts of interest related to [DB](#), [GA](#), and the [ISS STOXX Shareholders' Committee](#). Among other things, these policies establish appropriate standards and procedures to protect the integrity and independence of the research offerings produced by ISS and safeguard the reputations of ISS and its owners.

The policies also identify situations that exist or give rise to actual or potential conflicts of interest, or to the appearance of conflicts of interest, in connection with the offerings of ISS relating to certain publicly traded companies with which its owners might have a connection and the steps taken to mitigate any actual or potential conflicts.

Among other things, these policies provide that:

- Subject parties (as defined in each applicable policy) may not participate, seek to influence, or have any role in the formulation, development, and application of ISS' research offerings. In addition, these subject parties will not receive advance notice of any proposed or pending changes to the policy guidelines, methodologies, or standards underlying the research offerings of ISS.
- Subject parties may not participate in, seek to influence, or have any role in the formulation, development, and application of the policy guidelines, methodologies, and standards underlying ISS' research offerings, including, without limitation, the establishment of the methodologies and standards underlying the research offerings of ISS.
- Subject parties will not receive or be provided with access to companies of, or the analyses and conclusions contained in, any of the research offerings of ISS prior to the time that any such offerings are published or disseminated.

- Subject parties will not have access to any data relating to the portfolio, investment strategy, or securities holdings of ISS clients.

**Policy Regarding Disclosure of Significant Relationships.** ISS has also adopted a [“Policy Regarding Disclosure of Significant Relationships”](#) for Governance and ESG Research offerings.

As outlined in the policy:

- ISS takes the view that in light of the products and services provided by ISS-Corporate, any client relationship between ISS-Corporate and a corporate issuer, where ISS provides research offerings regarding that issuer, is significant for purposes of this policy.
- The policy also makes provision for disclosure of relationships with clients, subject to the 5% threshold, who are themselves corporate issuers (or have a parent or affiliated company that is a corporate issuer) or act as the primary shareholder proposal proponent seeking to have a specific proposal acted on by shareholders.
- This policy considers ISS' ownership structure and notes the relationship with DB as "significant" as a corporate issuer itself and due to its majority stake in the holding company that owns ISS.

## Codes & Related Policies

In addition to the conflict mitigation policies described above, ISS maintains policies and procedures within its Code of Ethics and General Code of Conduct related to potential conflicts of interest at the employee level (e.g., limitations on personal securities trading, outside business activities, and the giving and receipt of gifts and entertainment). These policies and procedures apply to covered employees within the ISS Governance and ISS ESG business units. To help ensure the integrity of its product offerings and to ensure conflicts are appropriately managed, ISS' dedicated Compliance team carries out regular reviews to help ensure compliance with applicable policies and procedures.

**Code of Ethics.** ISS is a registered investment adviser (“RIA”) with the SEC and is subject to the extensive regulatory regime of the Investment Advisers Act of 1940 (“Advisers Act”). As a RIA, ISS has adopted a [Code of Ethics](#) to address requirements under the Advisers Act. The Code of Ethics affirms ISS’ relationship of trust with its clients and obligates ISS to carry out its duties solely in the best interest of clients and free from all compromising influences and loyalties.

The Code of Ethics devotes special attention to preventing and disclosing conflicts of interest. In this regard, the Code of Ethics addresses the potential conflicts that may arise from the following activities:

- between the company’s research teams and other services provided by subsidiaries or affiliates,
- conflicts within the institutional advisory business,
- conflicts arising from an analyst’s stock ownership,
- conflicts in connection with an issuer’s review of a draft ISS report, and;
- conflicts generally.

In each case, the goal of the Code of Ethics is to prevent conflicts wherever possible, and more generally to manage and disclose potential or actual conflicts.

The Code of Ethics also encompasses ISS' personal trading policy which is designed to comply with regulatory requirements and to prevent personal trading practices that could violate applicable securities laws. This policy includes the prohibition of trading on material non-public information, outlines pre-clearance requirements for securities trading, and as well as other reporting and disclosure requirements.

**General Code of Conduct.** In addition to its Code of Ethics, ISS has developed a [General Code of Conduct](#). The General Code of Conduct is a broad-based “best practices” code that provides a framework to address general corporate policies and practices that apply to ISS as a global business. The areas covered in the General Code of Conduct include:

- Doing the Right Thing;
- Protecting the Company's Interests;
- Safeguarding and Maintaining Information;
- Treating Others with Dignity and Respect;
- Promoting a Safe and Healthy Working Environment;
- Violations of the General Code of Conduct;
- Reporting Concerns; and
- Compliance Requirements.

## Compliance Training

Employees within Governance Solutions and ESG units are required to complete training related to these documents as well as certify their adherence upon hire and on an annual basis thereafter. Moreover, ISS employees are required to (i) read the above referenced codes and acknowledge and agree to comply with the requirements set within the documents via training platforms; (ii) disclose certain information (e.g., securities and holding accounts, outside business activities, material personal relationships, disciplinary history, etc.) to ISS' Compliance Department. All employees are prohibited from acting on material nonpublic information.



100% of staff trained on ISS Code of Conduct

All new employees are provided a new employee package that details corporate policies. Each newly hired employee at ISS is required to complete a compliance training session. The materials covered include the ISS policies and procedures within ISS' Code of Ethics and General Code of Conduct. Employees are required to certify having read, understood, and agreed to comply with the ISS policies and procedures, and must also provide required disclosure information (e.g., brokerage accounts, outside business activities, political contributions) to the Compliance department. In addition to this, the Compliance department conducts annual training during each calendar year, including during 2024, covering Compliance policies. Completion of the annual training modules is mandatory for all employees and certification by each employee is also required.

## Disclosure of Conflicts

ISS provides its clients with an extensive array of information to help ensure that they are fully informed of potential conflicts and the steps ISS has taken to address them. Among other things, ISS makes publicly available [due diligence materials](#) to assist clients and prospective clients in fulfilling their own obligations regarding the use of independent, third-party providers of research and voting services. These due diligence materials include a section dedicated to ISS' conflicts mitigation policies.

As per the policies outlined above, ISS is transparent about potential conflicts of interest. For example, ISS' standard client contract contains disclosures regarding ISS-Corporate and its work with corporate issuers, and each research report issued by ISS contains a legend indicating that the subject of the analysis or report may be a client of ISS-Corporate and reminds ISS' institutional clients of how they can inquire about any issuer's use of ISS-Corporate products and services.

### ISS' Disclosure of Conflicts of Interest Related to its Ownership Structure

(See Appendix for full page screenshots.)

Figure 6 provides screenshots of the first pages of ISS' proxy analysis and benchmark voting policy recommendations on the 2024 annual shareholder meetings at DB and its affiliate Knorr-Bremse AG, respectively.

The examples illustrate the proactive and prominent disclosure ISS provides (top of the first page) to clients with respect to conflicts of interest generated by its ownership structure.

The text states explicitly ISS' ownership structure and highlights ISS' Policy on Non-Interference and Potential Conflicts of Interest related to DB and its affiliates.

The figure shows two screenshots of ISS proxy analysis and benchmark voting policy recommendations. The left screenshot is for Knorr-Bremse AG, and the right screenshot is for Deutsche Boerse AG. Both documents include sections for 'Key Takeaways', 'Agenda & Recommendations', and 'MANAGEMENT PROPOSALS'. The 'MANAGEMENT PROPOSALS' section includes items such as 'Receive Financial Statements and Statutory Reports for Fiscal Year 2023', 'Approve Allocation of Income and Dividends of EUR 1.64 per Share', 'Approve Discharge of Management Board for Fiscal Year 2023', 'Approve Discharge of Supervisory Board for Fiscal Year 2023', 'Ratify PwC AG as Auditors for Fiscal Year 2024 and for the Review of Interim Financial Statements for the First Half of Fiscal Year 2024', 'Approve Remuneration Policy', and 'Approve Remuneration Report'.

In addition, ISS provides certain conflicts disclosures in a manner that is seamlessly integrated into clients' workflow through PX. For example, PX includes:

- A column indicating in Yes/No fashion whether there is a significant relationship associated with that meeting/research report within both the "Meetings" and "Research" views in PX.
- Where such a relationship exists, users will be able to click-through on a link to get more information about that relationship.

- On screen and/or email alerts for notification of the publication of new research with a column on those notifications indicating whether there is a significant relationship associated with the report.
- An additional tab labeled “Disclosure of Significant Relationships” within which a user can use a look-up box to search for entities with which a significant relationship exists.

Figures 7 and 8 below provide a snapshot of some of these PX features.

### ISS’ Disclosure to Clients on ISS’ PX Voting Platform of Significant Relationships (See Appendix for full page screenshots.)

Figures 7 and 8 are screenshots illustrating ISS’ disclosure to clients of significant relationships transparently integrated throughout PX.

Figure 7 provides a screenshot of disclosure of ISS’ significant relationships available through PX. This table is accompanied by a statement referring clients to the full policy available on the ISS due diligence website and ISS’ Code of Ethics, in addition to reminding clients they can direct their inquiries to ISS’ Compliance department via the [disclosure@issgovernance.com](mailto:disclosure@issgovernance.com) email address. The statement also makes clear that, to maintain the integrity of ISS’ firewall, information regarding the identify of ISS-Corporate clients may not be shared with ISS employees.

Issuer	Disclosure of Significant ISS Relationships	Ticker	Country	Type	Meeting Date &	Industry Sector	Market Cap (USD)
Company 1	No	C1	USA	Annual		Electric Utilities	
Company 2	No	C2	Denmark	Annual		Banks	
Company 3	Yes	C3	USA	Annual/Special		Technology Hardware, Storage & Peripherals	
Company 4	No	C4	Panama	Special		Hotels, Restaurants & Leisure	
Company 5	No	C5	USA	Annual		Communications Equipment	
Company 6	No	C6	USA	Annual		Oil, Gas & Consumable Fuels	
Company 7	No	C7	USA	Annual		Health Care Technology	
Company 8	No	C8	USA	Annual		Specialty Retail	
Company 9	No	C9	USA	Annual		Oil, Gas & Consumable Fuels	
Company 10	No	C10	France	Annual/Special		Oil, Gas & Consumable Fuels	
Company 11	No	C11	USA	Annual		Electric Utilities	
Company 12	No	C12	USA	Annual		Real Estate Investment Trusts (REITs)	
Company 13	Yes	C13	USA	Special		Technology Hardware, Storage & Peripherals	
Company 14	No	C14	United Kingdom	Annual		Banks	
Company 15	Yes	C15	USA	Annual		Internet Software & Services	
Company 16	No	C16	USA	Annual		Multi-Utilities	
Company 17	No	C17	USA	Annual		Metals & Mining	
Company 18	No	C18	USA	Annual		Multi-Utilities	
Company 19	Yes	C19	USA	Special		Media	

Figure 8 shows that investor clients can use

Company Name	Ticker	Subscribed Products*	Contract Value (USD)
Company 1	C1	ExecComp Analytics (US), ExecComp Analytics - Consultant Access	27,500.00

PX to identify ISS-Corporate’s contractual relationships with corporate issuers, as well as to obtain information on the products the issuers subscribe to and the amount of compensation that ISS-Corporate has received or will receive from the issuer. As described earlier under *Internal Firewall*, ISS does not disclose the name of ISS-Corporate clients on research reports or public facing documents. We believe that these processes ensure transparent and easily accessible conflicts disclosure to clients while also upholding the key confidentiality tenets of the firewall.

As described earlier under *Internal Firewall*, ISS does not disclose the name of ISS-Corporate clients on research reports or public facing documents. ISS has implemented permission restrictions that prevent ISS personnel from accessing the disclosure information which those employees are restricted from viewing under the firewall procedures discussed above. We believe that these processes ensure transparent and easily accessible conflicts disclosure to clients while also upholding the key confidentiality tenets of the firewall.

## Principle Nine: Transparency and Reporting

### Principle Nine: Transparency and Reporting

Investors and service providers disclose and report their stewardship policies and activities to their clients and beneficiaries in a way that demonstrates effective fulfilment of their duties.

At its core, ISS is a policy-based organization, and we believe the use of a series of published voting policies provides a very practical and transparent check on the integrity and independence of ISS’ research and vote recommendations. ISS’ policy-based approach also provides for a transparent and consistent methodology with which to evaluate shareholder proposals.

ISS makes publicly available its proprietary voting policies, an [archive of policies](#), responses to [frequently asked questions](#) regarding ISS’ research, in addition to providing extensive information to assist clients in overseeing their service providers.

Among other things, ISS makes publicly available a [due diligence package of materials](#) that cover commonly asked client questions about ISS’ operations, regulation of ISS, and governance arrangements and policies and procedures. This corner of the ISS website also includes ISS’ statements on various stewardship codes, such as the UK Stewardship Code, the Japan Stewardship Code, and the compliance statement in adherence with the Best Practice Principles Group,

As discussed in *Principle 3 Voting*, ISS publicly discloses all regional ISS benchmark policies on its [website](#), including details of the policy updates that are made annually. Additional information such as [FAQs](#) on a selection of policy-related topics is also provided. Similarly, ISS also discloses detailed information related to ISS’ specialty voting policies; however, ISS does not publish clients’ custom policies as they may be proprietary to institutional investor clients or their other service providers.

### Proxy Season Insights

To further public understanding of corporate governance developments and trends, ISS publishes reports throughout the year previewing and/or summarizing proxy season developments regionally via [ISS Insights](#).

The reports capturing key takeaways are available to the public free of charge; the full reports are available to ISS’ institutional investor clients.



ISS Insights publications leverage ISS' experience and data capabilities to provide clients, as well as the broader market, with improved understanding of proxy voting progress and developments. See *Figure 9: Snapshot of Proxy Season Previews & Reviews for Select Markets*.

**External Audit of Operations.** ISS employs a third-party auditor to independently assess its controls under the SSAE 18 process and provide an opinion on the fairness of the presentation and on the suitability of the design and operating effectiveness of ISS' controls. The audit, conducted annually, includes a comprehensive accounting of control objectives and the activities that are executed to support each assertion. The processes of the ISS Research, Data, and Operations teams are subject to the SSAE 18 review. The SSAE-18 audit reports are made available to clients, often as part of their due diligence reviews of ISS' services. For 2023, ISS received an unqualified or "clean" opinion from its external auditor.

## Relevant Codes of Conduct and Best Practice Principles

ISS is a signatory to the [Best Practice Principles](#) for providers of shareholder research and voting recommendations, as well as to the [UK Stewardship Code 2020](#) (please find the 2025 UK Stewardship Report [here](#)) and the revised [Japan Stewardship Code](#). As a signatory to these and other codes of conduct, ISS provides stakeholders with comprehensive disclosure on its business and internal control functions that help ensure that its operations and governance are in line with, and exceed, industry best practices.

# Appendix

## Principle 3. Examples of ProxyExchange (PX) functionalities.

Figure 2 provides a screenshot of issuer profile pages available on the PX platform and designed to provide key issuer details, current and historic research reports and voting history in one place.

**Governance Quality Score**

7 View Governance Quality Score

Score As Of 30 Aug 2024  
Last Profile Update 04 Jun 2024

Scores indicate decile rank relative to index or region. A decile score of 1 indicates lower governance risk; 10 indicates higher governance risk.

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**Norm-Based Research (NBR) Company Report**

10 View Norm-Based Research (NBR) Company Report

Norm-Based Research helps investors to make decisions regarding companies' adherence to global norms on environmental protection, human rights, labour standards and anti-corruption. The research evaluates allegations concerning companies' failure to abide by global norms as set out in the relevant International Initiatives and guidelines. The score you are viewing on screen is based on our most current assessment of the company.

---

**Overview**

**General Information**

Country of Incorporation	USA
ISS Country of Coverage	USA
Primary Security ID	
Sector	
Industry Group/Industry	
Market Cap (USD)	
Shares Outstanding (Mn)	
52-Week High (USD)	
52-Week Low (USD)	
Annual Dividend (USD)	
Next Meeting Date	
ISS Recommended Against Mgmt at Most Recent Meeting	
Company in Holdings/Ballots	No
Special Requested Company	No
Issuer Type	Publicly-held (PLD)
Issuer Sub Type	

---

**Research Documents**

Meeting Date	Meeting Type	Meeting ID	Policy Name	Meeting Results
May 2024	Annual		ISS - 1 (B)	Full
May 2023	Annual		Cartilage - 162 (B)	Full
May 2023	Annual		Climate - 1411 (B)	Full
May 2023	Annual		Global Board Approval - 1918 (B)	Full
May 2023	Annual		ISS - 1 (B)	Full
May 2023	Annual		Public Fund - 824 (B)	Full
May 2023	Annual		SB - 166 (B)	Full
May 2023	Annual		Sustainability - 1029 (B)	Full
May 2023	Annual		Tax Haven - 50 (B)	Full
May 2022	Annual		Cartilage - 162 (B)	Full

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**Voting History**

Meeting Date	Meeting Type	VAM	VAP	Meeting Results
29 May 2024	Annual	Yes	No	Full
31 May 2023	Annual	Yes	No	Full
23 May 2022	Annual	Yes	No	Full
26 May 2021	Proxy Contest	Yes	No	Full
27 May 2020	Annual	Yes	No	Full
29 May 2019	Annual	Yes	No	Full
30 May 2018	Annual	Yes	No	Full

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**Special Situations Research**

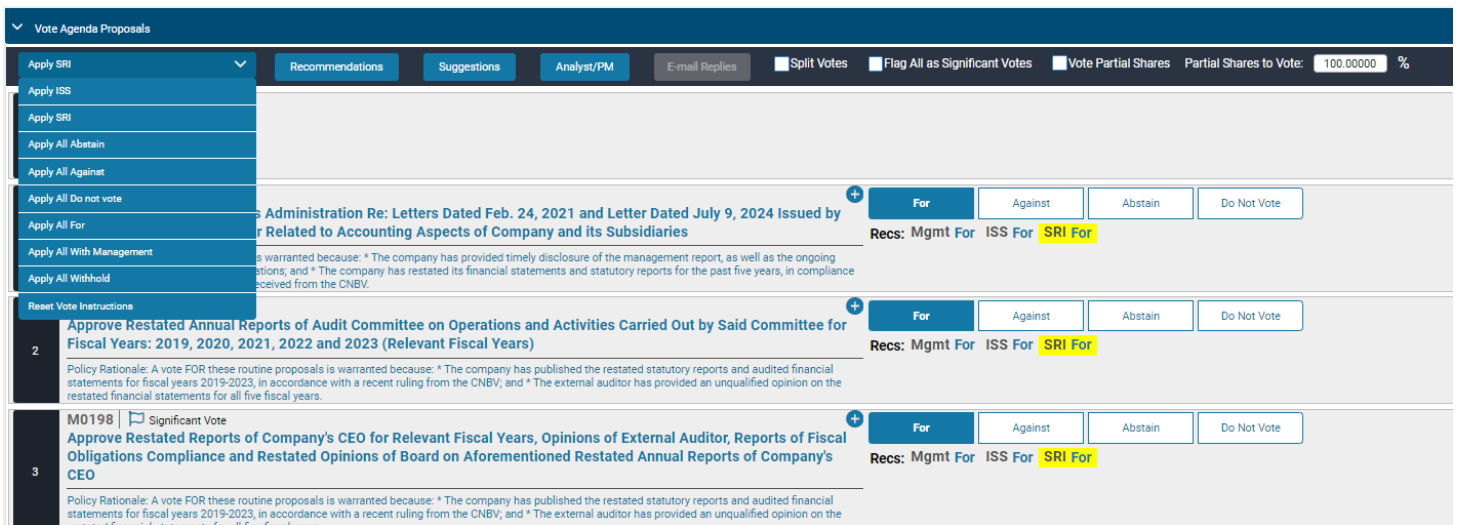
ISS' Special Situations Research delivers comprehensive, independent analysis of high profile and contentious situations from announcement through denouement, enabling users to fully understand the implications to their investments and inform situation assessments and voting decisions.

Research Type	Publication Date	Download Link
Contentious Pipeline	02 Aug 2024	<a href="#">Download</a>
Meeting Analysis	14 May 2021	<a href="#">Download</a>
Research Note	02 Mar 2021	<a href="#">Download</a>

**Figure 3** provides an example of one of the vote management functionalities on the PX platform with which clients can vote manually on ballot items at shareholder meetings and toggle between vote recommendations issued under policies to which they are subscribed. The screenshot below shows the ISS Benchmark and ISS SRI Specialty voting policies as two choices.



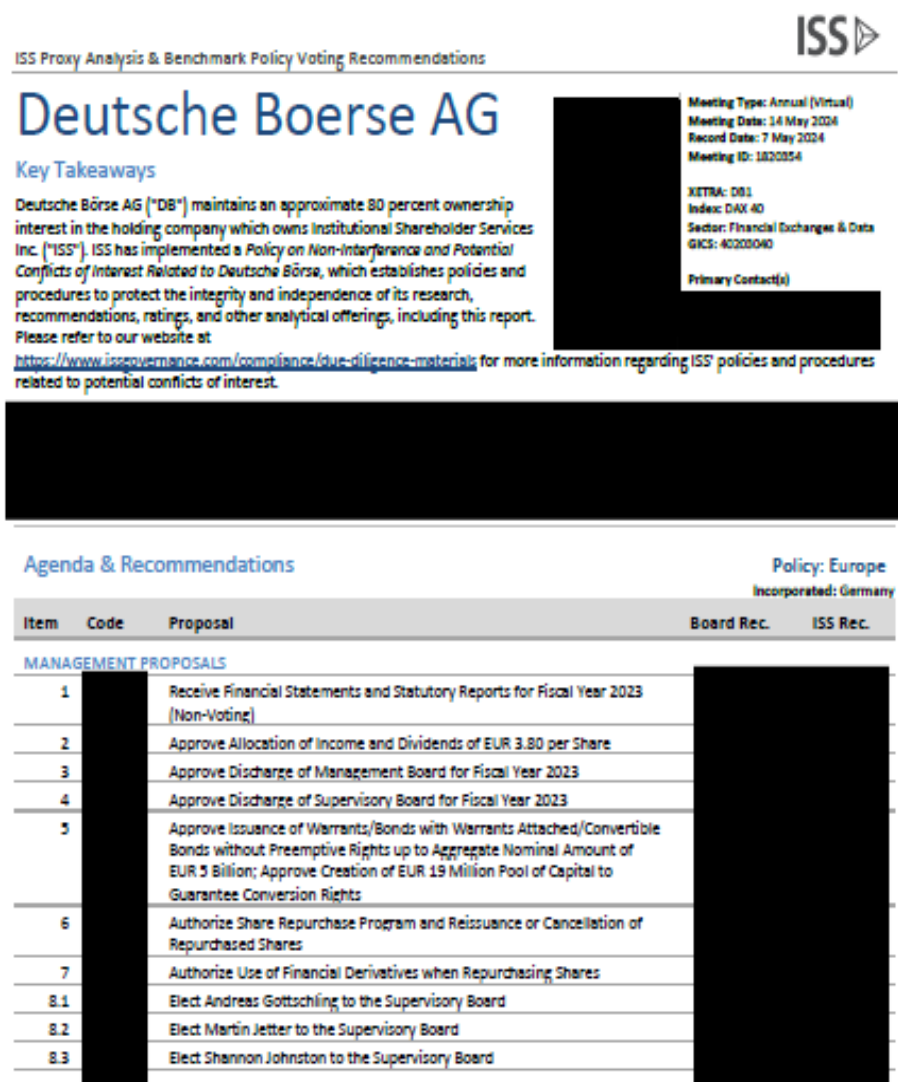
The screenshot shows the 'Vote Agenda Proposals' interface. At the top, there are tabs for 'Recommendations', 'Suggestions', 'Analyst/PM', and 'E-mail Replies'. A dropdown menu is open, showing options like 'Apply ISS', 'Apply SRI', 'Apply All Abstain', etc. Below the menu, three proposals are listed with voting buttons for 'For', 'Against', 'Abstain', and 'Do Not Vote'. The first proposal is 'Administration Re: Letters Dated Feb. 24, 2021 and Letter Dated July 9, 2024 Issued by...'. The second is 'Reports of Audit Committee on Operations and Activities Carried Out by Said Committee for Fiscal Years: 2019, 2020, 2021, 2022 and 2023 (Relevant Fiscal Years)'. The third is 'M0198 | Significant Vote Approve Restated Reports of Company's CEO for Relevant Fiscal Years, Opinions of External Auditor, Reports of Fiscal Obligations Compliance and Restated Opinions of Board on Aforementioned Restated Annual Reports of Company's CEO'. Each proposal has a 'Recs:' section with 'Mgmt For', 'ISS For', and 'SRI For' options.



This screenshot shows the same voting interface as above, but with the 'SRI For' option highlighted in yellow for each of the three proposals. The dropdown menu is still open, and the 'Apply SRI' option is selected. The 'Recs:' section for each proposal now shows 'Mgmt For', 'ISS For', and 'SRI For' with 'SRI For' highlighted.

**Principle 8. Example of ISS' Disclosure to Clients Regarding Ownership-Based Conflicts of Interest**

Figure 6 provides screenshots of the first pages of ISS' proxy analysis and benchmark voting policy recommendations on the 2024 annual shareholder meetings at DB and its affiliate Knorr-Bremse AG, respectively. The examples illustrate the proactive and prominent disclosure ISS provides (top of the first page) to clients with respect to conflicts of interest generated by its ownership structure. The text states explicitly ISS' ownership structure and highlights ISS' Policy on Non-Interference and Potential Conflicts of Interest related to DB and its affiliates.



ISS Proxy Analysis & Benchmark Policy Voting Recommendations

# Deutsche Boerse AG

**Key Takeaways**

Deutsche Börse AG ("DB") maintains an approximate 80 percent ownership interest in the holding company which owns Institutional Shareholder Services Inc. ("ISS"). ISS has implemented a Policy on Non-Interference and Potential Conflicts of Interest Related to Deutsche Börse, which establishes policies and procedures to protect the integrity and independence of its research, recommendations, ratings, and other analytical offerings, including this report. Please refer to our website at <https://www.issgovernance.com/compliance/due-diligence-materials> for more information regarding ISS' policies and procedures related to potential conflicts of interest.

Meeting Type: Annual (Virtual)  
 Meeting Date: 14 May 2024  
 Record Date: 7 May 2024  
 Meeting ID: 1820054

XETRA: DB1  
 Index: DAX 40  
 Sector: Financial Exchanges & Data  
 GICS: 4020040

Primary Contact(s)

---

**Agenda & Recommendations**

Policy: Europe  
 Incorporated: Germany

Item	Code	Proposal	Board Rec.	ISS Rec.
<b>MANAGEMENT PROPOSALS</b>				
1		Receive Financial Statements and Statutory Reports for Fiscal Year 2023 (Non-Voting)		
2		Approve Allocation of Income and Dividends of EUR 3.80 per Share		
3		Approve Discharge of Management Board for Fiscal Year 2023		
4		Approve Discharge of Supervisory Board for Fiscal Year 2023		
5		Approve Issuance of Warrants/Bonds with Warrants Attached/Convertible Bonds without Preemptive Rights up to Aggregate Nominal Amount of EUR 3 Billion; Approve Creation of EUR 19 Million Pool of Capital to Guarantee Conversion Rights		
6		Authorize Share Repurchase Program and Reissuance or Cancellation of Repurchased Shares		
7		Authorize Use of Financial Derivatives when Repurchasing Shares		
8.1		Elect Andreas Gottschling to the Supervisory Board		
8.2		Elect Martin Jetter to the Supervisory Board		
8.3		Elect Shannon Johnston to the Supervisory Board		

# Knorr-Bremse AG

## Key Takeaways

Theodor Weimer, an individual affiliated with Deutsche Börse AG ("DB"), serves on the board of directors of Knorr-Bremse AG ("Knorr-Bremse"), which results in Knorr-Bremse being considered a "DB Affiliated Company" as contemplated by ISS' Policy on Non-Interference and Potential Conflicts of Interest Related to Deutsche Börse. This policy establishes policies and procedures to restrict the involvement of DB and any of DB's employees in the content of ISS' research offerings, including this report. Please refer to our website at <https://www.issgovernance.com/compliance/due-diligence-materials> for more information regarding ISS' policies and procedures related to potential conflicts of interest.

The vote on the remuneration report (item 7) is highlighted for shareholder attention because during the year under review, the STI and LTI targets for the CFO were increased without rationale, and it is unclear whether shareholders' concerns have been fully addressed. Support is nonetheless warranted because the company's remuneration practices are broadly in line with best practice standards in Germany and pay and performance appear reasonably aligned at this time.

Meeting Type: Annual (Virtual)  
 Meeting Date: 30 April 2024  
 Record Date: 8 April 2024  
 Meeting ID: 1821479

XETRA: KBX  
 Index: MDAX 30  
 Sector:  
 Construction Machinery & Heavy Transportation Equipment  
 GICS: 20106010

Primary Contact(s)

## Agenda & Recommendations

Policy: Europe

Incorporated: Germany

Item	Code	Proposal	Board Rec.	ISS Rec.
<b>MANAGEMENT PROPOSALS</b>				
1		Receive Financial Statements and Statutory Reports for Fiscal Year 2023 (Non-Voting)		
2		Approve Allocation of Income and Dividends of EUR 1.64 per Share		
3		Approve Discharge of Management Board for Fiscal Year 2023		
4		Approve Discharge of Supervisory Board for Fiscal Year 2023		
5		Ratify KPMG AG as Auditors for Fiscal Year 2024 and for the Review of Interim Financial Statements for the First Half of Fiscal Year 2024		
6		Approve Remuneration Policy		
▶7		Approve Remuneration Report		

Shading indicates that ISS recommendation differs from Board recommendation

**Example of ISS’ Disclosure to Clients on ISS’ PX Voting Platform of Significant Relationships**

Figures 7 and 8 are screenshots illustrating ISS’ disclosure to clients of significant relationships transparently integrated throughout PX.

Figure 7 is a snapshot of disclosure of ISS’ significant relationships available through PX. This table is accompanied by a statement referring clients to the full policy available on the ISS due diligence website and ISS’ Code of Ethics, in addition to reminding clients they can direct their inquiries to ISS’ Compliance department via the [disclosure@issgovernance.com](mailto:disclosure@issgovernance.com) email address. The statement also makes clear that to maintain the integrity of ISS’ firewall, information regarding the identify of ISS-Corporate clients may not be shared with ISS employees.

<input type="checkbox"/> Issuer	Disclosure of Significant ISS Relationships	Ticker	Country	Type	Meeting Date ▲	Industry Sector	Market Cap (USD)
<input type="checkbox"/> Company 1	No	C1	USA	Annual		Electric Utilities	
<input type="checkbox"/> Company 2	No	C2	Denmark	Annual		Banks	
<input type="checkbox"/> Company 3	Yes	C3	USA	Annual/Special		Technology Hardware, Storage & Peripherals	
<input type="checkbox"/> Company 4	No	C4	Panama	Special		Hotels, Restaurants & Leisure	
<input type="checkbox"/> Company 5	No	C5	USA	Annual		Communications Equipment	
<input type="checkbox"/> Company 6	No	C6	USA	Annual		Oil, Gas & Consumable Fuels	
<input type="checkbox"/> Company 7	No	C7	USA	Annual		Health Care Technology	
<input type="checkbox"/> Company 8	No	C8	USA	Annual		Specialty Retail	
<input type="checkbox"/> Company 9	No	C9	USA	Annual		Oil, Gas & Consumable Fuels	
<input type="checkbox"/> Company 10	No	C10	France	Annual/Special		Oil, Gas & Consumable Fuels	
<input type="checkbox"/> Company 11	No	C11	USA	Annual		Electric Utilities	
<input type="checkbox"/> Company 12	No	C12	USA	Annual		Real Estate Investment Trusts (REITs)	
<input type="checkbox"/> Company 13	Yes	C13	USA	Special		Technology Hardware, Storage & Peripherals	
<input type="checkbox"/> Company 14	No	C14	United Kingdom	Annual		Banks	
<input type="checkbox"/> Company 15	Yes	C15	USA	Annual		Internet Software & Services	
<input type="checkbox"/> Company 16	No	C16	USA	Annual		Multi-Utilities	
<input type="checkbox"/> Company 17	No	C17	USA	Annual		Metals & Mining	
<input type="checkbox"/> Company 18	No	C18	USA	Annual		Multi-Utilities	
<input type="checkbox"/> Company 19	Yes	C19	USA	Special		Media	

**Figure 8** shows that investor clients can use PX to identify ISS-Corporate’s contractual relationships with corporate issuers, as well as to obtain information on the products the issuers subscribe to and the amount of compensation that ISS-Corporate has received or will receive from the issuer. As described earlier under *Internal Firewall*, ISS does not disclose the name of ISS-Corporate clients in research reports or public facing documents. We believe that these processes ensure transparent and easily accessible conflicts disclosure to clients while also upholding the key confidentiality tenets of the firewall.

Meetings > Disclosure of Significant ISS Relationships

## Disclosure of Significant ISS Relationships

This portion of ProxyExchange provides ISS’ institutional proxy research clients with information regarding any significant relationships that ISS has with corporate issuers (or their affiliates) that are the subject of ISS’ proxy research reports, or a security holder proponent on a matter that is the subject of an ISS proxy research report. We refer our clients to ISS’ “Policy Regarding Disclosure of Significant Relationships” for information about how ISS assesses and discloses those relationships. That policy can be found on the ISS website at [www.issgovernance.com/compliance/duo-diligence-materials/](http://www.issgovernance.com/compliance/duo-diligence-materials/). Also at that location of our website are materials regarding ISS’ compliance policies and procedures, including ISS’ Regulatory Code of Ethics and a Due Diligence Compliance Package. We encourage our clients to review these materials. For any inquiries, please contact [disclosure@issgovernance.com](mailto:disclosure@issgovernance.com). Without limitation, and in keeping with internal firewall procedures put in place by ISS, information regarding the identity of corporate issuers that are clients of ISS Corporate Solutions, Inc., a wholly-owned subsidiary of ISS, may not be shared with ISS employees.

Company 1

Company Name	Ticker	Subscribed Products*	Contract Value (USD)
Company 1	C1	ExecComp Analytics (US), ExecComp Analytics - Consultant Access	27,500.00

**Disclaimer**

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