

ACTIVE OWNERSHIP
REPORT 2025

Active Ownership



Flossbach von Storch

Know your Company's



ACTIVE OWNERSHIP
=
ENGAGEMENT
+
VOTING

As active owners, we see ourselves as constructive sparring partners for the companies we invest in and responsible trustees for our clients. In personal exchanges (engagement) we discuss socially relevant and critical issues for companies. We lend weight to our position by exercising our voting rights. Within the framework of a dedicated active ownership process, we analyse and accompany the development of our investments. Our analysts and portfolio managers are responsible for all measures as an active corrective from a single source. Detailed information can be found in our guidelines on the exercise of voting rights and regarding our engagement, as well as our Sustainability Policy on the following websites: www.fvsinvest.lu and www.flossbachvonstorch.de/en.

Active Ownership Process



Our role as an active owner

Engagement and voting are important prerequisites for sustainable investing.

As trustees of our clients' assets, we consider it our duty to actively represent their interests in our portfolio companies. For us, the exchange with the management of our investments, as well as the exercise of our voting rights, are important components of our work, which have an impact on the quality assessment of our investments.

As part of a dedicated active ownership process, we analyse and accompany the development of our investments. ESG risks that could have a long-term impact on their business development are thus identified at an early stage and discussed intensively with the management. We see ourselves as a constructive sparring partner (where possible) or as a corrective function (where necessary) and see our task as making constructive suggestions in order to accompany the management in the implementation of necessary measures. If the critical points for us are not sufficiently perceived and there are no signs of a positive development in the long term, we reduce or sell the holding.

We lend weight to our position by exercising our voting rights. In doing so, we support all measures that permanently increase the value of a company in the interests of investors and vote against, or have votes cast against, those that run counter to this goal. As soon as we hold more than 0.25 per cent of a company's share capital, or when significant agenda items are up for decision, we exercise our voting rights in accordance with defined criteria and in line with our investment philosophy.

It is our mission to fully understand and continuously follow all the companies in which we invest. We therefore rely on a focused investment universe and concentrate on a limited number of companies; this gives our analysts and portfolio managers both the opportunity and sufficient time to ensure progress and compliance with jointly defined objectives.

Our portfolio management can only invest in securities that are part of the investable universe. This procedure ensures a consistent quality assessment of invested securities.

Sustainability has always been
an elementary component
of our investment process.

The year of reversal

Foreword

The shift in ESG sentiment engenders real risks, the disregard of which can have significant repercussions.

For years, the trend towards paying greater attention to environmental, social and corporate governance factors (ESG for short) was considered irreversible. A break with this trend seemed unimaginable.

Today, the perspective is different. There had always been signs of a change in sentiment. But all of that was nothing compared to the vehemence with which the issue of sustainability – for which the term “ESG” stands primarily in the financial industry – was questioned and, in some cases, reversed last year.

The year of backtracking – that’s how the past 12 months can be described. In the USA, the government’s anti-wokeness policy has prompted companies to scrap numerous diversity goals and measures. Within the European Union (EU), the focus has been on overly complex regulatory requirements and the industry’s call for less bureaucracy. At the same time, new reporting requirements for companies have come into force, which have also led to a backward roll in some cases with regard to ESG data.

The consequences for companies, their employees and investors cannot yet be fully assessed. Starting on page 8, we share with you our observations and initial findings from the company discussions we held during the reporting period. Starting on page 15, we explain the impact of the new reporting requirements.

The shift in ESG sentiment engenders real risks, the disregard of which can have significant financial consequences for companies. Last year, we focused intensively on water risks; an assessment and insights into the efforts of “our” companies in dealing with this endangered resource can be found starting on page 19.

However, there are also encouraging signs that make it clear that this setback should soon be followed by renewed progress. The majority of the companies in which we are invested continue to address sustainability issues with determination, viewing them as essential to safeguarding the future viability of their business models – as all of our contributions demonstrate.

The past year has reinforced our belief that sustainability should be understood as an integral part of corporate analysis. The fact that the topic is receiving less media attention and carries fewer moral overtones is, in our view, also an opportunity for greater maturity and depth. It allows us to look beyond glossy brochures and focus on what truly matters. A step backwards sends the wrong signal. As active owners, we would instead like to encourage meaningful progress in key areas a long jump forward.

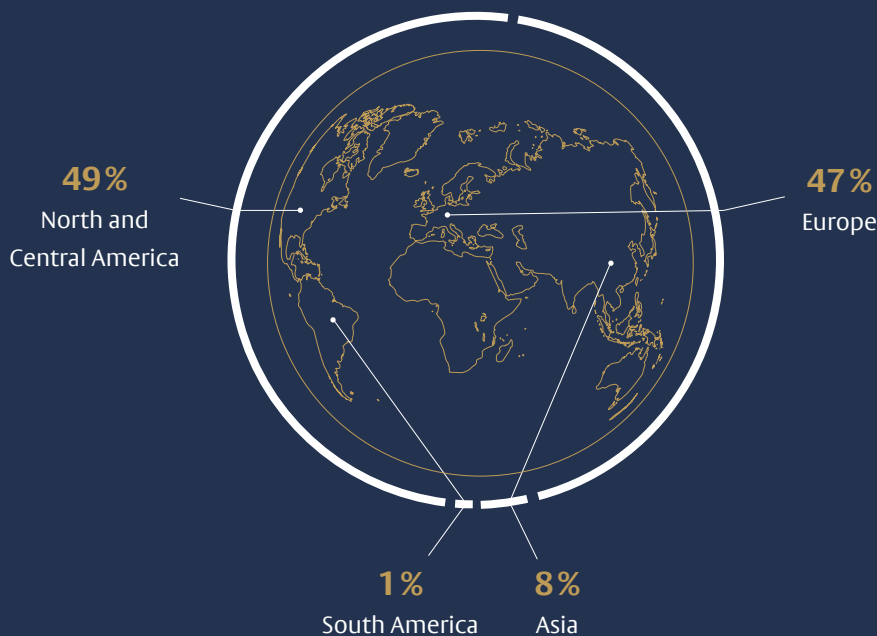
Engagement 2025

Interaction with companies

In 2025, we conducted around 240 dialogues with more than 150 companies in 24 countries. Seventy-two per cent of these discussions focused on topics related to corporate governance, business development and strategy. Environmental issues were discussed in 27 per cent of the dialogues, while social aspects accounted for 15 per cent of the discussions.

Thirty-three per cent of the discussions were conducted by our **ESG analyst team** and focused exclusively on companies' responsible handling of environmental and social issues and the promotion of transparency. The majority of the discussions addressed the reduction of greenhouse gas emissions, the impact of regulatory requirements and references to water risks.

Geographical distribution of our engagement activities (key areas)



Anti-wokeness movement

What remains of sustainability?

The actual changes in the companies were far less significant than feared.

Upon taking office in January 2025, Donald Trump banned so-called diversity, equity and inclusion (DEI) programmes, goals and regulations in US government agencies and their contractors. At the same time, numerous financial institutions turned their backs on industry initiatives for climate protection. The USA initiated its renewed withdrawal from the Paris Climate Agreement, and the EU set about trimming the bureaucracy of sustainability regulations. This made the anti-ESG movement, which had been crystallising for some time, at least partially “official”.

A shift in sentiment on issues such as diversity, climate protection, minority protection and political correctness had already been apparent in recent years. However, the development at the start of 2025 was not gradual, but rather resembled an abrupt 180-degree turn. The open rejection of political correctness, the public distancing from goals previously considered “woke”, and the demonstrative rehabilitation of formerly “critical” personalities became the norm. At the same time, it was noticeable that the reactions in the form of shitstorms or cancel culture, which used to follow such positioning, were significantly quieter or did not occur at all.

In order to better assess the consequences of such a change in sentiment on companies’ ESG strategies and positions, we paid particular attention last year to the communications of the companies in our observation universe and any changes in their objectives. We found that although there were a number of very vocal anti-ESG voices at the start of the year, the actual changes within companies were far less public and far less clear-cut than one might have expected or feared at the time.

In order to find out what was behind the changes we saw, particularly in 2025, and what impact they might have, we sought out dialogue with companies where the shift in sentiment had led to concrete adjustments in sustainability activities. It became clear that the motives cannot be attributed to a general change in sentiment or a supposed “liberation from the yoke of wokeness”. Rather, they ranged from concerns about losing contracts in the regulatory environment in the USA, to difficulties in measurement and reporting (EU regulations), and on to genuinely strategic considerations. In addition, a wait-and-see attitude was observed in many cases – with regard to political decisions, the general order situation, and the further maturation of methodologies and standards.

Restraint instead of euphoria

In general, it was observed that the tone of the reports had lost some of the euphoria and optimism with which many companies had started their sustainability communications. Instead of big promises and announcements, communications were characterised by restraint. This was particularly striking in the case of some technology companies that had set themselves very ambitious goals at the start of the decade and subsequently left no doubt as to their achievability, at least in their communications. Although the objectives have not changed, the content is now formulated in a much more measured way, with reference to difficulties and uncertainties. In many cases, it was also observed that the basic presentation of sustainability activities remained unchanged, but “critical” terms such as diversity or inclusion were simply omitted or replaced.

The changes we observed in the companies we monitored were mainly in the area of diversity targets. In many cases, these were dissolved or discontinued, and accordingly, some key figures were no longer reported. In discussions with companies – both American and European – it became clear that the main concerns here are lawsuits and compliance with US regulations. Some of our discussion partners – including health care and retail companies that are particularly affected – assured us that the internal culture had not changed as a result of the deletion of data and targets. Some are currently examining which data they could report in accordance with the law. Some companies said that in the current political and social environment, the main priority is to avoid causing offence and drawing the wrath of politicians or social media.

Changes are also frequently evident in the design of management remuneration systems, which in recent years have often incorporated ESG targets in the form of diversity targets. This was the case, for example, at US company Salesforce in 2023. In 2025, this component was abolished “due to the evolving regulatory environment in the USA”. However, in the same year, the company’s climate targets were raised to an even higher level of ambition. In our perception, this thematic selectivity was evident in most companies. While diversity strategies were clearly diluted, climate targets and ecological issues were affected by a weakening or withdrawal of targets in only a few cases.

“Critical” terms such as diversity or inclusion are omitted or replaced.

Diversity targets have been scrapped, and climate targets have even been tightened in some cases.

Focus on materiality rather than morality

Ecological risks, above all climate change, continue to be addressed by most of the companies we observe and are classified as relevant. It is striking that risk assessment is gaining in importance compared to communication that was previously often morally oriented. The costs of climate change and the lack of decarbonisation of companies' own activities are being addressed more clearly, while potential savings and expected returns on investment are being presented more transparently. As a result, the tone of the reports is shifting away from the "Save the World" communication that was often seen at the onset in favour of a management approach focused on materiality. Companies in industries that are difficult to decarbonise, such as transport, steel and cement, are also showing more realism about what is feasible. In our view, this focus on material risks is a relevant and appropriate development.

In the coming year, we will continue to closely monitor the social and political situation and its impact on our companies. If it becomes clear to us that changes in strategy give rise to material risks - for example, due to a poorer corporate culture or higher staff turnover - we will continue to work towards clear measures and goals. We are foremost interested in the culture that is actually practised, rather than the communication style or external image.

Reduction of greenhouse gas emissions

The high level of ambition among companies in our investable universe that have set climate targets in line with the Paris Climate Agreement has been maintained or slightly increased, despite an overall rise in the number of companies.

Around 10 per cent of our investable companies showed positive progress in specifying climate targets, which are now compatible with the Paris Climate Agreement or have been validated by the SBTi*. We have supported this development through numerous engagement activities and will continue to focus on it in our discussions with companies.

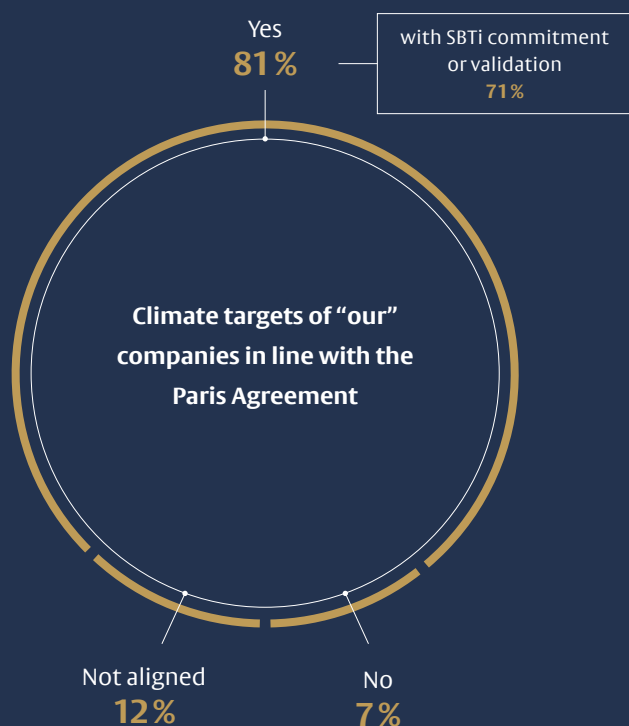
The number of companies that have not set climate targets remains at a similar level to the previous year, at 22 companies. Changes resulted from additions and departures of companies in our investable universe, with five companies having set climate targets in the meantime and two companies having withdrawn their climate targets.

* The Science-Based Targets initiative (SBTi):

The SBTi is an initiative of renowned environmental non-governmental organisations founded in 2015. As a setter of standards, the SBTi develops criteria and methodologies for setting climate targets that are aligned with the findings of the Intergovernmental Panel on Climate Change (IPCC) and the Paris Agreement and are therefore referred to as “science-based”.

Companies can submit a commitment to the SBTi to achieve “science-based” targets and then, as a rule, have to present these for validation within two years. The SBTi reviews, validates and publishes the submitted near-term targets and, if applicable, the companies’ longer-term net-zero targets.

As part of our in-house sustainability analysis, we assess the climate initiatives of “our” companies. The adjacent distribution shows the assessment of all companies in our investable universe. “Yes” refers to companies with targets that are in line with the Paris Agreement. “SBTi commitment or validation” includes those companies in the “yes” category that have committed to setting targets with the SBTi or have already had their targets validated. “Not aligned” includes companies with climate targets that do not yet comply with the Paris Agreement based on our methodology. “No” includes companies that have not yet published reduction targets.



Engagement

Active

Know Your Companies

New reporting requirements

How regulation is changing sustainability reporting

With new methodologies, the starting point of many time series data is reset to the beginning.

Although the EU's 2025 Omnibus Package has initiated a reduction in bureaucracy and several sustainability laws are currently being revised and simplified, the first wave of reporting requirements for large companies has already come into force. These had to report their key figures for the first time for the year 2024 in accordance with the Corporate Sustainability Reporting Directive (CSRD). Although the idea of transparency is fundamentally positive, the new reporting requirement is initially disrupting existing formats and therefore also has an impact on our ESG company analysis based on primary data.

The basic idea behind the regulation is simple, correct and important. Stakeholders need reliable and comparable data in order to be able to assess a company. Investors, for example, can only meet their own sustainability transparency obligations if they have the relevant data from the companies in which they invest. The CSRD is intended to ensure that companies themselves provide this data. However, long before the regulation came into force, many of the large listed companies we deal with had already been collecting key figures (either mandatorily or voluntarily). This was based on international standards such as the Global Reporting Initiative (GRI) and the Task Force on Climate-related Financial Disclosures (TCFD), which initiated harmonisation in sustainability reporting at an early stage.

The resulting time series of data – e.g. on the development of greenhouse gas emissions or employee turnover – enabled stakeholders to understand and evaluate how these factors were being handled. With the first-time application of the new reporting requirements, and thus the introduction of new methodologies and definitions, data points will have to be reissued in many cases. The starting point of the time series is thus reset to the beginning, and previous data is no longer comparable. Data points that are not a mandatory part of the new requirements but were previously reported and included in our assessment are also disappearing. At the same time, newly introduced data points do not (yet) lead to comparable key figures, less complexity or intuitive understanding. In order to remain close to our companies during this critical phase of transition and to maintain our understanding of the respective systems, we have sought dialogue with some of the companies affected and closely monitored changes.

Considerable leeway despite clear rules

Although the CSRD reporting requirements and the accompanying reporting standard, the European Sustainability Reporting Standards (ESRS), suggest clear guidelines and unambiguous results, they still leave considerable room for interpretation. Given the diversity of business models, this is objectively justified, but it does mean that reporting content is interpreted differently, and data is not necessarily comparable or intuitively comprehensible. A key principle of the new regulation is the so-called materiality analysis, i.e. the company's self-assessment of whether a factor such as greenhouse gases or water poses a relevant risk to the company at all or whether the company's activities have a negative impact on it. Even at this stage, companies are already arriving at very different conclusions: Mercedes-Benz, for example, classifies the generation of hazardous waste as a material issue, while its competitor BMW does not.

In our ESG analyses, we look particularly carefully at whether and how new and old data are compatible with each other and what conclusions can be drawn from the changeover for the targets and our assessment. Since consistent time series are especially important to us, the change in format represents (initially) a deterioration in the data situation for us in many cases. Various companies we have spoken to are aware of this problem and continue to report non-material data points in the new reporting format or publish additional, voluntary reports outside the CSRD report. RWE, for example, has explained to us that although it does not classify activities resulting from the pumping of groundwater in open-cast mining as material, the data on this - which we have also observed previously - is made available in an additional report. Puma also explained that an additional report was published to continue to provide stakeholders with a consistent overall picture, and we discussed the differences and reporting issues with TotalEnergies, which now publishes three versions of its greenhouse-gas balance sheet using different methods. In an exchange, Siemens also assumed that it would publish additional formats to the "official" report in future in order to still be able to provide lost information and narratives.

For us, the change in format initially means a deterioration in the data situation.

Information on the costs of transition measures and potential savings helps in assessing opportunities and risks.

Fundamental analysis instead of stereotypical thinking

In some cases, new data points are also reported, which we consider to be an important source of information. Until now, companies have rarely published the costs of transition measures, such as technological innovations or efficiency measures, and the associated potential savings through lower energy consumption. However, it is precisely this kind of information that helps in assessing opportunities and risks. According to the CSRD, companies should now publish more of this kind of data. French publishing house Lagardère, for example, reports on the estimated additional costs incurred by purchasing renewable energies, the budget to be used for energy efficiency measures, and the estimated contribution that the measures will make to the decarbonisation target.

These developments reinforce our conviction that fundamental analysis based on primary data, which deciphers the characteristics of the respective companies and also provides indications of transparency and consistency efforts, continues to be the right approach for us. The reporting requirements, which also stipulate a machine-readable format, have raised hopes that ESG data will be easier to evaluate automatically in the future - however, we remain critical of unquestioning acceptance and interpretation without context. Most key figures only make sense when viewed in the appropriate context. Time and again, we point out transmission errors or inconsistencies in the data to companies, which then make corrections.

In order for regulations to have the desired steering effect - decarbonisation and better social practices in the real economy - not only do companies have a responsibility to publish good data, but readers of the reports also have a responsibility to interpret it correctly. After all, ESG data is as individual as the business models of the reporting companies.

Commitment, Passion,

*Active Ownership
Engagement & Voting*

Water management as risk management

Water – the underestimated crisis factor

Water risks tend to be underestimated – especially in the supply chain.

A drought in Taiwan in spring 2021 forced chip manufacturer TSMC to place costly orders for water deliveries by truck. Low water levels in the Rhine led to rising transport costs for BASF in 2018. Heavy rainfall that paralysed Porsche's aluminium supplier in 2024 led to delayed deliveries of the exclusive vehicles. Water is a resource in a wide variety of ways in companies' value chains and can become a risk factor if there is too little, too much, or the wrong quality. Until now, this factor has been less prominent in sustainability debates than greenhouse gases or energy. This could change due to increasingly visible risks and better reporting, which we at Flossbach von Storch have also observed more frequently over the past year.

How companies use water as a resource and the role it plays in their business processes varies considerably. While banks and insurance companies require comparatively small amounts of water for sanitary facilities, kitchens, air conditioning systems and the irrigation of green spaces, water is a key production factor for pharmaceutical companies – i.e. for generating steam, cleaning machines and manufacturing solutions. Other companies, on the other hand, have to pump enormous amounts of groundwater from the mines or quarries they operate, dye textiles, or irrigate fields for growing food or cotton. In some business models, water is only used briefly in cooling processes and is discharged almost unchanged; in others, it is contaminated with pollutants after use or evaporates almost completely during the production process. The impact on companies of steadily increasing physical risks, such as water scarcity, flooding and water pollution, therefore varies greatly – and so does the way in which the factor is addressed.

Surveys, including those by Bloomberg (Water Risk 2025 Global Outlook), assume that companies tend to underestimate water risks, especially in the supply chain. Around half of the companies we analysed publish water data and are therefore addressing the risks. This proportion has risen steadily over the past few years. In the reporting period, we focused on companies with low transparency in order to better assess risk awareness for this factor.

In direct discussions, it became clear that water is not currently considered an operational risk and therefore no data is published. Despite the lack of reporting, however, in most cases data is already being collected internally and management processes established. There is therefore a clear awareness of this increasingly relevant risk factor.

US railway company Union Pacific, which we contacted due to a lack of water data, among other things, explained in detail in our exchange how water plays a role in the company and how pollution and consumption are controlled. Truck manufacturer Daimler Truck also informed us that, despite classifying the factor as non-material, it is closely monitoring it and treating it as an integral part of its environmental management.

Our discussions confirm that water risks can change rapidly and that detailed knowledge and continuous monitoring of the relevant metrics across the entire value chain are an important first step in risk management.

Understanding supply chains: potential and challenges

Similar to energy, water is a precious input resource for many companies. Reducing water consumption generally means less dependency and lower risk, as well as cost savings. In discussions with sportswear brand Puma, the connection between energy efficiency measures and water consumption was highlighted. The former also represent a suitable lever for water savings in the supply chain, as the largest energy consumption comes from water-intensive steps such as dyeing, washing, heating or cooling. Every effective energy-saving measure on the process side leads to less water movement or heating and thus to lower water requirements.

Water and energy are also directly related within data centres, which were the subject of much discussion last year. Higher water consumption for cooling can result in lower energy consumption, while less water cooling often goes hand in hand with higher energy consumption, so the factors must be weighed against each other.

Reducing water consumption usually means less dependency and lower costs.

Physical water risks can have a significant impact on energy supply.

In discussions with IT service provider Akamai Technologies and software company Check Point Software, both of which operate data centres, the issue of leasing and co-location models and the use of third-party providers was also raised. It is common for data centre operators to house their infrastructure with a building landlord and thus have no direct influence on water supply and metering. Many companies also do not operate their own data centres, but rely on cloud providers, so that the impact is indirect. One possible measure here is for companies to collaborate with their supply chain.

The interaction between water and energy is also evident in conventional power generation. Nuclear, gas and coal-fired power plants require considerable amounts of water, e.g. for cooling reactors or generating steam. The importance of cooling water for the operation of nuclear power plants became particularly clear in the summer of 2025, when French utility Electricité de France had to shut down individual reactors because river temperatures were already so high that the regulator prohibited the discharge of additional warm water after the cooling process. In another case, a reactor had to be shut down at short notice because cooling water was colonised by jellyfish.

If such physical water risks occur more frequently in the future, this could also have noticeable consequences for energy supply and thus for companies in the affected power grid. Precise knowledge of the water intensity of the supply chain and electricity suppliers is therefore important information for companies to prepare for emergencies or permanent shortages.

In line with this, we are seeing a new type of data transparency in the reports of some companies: in some cases, a kind of “Scope 3 Water Consumption”, i.e. water consumption through the value chain, is published, as well as water consumption through purchased energy. Facebook’s parent company Meta, for example, reports water consumption through electricity purchases. This amounts to a multiple of its own water consumption, which in 2024 alone rose by 30 per cent compared to the previous year – analogous to a significant increase in electricity consumption.

Standing still is not an option

The collection of such key figures, which we believe to be a useful addition to existing reporting in relevant cases, requires a common understanding of the collection methodology. The World Resources Institute (WRI), which has already co-developed methodological standards such as the Greenhouse Gas (GHG) Protocol and also provides one of the most widely used databases for identifying water stress regions, explained to us in an exchange that methodologies for recording the indirect water footprint are currently in demand, particularly from technology companies, and are under development.

We are continuing to monitor this important trend and encourage investment companies with a relevant connection to the collection and publication of data, including detailed data such as water stress risks and extraction sources. As we want to continuously improve the quality of our analyses, the integration of new indicators is a matter of course for us. If new best practice examples emerge over time, we will also adjust our assessment criteria accordingly. Last year, for example, we observed the application of new target validations by the Science Based Targets initiative (SBTi) and the Task Force on Nature-related Financial Disclosures (TNFD). Some of these include specific reduction targets for individual water systems affected by water stress, thus representing a credible and traceable ambition on the part of the companies applying them.

Specific reduction targets for water systems affected by water stress heighten accountability.

Voting 2025

Voting history

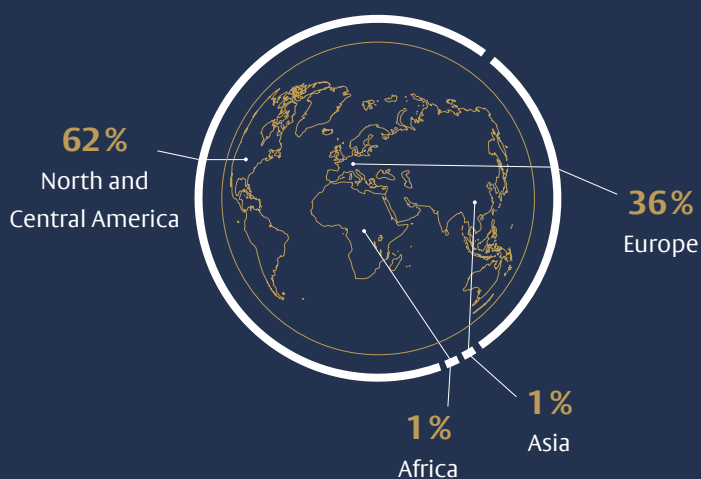
Number of Annual General Meetings at which we exercised our voting rights

| 2022 | 2023 | 2024 | 2025 |
|------|------|------|------|
| 69 | 70 | 69 | 83 |

During the reporting period, we participated in 83 ordinary and extraordinary general meetings in 13 countries. We exercised our voting rights on 1,215 voting items. By far the most important topics were governance aspects relating to remuneration systems, the election of management and the supervisory board, and the election of the auditor, accounting for around 83 per cent of the total. Votes were also held on share buybacks, authorisations to issue new shares and capital increases. Seventeen shareholder motions related to environmental issues and 45 to social issues.

Excerpts from our voting behaviour in 2025 can be found on the following pages. We hereby provide a more in-depth insight into the votes and our reasons relating to the topics of artificial intelligence and governance structures.

Geographical distribution of our voting activities (key areas)



Voting focus

“Artificial Intelligence”

When technological innovations advance rapidly, there is always a delay in the discussion of social impacts and regulatory interventions. We therefore expect the major AI players to implement appropriate monitoring processes and commitments to address these risks. We also express these expectations in our voting behaviour.

At Microsoft, we voted in favour of a shareholder proposal calling for a more detailed report on the use of data for AI training purposes. In view of the ongoing copyright lawsuits and the connection to OpenAI, we believe that such a report would be a “leap forward”. AI requires large amounts of training data in order to deliver successful models. Herewith ensues a recurring source of copyright controversies and lawsuits. Various regulatory initiatives are also in the works to increase the transparency of the models and their training data and to protect the copyright holders. At Amazon, we voted in favour of a shareholder proposal on transparency regarding AI training data, in particular to be prepared for anticipated regulation.

In the case of Alphabet, a shareholder proposal related to the human rights implications of AI-driven advertising. As AI’s intrusion into consumer privacy is increasingly becoming a topic of discussion, we also approved this proposal for greater transparency to signal our expectation that the company will address the issue early on and take a responsible position. We also voted in favour of a similar motion at Apple.

Voting focus

“Governance structures”

Particularly in cases where voting rights structures, concentration of power or a lack of control mechanisms lead to an imbalance between capital share and influence, we consider the exercise of our voting rights to be an important tool for promoting what we believe to be better governance principles. Accordingly, we have spoken out at various annual general meetings in favour of measures designed to strengthen shareholder rights, increase transparency, and reduce governance risks.

As we believe that a shareholder’s capital share should fundamentally be reflected in the number of voting rights, we have joined a shareholder proposal at Alphabet that provides for such a recapitalisation. The current two-class share system, which allocates 10 voting rights per share to the B shares held primarily by the founders, leads to a significant imbalance and excessive influence – even beyond the active operational role. We voted in favour of a similar motion at Meta’s annual general meeting. In addition, we supported a motion here that called for the publication of voting results by share class. This would make it transparent how high the rejection or approval would be on the part of “normal” shareholders and a large portion of the capital share. Here, too, founder and CEO Mark Zuckerberg has an automatic majority in votes due to the share system.

We also spoke out against excessive influence and a lack of corrective and control functions in the governance structure at Amazon and supported a shareholder proposal to separate the roles of CEO and chairman of the supervisory board. In our view, this dual role poses risks for shareholders. We also approved a similar motion at Colgate Palmolive.

At Amphenol, we supported a proposal to strengthen shareholder rights by allowing an extraordinary general meeting to be convened if shareholders hold 15 per cent or more of the capital. We believe that this could lead to better corrective measures by shareholders in justified cases. We supported similar proposals at Church & Dwight, Fortive and Dollar General.

Extract of exercise of voting rights 2025

Apple Inc.
Cupertino, California, USA
*Annual General Meeting
on 25 February 2025*

In addition to the above-mentioned voting points on AI, we voted in favour of another motion to increase the safety of children when using Apple devices. Stronger mechanisms for monitoring this particularly vulnerable consumer group are already being widely discussed in the context of social media. There is also ongoing controversy surrounding device usage, which is why we advocate more information on this aspect.

Amazon.com Inc.
Seattle, Washington, USA
*Annual General Meeting
on 21 May 2025*

In addition to the above-mentioned voting items on AI and governance structure, we supported another shareholder proposal on working conditions. Amazon continues to face controversy and significant reputational risk in this area. Although the management of employee relations has improved significantly, transparency remains low, so we hope that a report will provide better information on how the company deals with this issue and assesses the risks involved.

Becton Dickinson & Co
Franklin Lakes,
New Jersey, USA
*Annual General Meeting
on 28 January 2025*

We voted against the reappointment of CEO Thomas Polen at the medical technology company's annual general meeting. In our opinion, the very poor shareholder return over recent years, particularly in relation to the sector, is also attributable to CEO Thomas Polen. We see deficits primarily in the areas of employee management and capital allocation. We therefore no longer consider him to be the right person for the CEO position. We also voted against the management remuneration package, as we believe the amount is not in line with performance.

Extract of exercise of voting rights 2025

Salesforce

San Francisco,
California, USA

*Annual General Meeting
on 5 June 2025*

We voted against an additional share issue for employee share-based compensation at software company Salesforce. In our view, the proposed amount would have significantly diluted the shares of existing shareholders by reducing their existing stake in the company through the additional share issue. Share-based remuneration is a particularly critical issue for technology companies, so we monitor the appropriateness of the remuneration level from a shareholder perspective.

Meta Platforms Inc.

Menlo Park, California, USA

*Annual General Meeting
on 28 May 2025*

At technology company Meta, we voted against a new remuneration system that does not require regular shareholder approval. We consider the ability to signal rejection as a shareholder to be an important tool. We have seen time and again in the past that high rejection rates, even if they were not binding, have led to fundamental revisions of remuneration systems (e.g. Netflix).

This year, we again voted in favour of proposals calling for greater responsibility for social risks. These included transparency requirements for dealing with disinformation and discrimination, as well as for protecting young users.

Frederike von Tucher

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Frederike von Tucher joined Flossbach von Storch's Investment Management Team as an ESG Specialist in October 2019. She is responsible for Flossbach von Storch's sustainability strategy, the ESG analyst team, and the commitment to the internationally recognised UN Principles for Responsible Investment (PRI). A graduate in cultural management, she has spent her professional career over the past 15 years in various positions and sectors in the field of communication and project management.



Theresa Eyerund

ESG Analyst Investment Management

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Theresa Eyerund has been working as an ESG Research Analyst in Investment Management at Flossbach von Storch since June 2022. There, she analyses portfolio companies in terms of their environmental and social performance and the robustness of their corporate governance. Until 2022, she was a Senior Economist at the German Economic Institute. In the field of behavioural economics and business ethics, she focused on issues relating to ethical behaviour, behavioural anomalies, institutional influencing factors and sustainability issues.



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