# Loring, Wolcott & Coolidge Trust, LLC
# Proxy Voting Guidelines

*January 2025*

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# 1. Introduction

Shareholders have the right to weigh in on the range of issues presented at a company's annual or special meeting. This provides an important opportunity to promote strong corporate governance practices and enhance transparency, integral to our investment process.

The Partners of Loring, Wolcott & Coolidge Fiduciary Advisors, LLP ("LWC") recognize the voting of shareholder proxies to be a central component of our responsibilities to clients. As such, we have retained proxy voting authority for the majority of client accounts.

Consistent with our investment philosophy of buying and holding the equities of high-quality, global growth companies, these Proxy Voting Guidelines ("Guidelines") are intended to support enhanced corporate accountability, increased transparency, and the protection or expansion of shareholder rights.

We believe the positions taken in the Guidelines are in our clients' best interests as long-term shareholders. If a client believes their interests conflict with our Guidelines, the client may contact us to discuss voting their shares separately. A copy of the Guidelines is posted on our website. Information about proxy votes is available to clients upon request.

### 1a. Our Process

The Proxy Voting Committee of LWC ("Committee") is responsible for reviewing, updating, and overseeing the Guidelines and for monitoring and advising the proxy voting process. The Guidelines are updated annually and approved by Partners of LWC. LWC has retained Glass, Lewis & Co. LLC ("Glass Lewis") to provide research, voting, and reporting services for the proxies it receives on behalf of LWC clients. The votes are reviewed in accordance with our Guidelines and executed by the LWC Proxy Administrator ("the Proxy Administrator").

The Guidelines provide an overview of our perspective on how to vote in the best interest of shareholders and are only intended to provide general guidance on voting. Our thoughtful approach incorporates the principles contained within these Guidelines, along with Glass Lewis's research and Benchmark Policy recommendations, to inform our decisions. We examine the merits of each item up for a vote before deciding whether to support, oppose, or abstain. When we encounter proposals unaddressed by our Guidelines, they are referred by the Proxy Administrator to the Proxy Voting Committee, and decided on a case-by-case basis.

### 1b. Transparency

At the very foundation of corporate governance and corporate responsibility is the gathering and timely dissemination of material information to all stakeholders. We believe that transparency is critical to the functioning of our market system, and essential to inform investor decisions around risks and opportunities. Further, we expect companies and proponents to provide sufficient information in order for us to make fully informed voting decisions and we will abstain when this is not available.

We apply a broad definition of materiality to comprehensively evaluate companies within our portfolio. To that end, we support robust reporting of environmental and social information, and frequently support efforts to improve the quality of this information, along with enhancing the extent of relevant disclosure.

In summary, we generally support proposals that enhance the board of directors' ability to carry out their duties to shareholders. We evaluate whether the details of the request increase transparency in a meaningful way and whether it would serve shareholders' interests.

## 2. Governance

Governance topics—such as the election of directors, executive compensation and auditor oversight—represent the vast majority of ballot items we evaluate. Good corporate governance serves to enhance the effective deployment of shareholder capital, which ultimately contributes to long-term performance. The quality of a company's governance infrastructure can provide a window into the effectiveness of the board of directors' oversight, both for the benefit of shareholders and for the long-term health of the company. We depend on companies to provide thorough disclosure of their governance practices in order to have the information necessary to fulfil our fiduciary duties and vote our clients' proxies.

### 2a. Board of Directors

The keystone of effective corporate governance is an independent and engaged board of directors, elected by shareholders, and responsive to their input. As shareholders, we rely on our board representatives—as individual directors, in committee roles, and as an entire board—to exercise sound judgement and make informed decisions that affect a company's long-term performance, including how it navigates environmental and social risks.

**2a-1. Characteristics of Directors**

Individual directors must possess the necessary characteristics to enable a board to carry out its duties. To this end, we consider the following:

- Independence is critical to a properly functioning board. At least two-thirds of board members and all members of the audit, compensation and nominating committees should meet the definition of "independent director" articulated by the New York Stock Exchange rules or similar listing standards.[1,2] Moreover, boards have an obligation to consider all relevant facts and circumstances in determining whether a nominee is independent, including the director's years of service on the board.[3]
- Directors' loyalty should be to shareholders and the company. Specifically, the board has a duty to represent the interests of shareholders who are not affiliated with the company and not be beholden to insiders. When boards do not demonstrate effective refreshment of independent directors, we believe long tenures can adversely impact their ability to bring an objective perspective to the boardroom.
- Every director should be knowledgeable about the company and the industry in which it participates. Board members should retain unfettered access to management in order to stay apprised. Additionally, directors should review a wide range of independent sources to further their understanding of company operations and context, and not rely solely on information provided by management.
- To be effective, board members must have the time needed to give the role its necessary attention. An overcommitted director can pose a risk to a company. The demands on a director's time have also grown over the past decade, making limits on "over-boarded" directors more important.
- In order for a board to maximize its effectiveness, directors should have complementary and varied expertise, skillsets, backgrounds, perspectives, and experiences. We believe this variety is enhanced by gender, race/ethnicity, culture, age, and geography, among other attributes, all of which help companies thrive in a complex, global marketplace. In

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[1] "Independent director" is one who the board "affirmatively determines" has no "material relationship" with the Company "either directly or as a partner, shareholder or officer of an organization that has a relationship with the company." Independent directors must comprise the majority of board seats. NYSE Listed Company Manual §§ 303A.01 and 303A.02 (2013), *available at:* https://nyseguide.srorules.com/listed-company-manual/09013e2c85c00744?searchId=2122043895

[2] *See, e.g.*, Nasdaq listing requirements Rule 5605 (2020), *available at* https://listingcenter.nasdaq.com/rulebook/nasdaq/rules/nasdaq-5600-series.

[3] *See, e.g.* Council of Institutional Investors, *Policies on Corporate Governance*, September 11, 2023, *available at:* https://www.cii.org/corp_gov_policies#indep_director:~:text=Guidelines%20for%20Assessing%20Director%20Independence%3A

the long term, we anticipate that most successful companies' boards will generally reflect the diversity of their shareholders, workforce, customers, and the markets in which they operate, in order to better represent those constituencies. To this end, for companies domiciled in the U.S., we evaluate whether they: nominate a racially/ethnically and gender diverse slate; commit to including diverse candidates in every new director search; disclose the self-reported gender and race/ethnicity of individual directors; and publicly disclose their EEO-1 table.

### 2a-2. Responsibilities of the Board

#### *Protect Long-Term Performance*

The board should focus on big picture, strategic issues that impact the long-term health of the company. To this end, the board is responsible for overseeing the following:

- Creation of long-term shareholder value;
- Evaluation, compensation, and succession planning for executives;
- Major strategic issues and long-term strategy, including sustainable, organic growth as well as all significant merger and acquisition activities;
- Significant risks, including reputational risks, to the company;
- Standards of performance, including maintaining and strengthening the company's culture and values;
- Material sustainability issues, including environmental, social, and governance performance; and
- Addressing and/or implementing shareholder proposals and key shareholder concerns.

#### *Oversee Chief Executive Officer and Executives*

The board's place in the chain of accountability is essential: the Chief Executive Officer ("CEO") and in some cases, other Named Executive Officers ("NEOs") report to the board, and the board, in turn, is accountable to shareholders. We generally do not believe it is appropriate for NEOs other than the CEO to serve on their own board, especially in the case of the current Chief Financial Officer ("CFO"), or other officers responsible for preparing the company's financial statements. When CEOs or other company executives serve on their own boards, we believe independent directors must retain sole responsibility for designing and disclosing all elements of the incentive-based compensation program for the CEO and NEOs, and reviewing their performance against pre-established targets. It is the board's responsibility to act on behalf of all shareholders to ensure that the right CEO is in that position and that NEO compensation is equitable and provides a proper incentive structure.

### *Oversee Social and Environmental Risks and Opportunities*

Because environmental and social impacts can have meaningful financial implications, to be sustainable in the long-term, companies must effectively manage such risks and opportunities. Therefore, we believe boards should actively oversee how companies are managing human rights, climate change and other environmental issues, as well as equity and diversity. On a case-by-case basis, we will assess how the board (as a whole, as a committee and at the individual level) is overseeing and managing these risks. In certain cases, responsibility may extend to executive directors.

## 2a-3. Board Structure and Accountability

### *Board Size*

While we believe boards need to be large enough to allow for a variety of perspectives, as well as to manage required board processes and allocate independent directors across key committees, they generally should be as small as practical to promote open dialogue. We consider proposals to change the number of board seats on a case-by-case basis.

### *Director Evaluation and Tenure*

We support a robust director evaluation process and ongoing board refreshment in order to ensure an independent and effective board. The board should establish preparation, participation, and performance expectations for the board as a whole, for the committees, and for individual directors. Directors should have a robust process in place to evaluate one another on an annual basis, overseen by the independent chair or lead independent director and disclosed to shareholders. Re-nomination should be contingent upon meeting these expectations.

Accordingly, shareholders should always have the right to elect all directors at each annual meeting. Companies that stagger their board elections through multiple classes of directors impair this essential shareholder feedback mechanism. When a board is classified, we will consider on a case-by-case basis whether to oppose the nominees who are up for election in a particular year, and will generally support proposals to de-classify boards.

New voices and fresh thinking can shed light on valuable strategic issues, therefore boards should strive to balance the expertise of their incumbent members with that of new nominees. On a case-by-case basis, we consider board tenure, including mandatory retirement ages for directors and management, in our voting decisions. If boards grant directors an exemption from their mandatory retirement policies, their reasoning should be disclosed fully, and exemptions should be limited to a reasonable time frame. If we determine that a board has not had sufficient refreshment, we generally oppose the incumbent directors on the Nominating Committee.

### *Accountability to Shareholders*

Directors have a duty to act in the best interest of shareholders. We hold directors accountable for their individual performance and the decisions they make as members of key committees. We seek a balance between protecting directors from excessive litigation and holding directors accountable for their actions and decisions. In addition, if Glass Lewis identifies significant concerns and recommends that shareholders oppose an individual director, we will generally do so. We believe that the board should take meaningful action whenever a significant percentage of unaffiliated shareholders vote contrary to the recommendations of the board and management, as addressing shareholder feedback is a primary board responsibility.

### *Board Independence*

We believe a significant majority of directors should be independent. If the presence of insiders and non-independent directors, including "affiliated directors,"[4] reduces the overall share of independent directors below two-thirds, we generally oppose any non-independent directors.

### *Committee Independence*

Board committees are often the primary instrument through which the board carries out its responsibilities. All boards should have a well-developed committee structure with clearly defined and articulated responsibilities for members. Disclosure to shareholders should describe the structure, function, oversight responsibilities, and current members of each committee.

Key committees—including the audit, nominating, governance, and compensation committees—hold a great deal of influence, and therefore the board's independent leadership, not the CEO,

[4] "Affiliated Director — An affiliated director has, (or within the past three years, had) a material financial, familial or other relationship with the company or its executives, but is not an employee of the company. This includes directors whose employers have a material financial relationship with the company. In addition, we view a director who either owns or controls 20% or more of the company's voting stock, or is an employee or affiliate of an entity that controls such amount, as an affiliate." Glass, Lewis & Co., 2025 US Benchmark Policy Guidelines (2024), *available at:* https://resources.glasslewis.com/hubfs/2025%20Guidelines/2025%20US%20Benchmark%20Policy%20Guidelines.pdf

should appoint committee members and chairs. Membership in key committees should be limited to unquestionably independent directors, and most key committee meetings should be held with only those members present. We believe a well-composed committee has at least three independent members, and periodically rotates the role of chair.

### *Audit Integrity*

The audit committee should ensure that shareholders can vote on the ratification of the registered independent auditor annually. In an effort to avoid the possibility of a conflicted auditor, we may oppose the ratification of an auditor and incumbent audit committee members if non-audit consulting fees to the audit firm constitute a significant share of total fees paid to the auditor that year, or if the auditor's contract includes inappropriate arbitration or indemnification clauses.

### *Chair Independence*

We believe that, in most cases, boards should be chaired by an independent director, rather than by executive directors or other affiliated individuals.[5] The board chair guides the culture of the board and has the distinct responsibility of leading, convening, and supervising its membership.

Further, the board chair plays a central role in overseeing the CEO, who often reports to the board via the chair. This vital feedback loop is impaired when the CEO is also the board chair, or when the board chair retains key management responsibilities, as is often the case for an Executive Chair. Following a CEO transition, we do not believe it is necessary or appropriate for a former CEO to serve as Executive Chair beyond a reasonable window of two years.

If the roles of CEO and chair are combined or the company has an Executive Chair, we expect that the independent directors will nominate a lead independent director whose responsibilities include, but are not limited to, the following:

- Serving as liaison between the chair and the independent directors;
- Having the authority to call meetings of the independent directors;
- Guiding the annual board self-assessment;

[5] Glass, Lewis & Co "believes that separating the roles of CEO (or, more rarely, another executive position) and chair creates a better governance structure than a combined CEO/chair position. An executive manages the business according to a course the board charts. Executives should report to the board regarding their performance in achieving goals set by the board. This is needlessly complicated when a CEO chairs the board, since a CEO/chair presumably will have a significant influence over the board. While many companies have an independent lead or presiding director who performs many of the same functions of an independent chair (e.g., setting the board meeting agenda), we do not believe this alternate form of independent board leadership provides as robust protection for shareholders as an independent chair." Glass, Lewis & Co., 2025 US Benchmark Guidelines (2024), *available at:* https://resources.glasslewis.com/hubfs/2025%20Guidelines/2025%20US%20Benchmark%20Policy%20Guidelines.pdf.

- Guiding the board's consideration of NEO compensation; and
- Guiding the CEO succession planning process.

**2b. Shareholder Rights**

Shareholder rights are integral to ensuring that we, as shareholders, can access the information required to exercise our fiduciary responsibilities.

**2b-1. Proxy Access**

At the very core of shareholder rights is proxy access, a shareholder's ability to nominate directors to appear on the ballot. If a company has not yet established this right, we generally support proxy access.

**2b-2. Voting Rights and Vote Counting**

We believe that all outstanding shares of a company should carry identical voting rights. So-called "dual" or "multiple class" voting structures, whereby certain classes of shares hold more voting power than others, is not a best practice.[6]

Further, the way in which proxy votes are counted is a foundational issue of good governance. We firmly believe a simple majority (excluding abstentions and broker non-votes) should be the standard for most matters brought to a shareholder vote unless shareholders have approved higher thresholds or applicable laws or regulations determine otherwise.

A simple majority method is also best practice in uncontested director elections. If a director does not receive the support of a majority of voting shareholders, that director should not be nominated at the following annual general meeting. We generally oppose supermajority voting requirements, which require a resolution to receive two-thirds of votes cast in order to pass.

Finally, we believe that shareholders should always have the ability to vote separately on issues, and thus specific proxy items should not be bundled.

**2b-3. Shareholder Meetings**

Accessibility is an important element of board accountability. When boards unilaterally limit shareholder participation, we may take those actions into account when voting. In addition, shareholders have the right to carry out actions without waiting for a scheduled meeting or facing

[6] *See, e.g.* Council of Institutional Investors "Dual-Class Stock,". https://www.cii.org/dualclass_stock

restrictions. As such, we support the right to call special meetings if a shareholder meets a minimum threshold of 10 percent ownership. We also support the right for shareholders to carry out actions by written consent. Given our belief that shareholder access is vital, when there are multiple special meeting or written consent proposals on the ballot, we favor those with a lower ownership threshold, and may abstain on those with a higher threshold.

### 2c. Executive Compensation

In the United States, shareholders provide feedback on executive compensation through an advisory vote (formally known as the “Advisory Vote on Executive Compensation” and also referred to as “Say-on-Pay”). We support an annual frequency of this vote. Given the many elements of executive compensation, companies have a duty to engage shareholders, articulate their philosophy and plan, and address the results of the advisory vote.

We believe the immense pay disparity between the highest paid executives[7] and the typical employee is unsustainable for companies as well as the economy and society: it is costly to a company’s reputation and undermines a motivated and engaged workforce, while the associated rise in economic inequality slows economic growth and invites regulation. We believe that total compensation should be set within the context of the company’s workforce as a whole. In extreme situations, compensation can be structured in such a way that shareholders are diluted or investment in a company is diverted to pay executives. We evaluate executive compensation packages against this backdrop.

We believe that all compensation plans should address long-term performance, and any performance conditions should align the interests of management with those of all shareholders. We rely on thorough disclosure to evaluate the rigor of quantifiable performance metrics in the awards to all NEOs.

### 2c-1. Annual Advisory Vote on Executive Compensation (“Say-on-Pay”)

At every annual meeting, we may register our feedback on executive compensation by one or more of the following: (1) opposing the Advisory Vote on Executive Compensation; (2)

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[7] In 2024, Equilar and the Associated Press reported that median total compensation for CEOs in the S&P 500 included in their study totaled $16.3 million, a 12.6% increase over the prior year, driven in large part by a 10.7% increase in the median value of CEOs’ equity awards in 2023. See CEO Pay Study 2024", Equilar & Associated Press (June 3, 2024), *available at:* https://www.equilar.com/reports/110-equilar-associated-press-ceo-pay-study-2024.html. Bloomberg reported in 2021 that “the number of issued CEO awards worth at least $25 million has grown four-fold since 2016.” *See* Anders Melin, “Highest Paid U.S. CEOs: Elon Musk’s Outrageous Moonshot Award Catches on Across America”, Bloomberg (August 4, 2021) *available at:* https://www.bloomberg.com/graphics/2021-highest-paid-ceos/.

opposing the election of incumbent members of the compensation committee; (3) opposing specific board members, including the CEO; or (4) supporting shareholder proposals related to executive compensation, if they feature on the meeting agenda.

We believe the quantum of pay should be commensurate with overall performance. To help us determine this, we consider the grade Glass Lewis assigns to a company's executive compensation package using its proprietary pay-for-performance model.[8] If Glass Lewis determines a company is overpaying for performance, or has a poorly designed compensation plan, we may oppose the Advisory Vote on Executive Compensation and the members of the compensation committee.

In addition to the relationship between pay and performance, we consider the compensation awarded to the highest paid executive (often but not always the CEO), the average pay awarded to the company's NEOs, the ratio between these two, the frequency of the Advisory Vote on Executive Compensation, and the level of shareholder dissent to the Advisory Vote on Executive Compensation in the previous year. We evaluate these pay metrics against the S&P 100 benchmark when determining whether or not to oppose the Advisory Vote on Executive Compensation.

### 2d. Other Compensation Matters

#### 2d-1. Golden Parachutes

"Golden Parachutes" are the compensation arrangements for named executive officers when there is a change-in-control agreement such as a merger, acquisition or the like. When evaluating Advisory Votes on Golden Parachutes, we consider the nature of the change-in-control transaction and the types of triggers involved, the ultimate value of payments on an absolute basis or compared to the value of the transaction, the amount of cash severance and any excise tax gross-up obligations, the tenure and position of the executives in question before and after the transaction and new or amended employment agreements connected to the transaction.

#### 2d-2. Non-Executive Director Compensation

Director compensation plans should remunerate non-executive directors for their time, expertise, and leadership and ensure the independence and objectivity of independent directors and their

[8] "Pay-for-Performance Methodology and FAQ: US and Canada," available at: https://www.glasslewis.com/wp-content/uploads/2020/10/2020-NA-Compensation-Overview-FAQs.pdf

alignment with shareholder interests. Companies should disclose the philosophy behind and process for setting director pay, as directors are responsible for setting their own pay.

In general, we believe director compensation plans should be competitive but not excessive, evaluated against peers[9], and that equity-based awards should be in ratably-vesting restricted stock subject to holding requirements.

**2d-3. Equity Plans and Stock Issuances**

We believe that equity issuance can serve multiple stakeholders, and we generally support broad-based plans that include non-executive managers and employees.

When voting on equity plans, we consider the recommendation of Glass Lewis and evaluate plans on a case-by-case basis.

**2d-4. Compensation Committee**

The compensation committee should be made up entirely of unquestionably independent directors. It is especially important that members do not hold the position of CEO at other public companies as we do not believe CEOs should set the compensation of their peers.

### 2e. Mergers and Acquisitions Considerations

Mergers and acquisitions can fundamentally change a company's culture, strategy, and corporate governance. As such, we evaluate each merger, acquisition or spin-off on a case-by-case basis. In addition to the business rationale, we take into account the impact on a broad group of stakeholders and may support proposals that allow or require the board to do the same.

### 2f. Contested Elections

Contested elections occur when a board candidate or slate runs for the purpose of seeking a significant change in corporate policy or control. Contested elections are considered on a case-by-case basis. We evaluate the individual qualifications of both management-nominated and shareholder-nominated candidates, their stated strategy and goals, and their support from and impact on key stakeholders, including workers and shareholders.

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[9]According to Spencer Stewart, from the period of May 1, 2023 through April 30, 2024, the average total compensation of S&P 500 directors is $327,096. *See e.g.* "2024 S&P 500 Compensation Snapshot," Spencer Stuart, August 2024, *available at:* https://www.spencerstuart.com/-/media/2024/08/ssbi-comp-snapshot/2024-sp-500-compensation-snapshot.pdf

**2g. Political Spending and Lobbying**

Through the years, corporations have spent enormous shareholder resources to influence public policy, through direct and indirect political spending and lobbying. Such spending can subject companies to reputational, regulatory, legal, and financial risk. To ensure these expenditures are in the best long-term interest of shareholders, we generally support enhanced disclosure, increased board oversight, and better board and management decision-making processes with regard to these matters.

## 3. Environment

We believe incorporating material environmental factors into corporate planning and strategy supports effective risk management and long-term stability, and is therefore in the long-term interest of shareholders. Further, well-managed companies use natural resources responsibly and provide transparency on their operational impacts.

**3a. Climate Change**

Climate change currently poses one of the largest threats to our planet and economy.[10] According to the Intergovernmental Panel on Climate Change, "Climate change is a threat to human well-being and planetary health... There is a rapidly closing window of opportunity to secure a liveable and sustainable future for all... Deep, rapid and sustained mitigation and accelerated implementation of adaptation actions in this decade would reduce projected losses and damages for humans and ecosystems... and deliver many co-benefits, especially for air quality and health ... Delayed mitigation and adaptation action would lock-in high-emissions infrastructure, raise risks of stranded assets and cost-escalation, reduce feasibility, and increase losses and damages..."[11] Failure to address this poses extreme risks to companies and, in turn, to their shareholders.

To this end, companies should comprehensively disclose their greenhouse gas (GHG) emissions and take meaningful action to address them. Additionally, the transition to a low carbon

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[10] Intergovernmental Panel on Climate Change, 2023: Summary for Policymakers. In: Climate Change 2023: Synthesis Report. Contribution of Working Groups I, II and III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change [Core Writing Team, H. Lee and J. Romero (eds.)]. IPCC, Geneva, Switzerland, pp. 1-34, *available at:* https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC_AR6_SYR_SPM.pdf

[11] Intergovernmental Panel on Climate Change, "Headline Statements" *available at:* https://www.ipcc.ch/report/ar6/syr/resources/spm-headline-statements

economy presents opportunities, and as such companies should proactively integrate transition planning in line with the goals of the Paris Climate Agreement[12] into their operations and strategy, and disclose these plans. Therefore, we support proposals that encourage companies to integrate the transition to a low carbon economy into their overall strategy. Furthermore, we increasingly expect directors to assume responsibility for overseeing these risks and opportunities.

### 3b. Other Environmental Risks

Multiple other environmental risks—including chemicals and plastics, deforestation, water and waste mismanagement, resource depletion, and loss of biodiversity—can have long-term financial implications on companies and society, and can cause supply chain vulnerability, reputational risks, and regulatory risks. We believe companies should take action to assess and address these risks.

## 4. Social Responsibility

### 4a. Human Rights

Companies should ensure that human rights are protected throughout their operations and supply chains. Failing to do so exposes companies to material financial, regulatory, and reputational risks. Companies should maintain strong policies—covering their direct operations and supply chain—to identify and prevent various forms of modern slavery, potential forced labor or human trafficking, child labor, or prison labor. Specifically, in high-risk areas such as conflict zones, companies have an increased responsibility to remain vigilant around human rights violations and labor standards.

Further, as technology plays a larger role in our daily lives, the societal implications and risks to both companies and individuals are increasingly urgent. When products and services have the potential to cause human rights harms at substantial scale (e.g. artificial intelligence), companies have a particular responsibility to mitigate and manage these risks through strong policies and practices and increased transparency.

[12] Uta Kloenne, Debbie Rosen, et al., "Interactive: The pathways to meeting the Paris Agreement's 1.5C limit" Carbon Brief, December 8, 2023, *available at:* https://interactive.carbonbrief.org/one-point-five-pathways/index.html

### 4b. Workforce

We believe employees are a key corporate asset and that investing in employees is good for business because it can help companies attract and retain talented employees, increase job satisfaction, and improve worker performance.[13] Decisions that companies make about their workforce can impact systemic risks including income inequality and gender and racial inequalities, which can have far-reaching, negative consequences for companies' long-term growth and for society as a whole. Therefore, we support increased disclosure of the make-up of a company's workforce and relevant human capital management indicators. Further, we believe companies should pay a living wage, provide comprehensive benefits to all employees, maintain safe and respectful working conditions, and ensure workers' right to organize.

### 4c. Supply Chains

Companies have influence over, and responsibility for, their supply chains and vendors and should use their influence to encourage improved practices and greater disclosure from all partners. Companies are expected to demonstrate due diligence monitoring of their suppliers across a range of material risks, including by extending codes of conduct to vendors, franchisees, licensees, and agents that market, distribute, or sell the company's products or services.

## 5. Voting in Non-US Markets

### 5a. Consistency

The general principles guiding our proxy voting practices apply globally, and we will seek to apply these Guidelines consistently in all markets. However, there are significant differences between the U.S. and other markets that may require us to modify the application of these Guidelines for certain non-U.S. markets. In cases where our Guidelines do not address specific issues, we review them on a case-by-case basis.

### 5b. Availability of Information

The availability of information necessary to make informed voting decisions varies widely in non-U.S. markets. It is common for European companies, for example, to seek shareholder

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[13] Marguerite Ward, Emily Bonta, "Zeynep Ton on Investing in Workers: Paying Workers Low Wages is Actually Very Expensive" Just Capital, July 19, 2023, *available at:* https://justcapital.com/news/zeynep-ton-case-for-good-jobs-worker-investments-higher-returns-2023/

approval of company financial statements. In many cases, however, companies fail to provide their financial statements in a timely manner.

When we have insufficient information to apply our Guidelines, we may abstain, unless it is clear market practice in that country to provide the required information, in which case we may vote against the resolution.

**5c. Election of Directors**

We strongly believe that directors should be elected individually. In other countries, where it is common practice to elect directors as a slate, we may vote against the entire slate if we have reason to oppose any individual director.