



# Stewardship- Policy

---

Framework for engagement and voting

# Inhalt

|     |                                          |   |
|-----|------------------------------------------|---|
| 1.  | Our understanding of stewardship .....   | 2 |
| 2.  | Engagement.....                          | 3 |
| 2.1 | Engagement Process.....                  | 3 |
| 2.2 | Individual Commitment.....               | 3 |
| 2.3 | Service Provider Engagement.....         | 4 |
| 2.4 | Collaborative engagement.....            | 4 |
| 2.5 | Escalation process .....                 | 4 |
| 3.  | Proxy – Voting .....                     | 4 |
| 4.  | Dealing with conflicts of interest ..... | 5 |
| 5.  | Insider Information .....                | 5 |
| 6.  | Reporting & Other Policies.....          | 6 |

## 1. Our understanding of stewardship

Companies are facing a wide range of ecological, social and economic transformation processes that can be associated with opportunities and risks for their long-term development. Financial market participants can accompany these processes, for example by engaging with portfolio companies and exercising voting rights.

As an asset manager and asset manager, BayernInvest Kapitalverwaltungsgesellschaft mbH (hereinafter: BayernInvest) bears fiduciary responsibility for the capital entrusted to it. BayernInvest fulfils this responsibility, among other things, by actively exercising the opportunities for influence associated with its investments, such as the dialogue with portfolio companies and the exercise of voting rights. The aim is to take into account the long-term interests of our investors and to address relevant financial, ecological, social and governance-related aspects as part of our stewardship activities."

BayernInvest pursues this approach on the one hand through active dialogue with companies in which we invest (hereinafter referred to as "Engagement"). The exchange promotes our understanding of their strategies, structures and challenges. This relevant information allows us to better assess the future prospects of the companies and to make well-founded, long-term investment decisions for our company or in the best interests of our investors. At the same time, this exchange enables us to specifically point out company-relevant topics and demand change. Engagement thus describes the continuous exchange with companies with the aim of addressing topics relevant to the long-term development of the company, better classifying risks and opportunities and, if necessary, working towards changes.

On the other hand, we exercise our voting rights (hereinafter referred to as voting). At numerous annual general meetings of the companies we invest, voting is carried out in accordance with a voting policy. More information on the voting universe is explained under the item "Proxy Voting".

Taken together, the building blocks of engagement and voting form a holistic stewardship

approach. It is particularly important to dovetail the two components so that they do not run in isolation from each other: Engagement results should be reflected in voting behavior, and findings from annual general meetings should be taken up in engagement.

As of 1 October 2025, BayernInvest entered into a strategic partnership with IVOX Glass Lewis GmbH (hereinafter referred to as "IVOX Glass Lewis") to support the operational implementation and reach of its engagement and voting activities. The cooperation with IVOX Glass Lewis is explained in more detail in the following chapters. IVOX Glass Lewis was selected according to clearly defined quality criteria and is regularly evaluated in order to track the implementation of the stewardship measures.

BayernInvest influences engagement goals and priorities. To this end, issuers are continuously analysed along several dimensions. The analysis focus includes, among other things:

- the business strategy and its influence on economic development and capital management,
- the design of suitable risk management processes,
- the management of material environmental and social risks and impacts,
- the implementation of governance structures, in particular:
  - the composition of the management and control bodies
  - the independence of Supervisory Board members, and
  - the design of remuneration structures
- the compliance structure and internal standards of conduct

ESG data from external ESG data providers is used for the analysis, so that the most up-to-date state of affairs possible is used. Based on these topics, risks are examined and their impact on the business development, financial performance and long-term potential of the companies is evaluated. These risks are subsequently listed as sustainability risks, as they include environmental, social and governance aspects.

The results of the engagement process are integrated into the investment strategy. In

particular, if no or inappropriate response to the commitment is followed and the imbalances mentioned above intensify, internal escalation levels can also lead to divestment decisions. BayernInvest publishes an annual stewardship report on how it has implemented its engagement and voting activities.

The management of BayernInvest KVG and BayernInvest Luxembourg S.A. are responsible for the active stewardship approach. The Sustainability Office unit is responsible for the operational implementation of the commitment, whose head reports regularly to the management. The middle office is responsible for the operational implementation of proxy voting. The head reports to the CIO and the management of BayernInvest.

## 2. Engagement

### 2.1 Engagement Process

As part of its fiduciary duty, BayernInvest uses its ownership rights and opportunities to influence the equity and corporate bond markets in the name and for the benefit of its investors. It invests in companies that operate globally and whose headquarters are globally diversified. This and the various business activities of the companies result in different risk profiles. Together with our partner IVOX Glass Lewis, material (sustainability) risks and relevant focus areas of engagement derived from them are identified and prioritised.

The discussions held as part of the engagements are documented in order to create a comprehensible basis for the evaluation of the company's development. Progress and changes are continuously monitored over time in order to enable targeted coordination of engagement activities. All information is recorded in a web-based engagement database.

The Sustainability Office is responsible for monitoring ongoing engagement activities and the measures and consequences for BayernInvest's investments that can be derived from them. In the ESG Competence Center (ESG-CC), which is made up of members of the Portfolio Management departments and the Sustainability Office, the Sustainability Office presents findings of current commitments at regular intervals. The implications for the investment process are then discussed. If the Sustainability Office proposes an escalation on the basis of an engagement, e.g. in the sense of a (partial) exclusion, the issue is

discussed in the ESG-CC with the involvement of the CIO. If the committee does not reach a unanimous decision, the matter is escalated to the management for a final decision.

As part of our engagement activities, we differentiate between individual commitment and commitment through our partner IVOX Glass Lewis (Service Provider Engagement). This approach enables us to address individual companies and topics in a targeted manner (individual engagement) and to efficiently take into account other goals of the commitment across the board (service provider engagement).

The engagement horizon of our individual commitments is typically three years. Companies with which we enter into dialogue thus have sufficient time to respond to demands and achieve improvements. This process essentially includes the following steps:

#### Get to know each other

First contact with the company via e-mail. We introduce BayernInvest and the motivation for the potential commitment and get to know the company and its perspective.

#### Dialog

After the first contact, concrete expectations and goals are addressed in the context of personal or virtual dialogues.

#### Goal & Period

Concrete and measurable goals are set for a certain period of time.

#### Monitoring

Progress can be monitored with the help of defined milestones.

#### Escalation

In the event of an inadequate response or lack of progress, escalation measures can be initiated.

#### Report

Annual publication of engagement results on the website.

### 2.2 Individual Commitment

Our approach to individual engagement follows a structured process. To this end, the invested issuers are continuously monitored on

the basis of key sector- and company-specific criteria. On this basis, we identify companies for which there is a particular need for dialogue based on our risk assessment or in which we are particularly invested.

BayernInvest defines relevant engagement topics and specific targets for the selected issuers and coordinates and prioritises them together with IVOX Glass Lewis. We carry out the individual engagement together with our partner's engagement experts. As part of the active dialogue, we communicate our expectations of the issuers and work towards achieving the defined goals. The development is continuously tracked on the basis of defined milestones.

The documentation of the engagement activities is carried out by IVOX Glass Lewis. The content of the discussions, milestones and feedback from the companies are quality-assured and monitored by experts from BayernInvest.

The engagement topics that we consider to be particularly relevant and bring into the dialogue with companies include, in particular:



#### **Climate protection**

Emission reduction, medium and long-term decarbonisation strategies, transition plans and adaptation strategies in dealing with climate-related risks.



#### **Environmental protection**

Circular economy, managing nature-related risks, biodiversity



#### **Human and labour rights**

ECompliance with international standards such as the UN Global Compact and the OECD Guidelines for Multinational Enterprises



#### **Corporate Governance**

Independence of Supervisory Board members, diversity on the Executive Board

### **2.3 Service Provider Engagement**

As part of the Service Provider Engagement, our strategic partner IVOXX Glass Lewis enters into an exchange with companies to address sustainability risks. We have no influence on the selection of the goal and content of the engagement within the framework of the Service Provider Engagement. However, we also take up the additional findings from these

engagement activities. In addition, we report on such engagements in an abbreviated form in our Stewardship Report.

### **2.4 Collaborative engagement**

Collaborative engagement describes the joint dialogue of several investors with an engagement goal in order to address jointly identified deficits and work towards improvement. Collaborative engagement can take place, for example, in the context of investor initiatives. The bundling of the interests and perspectives of several investors is intended to increase the effectiveness of the commitment – but even this does not guarantee the success of the commitment. Collaborative engagement can be carried out both as a direct measure and as a possible escalation measure following a bilateral commitment.

When participating in collaborative engagements, BayernInvest takes into account the applicable, current legal and regulatory framework. These include, in particular, possible requirements and legal consequences in connection with concerted behaviour by investors ("acting in concert"). The legal implications are assessed taking into account the specific design of the respective collaborative commitment.

### **2.5 Escalation process**

If issuers do not respond appropriately to ESG-related concerns or defined milestones are not reached, a multi-stage escalation process is initiated. The decision to escalate is based on the urgency and materiality of the topic, the course of the dialogue to date and the expected impact of further measures.

The escalation process begins, among other things, with repeated contact and clearer deadlines. If this is unsuccessful, BayernInvest reserves the right to reject relevant draft resolutions at the Annual General Meeting or to support shareholder proposals aimed at the engagement topic. In principle, it is possible to submit shareholders' own resolutions as well as statements in the run-up to a Annual General Meeting. However, BayernInvest only resorts to these measures in exceptional cases. The last resort is a possible divestment by the issuer.

## **3. Proxy – Voting**

BayernInvest's voting activities are based on the principles and guidelines that are already applied to the commitment (see section 2).

With these framework conditions, BayernInvest sets out the principles according to which it exercises its voting rights for the investment funds it manages. The exercise of voting rights and the monitoring of the voting process takes place in the Middle Office department and is carried out in close cooperation with our partner IVOX Glass Lewis.

The service provided by IVOX Glass Lewis includes the provision of information on the Annual General Meetings (including dates, invitations, agenda items), information on the companies (including master data, key figures, annual reports), voting proposals and, if necessary, the exercise of voting rights in the respective market. In order to provide the service, Glass Lewis receives a power of attorney to exercise its voting rights.

With its voting behaviour, BayernInvest aims to promote the principles of good corporate governance and take into account the long-term interests of its investors. In its voting decisions, BayernInvest takes into account the relevant principles and guidelines as well as the IVOX Glass Lewis ESG Thematic Voting Policy.

When it comes to shareholder proposals, BayernInvest takes into account, among other things, whether they are suitable for increasing transparency on material ESG issues, addressing material sustainability risks or supporting the company's long-term performance.

When proposing resolutions by management, BayernInvest takes particular account of the extent to which principles of good corporate governance are adhered to. If, in BayernInvest's view, these are not sufficiently taken into account, this may lead to a vote against corresponding management proposals. Appropriate and transparent measures already taken by the company to remedy existing deficits will be taken into account in the voting decision.

As a matter of principle, BayernInvest strives to achieve the highest possible coverage of the votable markets. The actual exercisability of the voting rights depends in particular on

the respective market and custodian requirements as well as the technical and operational capabilities of the service provider IVOX Glass Lewis. In the case of selected custodians, BayernInvest can carry out the exercise of voting

rights operationally itself; this does not affect the upstream process for determining voting behaviour.

BayernInvest regularly publishes its voting behaviour on its website.

## 4. Dealing with conflicts of interest

In the course of BayernInvest's stewardship process, both internal (e.g. between asset classes or investment strategies) and external conflicts of interest (e.g. with clients or asset owners) may arise. In order to prevent conflicts of interest from having a negative impact on the interests of investment funds and mandates or clients, appropriate measures are taken to identify, prevent, settle and monitor conflicts of interest. These measures are formulated in BayernInvest's internal policies and procedures and are intended to ensure that conflicts of interest are identified at an early stage and that such conflicts are dealt with appropriately.

First of all, the guidelines provide for transparent disclosure of possible conflicts of interest to BayernInvest's compliance department (and, if necessary, other responsible parties). Subsequently, a decision is made on how to proceed on a case-by-case basis, taking into account all relevant information. The compliance unit assesses the materiality of the respective case.

## 5. Insider Information

Information that we obtain in the course of engagement activities but which is not known to the public must be kept as inside information and reported to the internal compliance unit. As soon as the information becomes publicly known, it no longer

constitutes inside information. Until the information is published, this information may not be exploited, passed on to third parties or published in the interest of the investor or in its own interest.

## 6. Reporting & Other Policies

BayernInvest reports annually on its engagement efforts and voting results as part of a stewardship report<sup>1</sup>. The report is published on the [Policies and Reports](#) website. As part of the "Declaration on the most important adverse effects of investment decisions on sustainability factors", which is published annually, BayernInvest presents, among other things, the interaction between the engagement approach and the adverse effects of investments on the climate, the environment and social issues.

This Stewardship Policy and the process described therein are based on both national and international guidelines, such as the EFAMA Stewardship Code, the DVFA Stewardship Guidelines and the BVI Code of Conduct. The Policy is updated regularly, at least once a year.

Status of the policy is: 15.09.2026

### **Publisher**

BayernInvest  
Kapitalverwaltungsgesellschaft mbH  
Karlstraße 35  
80333 München

[www.bayerninvest.de](http://www.bayerninvest.de)

---

<sup>1</sup> If required and on request, BayernInvest also prepares customer-specific stewardship reports.