

Ladies and Gentlemen,

Institutional Shareholder Services Inc. (“ISS”) has announced the opening of the public comment period on its proposed **ISS Benchmark Policy Changes 2025**. According to ISS, the public comment period elicits views from governance stakeholders globally regarding a number of ISS’ proposed voting policy changes for 2025 and beyond.

The Federation of German Industries (BDI) would like to thank you for the opportunity to share our thoughts.

The BDI is the umbrella organization of German Industry and industry-related service providers and speaks on behalf of 39 sector associations and represents over 100.000 large, medium-sized and small enterprises with more than eight million employees.

With regard to virtual meetings the ISS recommendation for 2025 is as follows:

- **General Recommendation:** Generally vote for proposals allowing for the convening of hybrid shareholder meetings.
- **Vote case-by-case** on proposals concerning virtual-only meetings, considering:
 - [...] Assurance that virtual-only meetings will only be convened in the case of extraordinary circumstances that necessitate restrictions on physical attendance; [...]

From our point of view, it is very important to keep the following aspects in mind:

1. Different interests of investors

The policy changes do not take into account that at least 70 percent of investors do not support the consideration of an assurance that virtual-only meetings will only be convened in the case of extraordinary circumstances. This is shown in the ISS survey.

2. German legislation with strict requirements, Shareholder rights fully granted

German law ensures that shareholders have the same rights irrespective of whether the Annual General Meeting (AGM) is held as a virtual meeting or as an in-person meeting. Due to the equivalence of the formats, the German legislator deliberately decided not to tie the virtual AGM to any specific occasions. Voting recommendations should correctly focus on safeguarding shareholder rights.

Furthermore, the possibility of interaction between shareholders and management is given in virtual AGMs: shareholders can address the AGM participant with speeches, they can ask questions as well as follow-up questions and can submit motions.

3. Sustainability

The virtual-only-meeting favours the reduction of CO2 emissions through reduced logistics, technical equipment and travel activities.

4. Simpler and more cost-effective participation

Virtual-only meetings reduce barriers for participation, including and in particular for international investors, thus can be a way of attracting especially young investors.

We would be very grateful if ISS could take our considerations into account.

Federation of German Industries