

# MIFL and Proxy Voting

A summary of the main principles and procedures for exercising proxy votes on behalf of investors. [Click here](#) to access more information on the MIFL International Funds Ltd (MIFL) Proxy Voting Policy.

## Background

MIFL recognises the importance of incorporating material environmental, social, and governance (“ESG”) factors into our investment processes. MIFL believes that a sustainable investment approach is more likely to create and preserve investment capital which incorporates integrating ESG factors and Stewardship/Active Ownership.

Active Ownership approach can enhance the value of companies, encourage good corporate behaviour and help the realization of long- term shareholder value. In accordance with MIFL’s Responsible Investment Policy, MIFL undertake to take an Active Ownership approach and will vote in an informed and sustainably responsible fashion.

MIFL is responsible for voting for both the portion of AUM managed directly by MIFL and the portion delegated to its Delegate Investment Managers. With investments in companies globally, we have the right to vote on behalf of our investors, at the annual meetings of those companies. We believe that this is an important right, and one that should be always exercised. It is our policy to use proxy voting where possible, for all portfolios and for all votes, other than where we are not given this authority by our client, or in countries where voting is impossible or exceptionally difficult for logistical reasons. In certain circumstances MIFL will not vote in line with the recommendation and these have been detailed with MIFL’s Proxy Voting Policy. There are also some exceptions to this process whereby Glass Lewis do not vote or provide a recommendation. An example of an event where the Glass Lewis does not provide a recommendation is when votes relate to certain Italian stocks held. For additional information please refer to the MIFL Proxy Voting Policy

## Glass Lewis

We have taken the decision to engage the services of an outsourced provider, Glass Lewis, a leading provider of proxy voting advice and administrative services, to assist us with this activity given their expertise in this area and the resources that they can devote to this issue. Glass Lewis is an independent provider of global governance services and proxy advisory services. It has significant expertise in conducting proxy research that encompasses collating accurate information gathered from public sources which is then assessed by a dedicated team of analysts and

issue specialists. This includes regional analyst teams that are experts in local market laws, regulations and best practices who would collaborate with subject matter experts and apply bounded judgment as they assess each issue on the ballot. Upon completion of their analysis, Glass Lewis will make its recommendation that serves the best interests of shareholders, based on a pre-agreed customised policy guideline which is reviewed annually.

## The customised MIFL Proxy Voting Policy Guideline

MIFL has a customized voting policy in place since 2021, that is aligned to its sustainability focus and the MIFL Responsible Investment policy. Through the MIFL custom voting policy MIFL seeks to focus on areas important to the Firm and underlying beneficiaries in the funds, such as climate change and gender equality. . In addition, it has been tailored to align t with MIFL’s sustainability objectives as outlined in our policy, driving alignment of our voting activity with the relevant core United Nations Sustainable Development Goals (“SDGs”) related to climate, governance, and sustainability best practices. As such, the MIFL Proxy Voting Policy evaluates climate oversight and disclosure, and seeks to promote best practice with respect to a company’s climate-related initiatives and policies. It makes voting decisions that both promote a transition to a low-carbon future and that make sense from a financial perspective in the context of a company’s operations by considering a company’s size, sector, and exposure to material environmental risk. This is guided by the Task Force on Climate-related Financial Disclosures, which is based on four pillars: governance, strategy, risk management, and metrics and targets.

[Click here](#) to access more information on the MIFL Responsible Investment Policy.

MIFL's applicable SDG that align to MIFL's sustainability objectives are::

- SDG 5: Gender Diversity
- SDG 7: Affordable and Clean Energy
- SDG 12: Responsible Consumption and Production
- SDG 13: Climate Action

### KEY Findings 2023<sup>1</sup>

Overall voting activity was strongly aligned with MIFL's voting policy. 99.8% of MIFL's votes were voted in line with our policy.

A key pillar of MIFL's voting policy is emphasis on ensuring that companies have effective climate strategies aligned with UN SDGs 7 (Affordable and Clean Energy), 12 (Responsible Consumption and Production), and 13 (Climate Action). The MIFL Voting Policy would support proposals that seek to improve either disclosure or company practice with respect to affordable and clean energy and responsible consumption. The focus on holding boards accountable for creating and executing sound climate risk mitigation strategies should foster the result of companies

that have effective management of the areas covered by SDGs 7 and 12. MIFL's voting was most aligned with SDG 13 given the broad nature of the SDG as it focuses on taking action to manage climate change and its impacts. Greenhouse gas emissions play a big part in managing climate change. Throughout 2023, MIFL voted on a variety of proposals that deal with GHG emissions, from holding directors accountable for risk mitigation strategies to supporting shareholder proposals that seek further disclosure on companies' GHG emissions and strategies.

The areas discussed below had the largest impact on voting outcomes and reflect Mediolanum's commitment to effective board oversight, while placing a clear emphasis on the importance of climate related oversight and disclosure.

### Detailed Breakdown: Vote Comparison year-on-year - 'AGAINST'

Voting 'Against' is in line with MIFL policy - for example voting against proposals not in line with our sustainability objectives on climate. In the chart above, the voting activity is shown for the percentage of total MIFL votes in calendar years 2022 and 2023 for votes 'Against' related to votes on Board Remuneration and Share Holder Proposals related to the Environment in 2022 and 2023.



Source: Glass Lewis, September 2023

<sup>1</sup>\*The voting results shown analyse MIFL's voting activity from January 1st to September 30th, 2023, with primary focus on Election of Directors, remuneration proposals and other governance and sustainability principles, to identify any issues or areas for improvement, and highlight key areas where the policy could be updated based on new market trends or increased opportunity for automation.

## Board Accountability and Oversight

- Total Unique Meetings: 2064
- Total Unique Proposals: 15697
- Voting Alignment with Policy Recommendations: 99.83%

A core pillar of MIFL's sustainability objectives is to ensure there is a strong focus on climate-related oversight and climate-risk mitigation on the board of directors. In 2023, MIFL voted Against:

- 135 directors at 25 companies for failure to adopt science based GHG emissions targets.
- 55 directors at 38 companies for failure to adopt GHG emission targets.
- 31 directors at 30 companies for failure to adopt a net-zero-target.
- 129 directors at 124 companies for insufficient oversight of climate and environmental risks
- 38 directors at 17 companies for insufficient oversight and disclosure of material climate and environmental risks

## Remuneration

- Total Unique Meetings: 1722
- Total Unique Proposals: 4279
- Voting Alignment with Policy Recommendations: 99.88%

## Voting Results on Remuneration



Source: Glass Lewis, September 2023

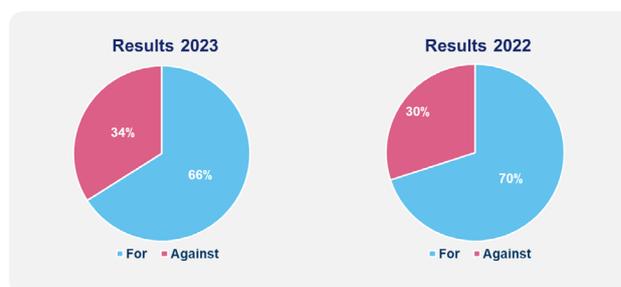
The MIFL Voting Policy incorporates environmental and social factors when reviewing a company's remuneration program. At a minimum, companies are expected to have a link between remuneration and environmental considerations. For those companies that have greater exposure to environmental and climate-

relates issues, the expectation is that executives are adequately incentivised to act in ways that mitigate a company's climate impact. The charts above show how MIFL voted Against remuneration proposals due to a failure to incentivise mitigation of material climate, environmental and social risks in 2022 and 2023.

## Shareholder Proposals Regarding the Environment

- Total Unique Meetings: 77
- Total Unique Proposals: 143
- Voting Alignment with Policy Recommendations: 98.5%

## Voting Results on Remuneration



Source: Glass Lewis, September 2023

The MIFL Voting Policy will generally support all proposals requesting enhanced disclosure of or strategies to mitigate a company's climate-related risks. For example, regardless of industry, the policy supports proposals requesting that companies disclose information concerning their scenario analyses or that request the company provide disclosure in line with certain reporting recommendations, such as those promulgated by the TCFD. Further, the policy will support proposals requesting a company consider energy efficiency and renewable energy sources in its project development and overall business strategy.

Shareholder proposals regarding Climate Transition Policies, Climate Action Plans, and Reduction of GHG Plans were prominent across MIFL holdings in 2022 and 2023 and strongly aligned with the objectives of SDG 13 - Climate Action. The charts above show how MIFL voted in favour of shareholders proposals and for votes Against or abstaining due to insufficient disclosure of governing practices related to the proposal or in instances where existing disclosures have already addressed the request of the proposal.

# APPENDIX

## ELECTION OF DIRECTORS

Description	For	Against	Abstain
Election of directors	3843	688	5
Election of Subsidiary Directors	9		
Election of Board Member(s) During a Contested Election - Management Nominee	7	2	
Change in Board Size	1		
Director & Officer Liability/Indemnification		30	
Election of Directors	5321	1772	43
Election of Directors (Slate)	34	21	1
Election of Non-Principle Members (Chairman, alternates, censors)	92	40	1
Slate Elections Bundled with Other Items	6	3	1
Election of Directors (Bundled Issues)	13	9	
Election of Statutory Auditors		27	
Retention as Independent Director	11		
Number of Statutory Auditors	1		
Election of Alternate Statutory Auditor	23		
Election of Statutory Auditor Slate	13		
Election of Non-Management Nominee		1	
Approve Censor	2	4	
Election of Minority or Preferred Shareholder Nominee	2	1	13
Election of Shareholder or Institutional Investor Slate	11		
Election of Shareholder Representative	34	2	
Election of the Chairman of the Statutory Auditor Board (Italy)	6		
Election of Effective Statutory Auditor			
Election of Directors (Management Board)	25		
Approval of Committee Guidelines/Appointment of Committee	39	5	
Election of Board Committee Members	314	84	1
Election of Non-Audit/Comp/Nom/Gov Committee Members	2		1
Approve Supervisory Council	83	88	16
Election of Supervisory Board	222	69	2
Ratification of Co-Option of a Director	40	23	2

Description	For	Against	Abstain
Board Size	92	1	
Supervisory Council Board Size	2		
Indemnification of Directors/Officer	23	2	7
Board Term Length			1
Removal/Resignation of Director	8		
Board Spill		1	
Misc. Management Proposal Regarding Board	30	2	1
Post-Employment/Severance Agreements	6	3	
Ratification of Board Acts	879	14	51
Ratification of Management Acts	249	3	4
Related Party Transactions	61	5	2
Special Auditors Report on Regulated Agreements	61	5	2
<b>TOTAL</b>	<b>11,899</b>	<b>2,917</b>	<b>169</b>

## REMUNERATION

Description	For	Against	Abstain
Approval of the [Equity Compensation Plan]	37	4	
Amendment to the [Equity Compensation Plan]	54	5	
Approval of the [Employee Stock Purchase Plan]		8	
Amendment to the [Employee Stock Purchase Plan]	24	2	
Approval of the [Director Compensation Plan]	1		
Advisory Vote on Executive Compensation	251	106	
Frequency of Advisory Vote on Executive Compensation		2	
Advisory Vote on Golden Parachutes	1	1	
Approval of the [Equity Compensation Plan]	69	106	
Amendment to the [Equity Compensation Plan]	18	19	
Approval of the Restricted Stock Plan	29	5	
Amendment to the Restricted Stock Plan	15	5	
Capital Proposal to Implement Equity Compensation Plan	100	31	
[Equity Compensation Plan] for Subsidiary	9	5	
Performance Share Plan	2		
[Equity Compensation Plan] for Overseas Employees	1		
[Equity] Grant	32	24	
Trust Type Equity Plans (Japan)	4		
Approval of the [Employee Stock Purchase Plan]	113	135	
Amendment to the [Employee Stock Purchase Plan]	2		
Employee Incentive Plan	8	1	
Directors' Fees	309	24	13
Directors and Auditors' Fees	12		
Non-Executive Remuneration Policy (Forward-Looking)	522	23	5
Supervisory Board/ Corp Assembly Fees	36	4	
Statutory Auditors' Fees		30	
[Retirement] Allowances for Director(s) (JP)		1	
Remuneration Report	422	433	
Employment Agreement	56	30	
Approval of Executive Remuneration (Fixed)	14	1	
Remuneration Policy	207	177	
Bonus	8	9	
Approval of Short-Term Incentive Plans ("Bonus Plans")	11	1	
Misc. Proposal Regarding Compensation	35	6	
<b>GRAND TOTAL</b>	<b>2,402</b>	<b>1,198</b>	<b>18</b>

Description	For	Against	Abstain
Approval of the [Equity Compensation Plan]	37	4	
Amendment to the [Equity Compensation Plan]	54	5	
Approval of the [Employee Stock Purchase Plan]		8	
Amendment to the [Employee Stock Purchase Plan]			