

MIFL Proxy Voting Results - Q1 2025



Mediolanum International Funds Limited (“MIFL”) created a custom voting policy in 2021 to align its voting activity with core United Nations Sustainable Development Goals (“SDGs”) related to climate, governance, and sustainability best practices. As such, our 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. The proxy voting policy also integrates additional elements concerning Governance and Sustainability principles to reflect best governance practices.

The purpose of this document is to detail MIFL’s full voting activity for Q1 2025. This document will breakdown all votes against management resolutions and compare the support levels of the shareholder resolutions MIFL voted. Additionally, there will be a 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.

KEY FINDINGS

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). Like last year, there were no specific proposals related to SDG 7 & 12. 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 result in companies that have effective management of the areas covered by SDG 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. For Q1 2025, 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. MIFL voted against 5 directors for failure to adopt GHG emission targets, 3 directors for sustainability issues, and 34 directors for insufficient oversight of sustainability issues.

- 5 directors at 5 companies for failure to adopt GHG emissions targets.
- 3 directors at 3 companies for sustainability issues.
- 1 director at 1 company for failure to adopt net zero targets.
- 35 directors at 11 companies for failure on the report to SASB.

MIFL also voted against 16 compensation proposals where there was failure to incentivise the mitigation of climate and environmental risks. This demonstrates a clear commitment to integrating climate risk management into the evaluation of effective board oversight and holding companies accountable for failure to address climate action in a meaningful way. MIFL also voted in favour of shareholder proposals requesting companies to provide reporting on their actions with respect to climate change. Supporting these shareholder proposals sends a clear message to company management that MIFL is committed to advocating for appropriate climate related disclosure.

VOTES AGAINST MANAGEMENT ANALYSES

Votes Against Management					
Proposal Category	Against Management	Against Management %	With Management	With Management %	Grand Total
Audit/Financials	133	26%	375	74%	508
Board Related	312	19%	1313	81%	1625
Capital Management	32	15%	180	85%	212
Changes to Company Statutes	14	9%	135	91%	149
Compensation	115	37%	194	63%	309
M&A	3	13%	20	87%	23
Meeting Administration	14	15%	77	85%	91
Other	9	16%	47	84%	56
SHP: Compensation	1	20%	4	80%	5
SHP: Environment	2	50%	2	50%	4
SHP: Governance	26	79%	7	21%	33
SHP: Misc		0%	3	100%	3
SHP: Social	3	18%	14	82%	17
Grand Total	664	22%	2371	78%	3035

Of the 664 votes against management, 312 were board related, or about 46.98%. Of the board related proposals, votes against management most frequently occur in the election of director proposals, accounting for 312 or 19.20% of all votes against management in the board-related category. MIFL's policy is to generally vote for the election of directors, except for the provisions listed in MIFL's guidelines. The primary drivers for votes against management on the election of directors are:

- The board is not at least majority independent – accounts for 78 votes against management.
- There is insufficient female representation on the board of directors – accounts for 63 votes against management
- The compensation committee is not fully independent – accounts for 44 votes against management.
- The audit committee is not fully independent – accounts for 39 votes against management.
- The company does not report to SASB – accounts for 42 votes against management.

Of the 664 votes against management, 115 were compensation related, or about 17.13%. Of the compensation related proposals, votes against management were spread evenly amongst compensation plans for executive directors, non-executive directors and employees of the Company,

accounting for 115 or 37.21% of all votes against management in the compensation-related category. MIFL's policy is to generally vote for compensation, except for the provisions listed in MIFL's guidelines. The primary drivers for votes against management on the election of directors are:

- Compensation plans being too short term focused – accounts for 36 votes against management.
- Failure to incentivize mitigation of material E&S risks – accounts for 16 votes against management
- Allowing awards vest below median performance – accounts for 12 votes against management.

Of the 62 shareholder proposals, MIFL voted 32 or approximately 51.61% of all shareholder proposals against management. This quarter, no clear trends emerged due to the limited number of proposals—only 62—which were distributed across a wide range of proposal types. Votes against management on shareholder proposals concentrate in the following:

- *SHP Regarding Mandatory Director Resignation Policy* – Accounts for 3, or about 9.37% of the 32 total votes against management. MIFL's policy is to generally support these types of proposals, and believe adoption could promote board accountability and ensure responsiveness to shareholder concerns
- *SHP Regarding Aligning Business Strategy to Paris Agreement*– Accounts for 2, or about 6.25% of the total votes against management. MIFL believes adoption of these proposals will allow shareholders to more fully assess risks presented by climate change.

BOARD ACCOUNTABILITY & OVERSIGHT

- **Total Unique Meetings:** 332
- **Total Unique Proposals:** 1,611
- **Voting Alignment with Policy Recommendations:** 100%

Board-related proposals were voted consistently in line with the policy recommendations for Q1 2025.

A core pillar of MIFL's policy is a strong emphasis on long-term governance best practices, as well as climate-related oversight and risk mitigation. Currently, the policy dictates voting against the following issues:

All Companies

- The board is not at least majority independent – accounts for 78 votes against management.
- There is insufficient female representation on the board of directors – accounts for 63 votes against management
- The compensation committee is not fully independent – accounts for 44 votes against management.
- The audit committee is not fully independent – accounts for 39 votes against management.
- The members on the nominating/governance committee if the board has an average tenure of greater than ten years and the board has had fewer than one new board nominees in the last 5 years – accounts for no votes against management

Tier 1 Companies

- The board chair if there is no oversight of climate-related issues
- The ESG committee members if there is no SBTi GHG emission target
- The ESG committee members if there is no disclosure to SASB and no TCFD disclosure
- The board Chair when there are no net zero targets

Tier 2 Companies

- The ESG committee members if there is no GHG emission target.
- The ESG committee members if there is no disclosure to SASB and no TCFD disclosure.
- The board Chair when there are no net zero targets.

Tier 3 Companies

- The board chair if there is no oversight of sustainability issues
- The ESG committee members if there is no disclosure to SASB or no sustainability disclosure
- The Chair of the board when GHG targets are not present.

Tier 1, 2 and 3 Companies are defined as follows:

Tier 1: Climate Action 100+ companies. These companies are the highest-emitting companies and thus have significant exposure to climate-related risks. Accordingly, the Climate Policy will ensure that these companies are held to the highest standard with respect to the governance afforded to climate change, the disclosures expected by these companies and the way that these companies incentivize executives to mitigate climate-related risks.

Tier 2: Companies where greenhouse gas emissions represent a material risk, as defined by the Sustainability Accounting Standards Board (SASB). For companies that are determined to have significant risk exposure as a result of their GHG emissions, the Climate Policy will promote enhanced governance and disclosure of climate-related issues, as well as the establishment of policies and strategies to help mitigate climate-related risks.

Tier 3: All other companies. The Climate Policy recognizes that climate change represents a risk to all businesses, regardless of industry or exposure to climate-related regulatory or legal risks. As a result, the Climate Policy will promote enhanced disclosure on these climate-related risks as well as enhanced board-level oversight of environmental and social issues.

MIFL voted against consistently in line with the policy for:

- No directors for failure to adopt science based GHG emissions targets.
- 5 directors at 5 companies for failure to adopt GHG emissions targets.
- 3 directors at 3 companies for sustainability issues.
- 1 director at 1 company for failure to adopt net zero targets.
- 35 directors at 11 companies for failure on the report to SASB.

Remuneration

- **Total Unique Meetings:** 180
- **Total Unique Proposals:** 308
- **Voting Alignment with Policy Recommendations:** 100%

Remuneration-related proposals encompass a variety of voting items and voted consistently in line with the policy recommendations for this year and last year's proxy seasons.

Remuneration-related proposals encompass a variety of voting items and voted consistently in line with the policy recommendations for this year and last year's proxy seasons. Like the board related proposals, no significant change in MIFL's votes against remuneration proposal in Q1 2025 when compared with 2024.

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-related issues, the expectation is that executives are adequately incentivized to act in ways that mitigate a company's climate impact. The following statistics provide a clear view of the climate voting on remuneration proposals for MIFL policy:

- 0 companies for the failure to incentivize mitigation of climate related issues
- 1 company for the failure to incentivize mitigation of material environmental risks
- 15 companies for the failure to incentivize mitigation of material environmental and social risks.

Additionally, the MIFL Voting Policy applies certain best practice principles for effective remuneration programs. The inclusion of more specific guidance last year on the components of the remuneration program resulted in consistent vote in line with policy for remuneration proposals:

- Compensation plans being too short term focused – accounts for 36 votes against management.
- Failure to incentivize mitigation of material E&S risks – accounts for 16 votes against management

- Allowing awards vest below median performance – accounts for 12 votes against management.
- Allowing retesting of performance conditions – accounts for 7 votes against management

SHAREHOLDER PROPOSALS REGARDING THE ENVIRONMENT

- **Total Unique Meetings:** 4
- **Total Unique Proposals:** 4
- **Voting Alignment with Policy Recommendations:** 100%

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 MIFL's 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's holdings in 2024 and strongly aligned with the objectives of SDG 13 – Climate Action. See a breakdown of MIFL's voting activity below.

Votes Against Management:

Shareholder Proposal Regarding Aligning Business Strategy to Paris Agreement

Shareholder Proposal Regarding Aligning Business Strategy to the Paris Agreement

MIFL supported both proposals above adoption of these proposals will allow shareholders to more fully assess risks presented by climate change.

Votes With Management:

Shareholder Proposal Regarding Financial Sustainability

Shareholder Proposal Regarding Carbon Emissions Congruency Report

APPENDIX 1 – BOARD-RELATED

Issue Code	Description	For	Against	Abstain
100	Election of Directors	271	38	10
140	Director & Officer Liability/Indemnification		3	
5100	Election of Directors	594	177	3
5101	Election of Directors (Slate)	6	3	2
5102	Election of Non-Principle Members (Chairman, alternates, censors)	8	4	
5103	Slate Elections Bundled with Other Items		2	
5104	Election of Directors (Bundled Issues)	5		
5105	Election of Statutory Auditors	13		
5108	Election of Alternate Statutory Auditor	1		
5115	Election of Shareholder Representatives	20		
5122	Election of Directors (Management Board)	1		
5125	Approval of Committee Guidelines/Appointment of Committee	2		
5130	Election of Board Committee Members	65	11	
5136	Approve Supervisory Council	5	8	2
5140	Election of Supervisory Board	20	14	
5145	Ratification of Co-Option of a Director	1	1	
5170	Board Size	12		
5180	Indemnification of Directors/Officers	4		1
5190	Removal/Resignation of Director	2		
5195	Misc. Management Proposal Regarding Board	2		
5700	Ratification of Board Acts	165	1	2
5720	Ratification of Management Acts	30		
5740	Related Party Transactions	74	3	
5745	Special Auditors Report on Regulated Agreements			2
Grand total		1301	265	21

APPENDIX 2 - REMUNERATION

Issue Code	Description	For	Against	Abstain
300	Approval of the [Equity Compensation Plan]	2		
310	Amendment to the [Equity Compensation Plan]	4		
320	Approval of the [Employee Stock Purchase Plan]	1		
605	Advisory Vote on Executive Compensation	14	22	
607	Advisory Vote on Golden Parachutes	2		
5300	Approval of the [Equity Compensation Plan]		13	
5310	Amendment to the [Equity Compensation Plan]	5	3	

5312	Approval of the Restricted Stock Plan	2		
5313	Amendment to the Restricted Stock Plan	1		
5316	Capital Proposal to Implement Equity Compensation Plan	4		
5320	[Equity Compensation Plan] for Subsidiary	2	4	
5322	Performance Share Plan			
5340	[Equity] Grant	2	2	
5350	Trust Type Equity Plans (Japan)	1		
5370	Amendment to the [Employee Stock Purchase Plan]		1	
5380	Employee Incentive Plan	4	1	
5395	Authority to Issue Bonds with Warrants to Employees			
5500	Directors' Fees	50	7	5
5501	Directors and Auditors' Fees	2		
5505	Non-Executive Remuneration Policy (Forward-Looking)	29	6	2
5510	Supervisory Board/ Corp Assembly Fees	1		
5520	Statutory Auditors' Fees	2		
5600	Remuneration Report	26	23	
5601	Employment Agreement	15	2	
5603	Approval of Executive Remuneration (Fixed)	1		
5605	Remuneration Policy	14	11	
5610	Bonus		1	
5695	Misc. Proposal Regarding Compensation	9		
Grand Total		192	97	7

APPENDIX 3 – SHP: ENVIRONMENT

Issue Code	Description	For	Against	Abstain
2155	SHP Regarding Formation of Environmental/Social Committee of the Board		1	
2605	SHP Regarding Report/Action on Climate Change		1	
7615	SHP Regarding Climate Change	2		
Grand Total		2	2	0

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