



SHAREHOLDER ENGAGEMENT POLICY

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1. INTRODUCTION

As a Responsible Investor, ILIM adopts an Active Ownership approach to promote better corporate behaviour in investee companies in terms of sustainability and management of Environmental, Social and Governance risks. ILIM exercises voting rights and constructively engages with investee companies, encouraging better standards and management processes covering material ESG risks.

This Policy outlines ILIM's approach to Engagement and is written in accordance with the Shareholder Rights Directive 2017/828 (SRD II) amending Directive 2007/36 (SRD I). The Shareholder Rights Directive 2017/828 (SRD II) ("the Directive") was transposed into Irish law by the European Union (Shareholders' Rights) Regulations 2020 (S.I. No. 81 of 2020). This policy was previously incorporated in ILIM's Responsible Investment Policy.

2. SCOPE

This policy applies to funds managed by ILIM on behalf of its clients where ILIM has been given proxy-voting and engagement authority and describes how we integrate stakeholder engagement into our investment strategy. Engagement is a key component of ILIM's Responsible Investment approach.

3. ACTIVE OWNERSHIP

We believe that investors, whether working individually or collectively, have the ability to influence the behaviour of investee companies, reducing portfolio risk and delivering more sustainable long term outcomes for clients. We recognise and adhere to the principles of active ownership, believing in constructive engagement and exercising voting rights to promote stronger corporate governance, in investee companies. ILIM votes the shares of companies for which it has proxy-voting authority with the exception of those countries where voting is logistically difficult or where the costs are disproportionate relative to the size of the holding, typically small-cap holdings. Votes cast generally support shareholder proposals on risk management and social, environmental and labour/human rights issues. ILIM's Voting Policy is available on its website.

ILIM's active ownership programme focuses on core ESG themes, which can be categorised under two mega themes: decarbonisation and a trend to a more stakeholder centric business model.

i) Monitoring and Engagement

ILIM uses a financial materiality driven approach to identify and focus on companies and issues with the potential to have the greatest long term impact on investment outcomes. Vigeo Eiris provides advisory and research services to support ILIM's engagement activity which targets companies that are considered to be ESG 'laggards' relative to their peers in ESG categories determined by ILIM. Vigeo Eiris supports ILIM's

monitoring of and engagement with investee companies on relevant matters, including strategy, financial and non-financial performance and risk, capital structure, social and environmental impact and corporate governance.

The aim of this engagement is, as a minimum, to bring the performance of these companies in line with their peer group. Given the materiality of holdings in underlying companies we believe that, in some instances, acting collectively with other like-minded investors and industry bodies is the most appropriate means of having a meaningful impact. In conjunction with Vigeo Eiris, ILIM identifies clear engagement objectives for each targeted company, detailing potential actions to address ESG failings.

The engagement process starts with ILIM writing to a company detailing the purpose of engagement, the key issue identified and outlining the request to the company. In conjunction with Vigeo Eiris, ILIM analyses responses from companies to determine the extent to which each company has addressed ESG failings or responded to issues identified. Where initial engagement is unsuccessful, in conjunction with Vigeo Eiris, ILIM will identify appropriate action to escalate the engagement.

ii) Escalation

ILIM has a number of options to escalate engagements when they prove unsuccessful. For all mandates, ILIM initially makes the tone of its direct engagements more firm. Voting activities can also be used for escalation activities including, but not limited to, voting against the re-election of one or more board directors, voting against the Chair of

the Board of Directors, and voting against the approval of the annual financial statements. This is done on a case by case basis. Where ILIM has discretion, positions can be held underweight, and in certain cases holding may be excluded. ILIM's direct engagements are usually confidential, whereas its collaborative engagements are often public.

4. GOVERNANCE

Responsible Investment Team

The Engagement program is led by ILIM's Responsible Investment Team. The team, with the input of Vigeo Eiris, oversees and monitors engagement activities and reports on activity to the Responsible Investment Governance Committee which is chaired by ILIM's Head of Responsible Investing. The team also engages collaboratively with other investors on specific ESG themes and is a member of initiatives including Carbon Disclosure Project (CDP), the Climate Action 100 + (CA100 +) and the Institutional Investors Group on Climate Change (IIGCC).

Responsible Investment Governance Committee ("the Committee")

This Engagement policy is owned, reviewed and approved, annually or more frequently if required, by the Committee in advance of approval by the ILIM Board of Directors. The Committee is responsible for reviewing and monitoring adherence to this policy. The membership of the Committee and its terms of reference are available on request. A report on Engagement activities is provided on a semi-annual basis to the ILIM Executive Management Team.

ILIM Board

- The ILIM Board of Directors approves updates to this policy annually or more frequently as required.

5. CONFLICTS OF INTEREST

As a MiFID authorised firm, ILIM is required to take all appropriate steps to identify, manage or prevent potential or actual conflicts of interest that arise when providing its services. In our engagement with investee companies, any potential or actual conflicts that arise will be managed in accordance with our Conflicts of Interest policy. We will abide by the principles of treating our clients fairly and dealing honestly and professionally with all stakeholders. ILIM's Conflicts of Interest Policy is available on request.



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