



## VOTING 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 Voting 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.

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## 2. SCOPE

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

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## 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'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.

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## 4. VOTING

ILIM is an engaged asset manager voting 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. ILIM generally votes in favour of social and environmental proposals that seek to promote good corporate citizenship. The following considerations are included:

- Where the proposal is well framed and reasonable and
- Where the adoption of the proposal would have a positive or negative impact on the company's short-term or long-term share value. These services include voting recommendations, vote execution and reporting.

ILIM adopted ISS's International SRI Voting Guidelines in 2019 and, in general, votes in line with ISS's policy recommendations. This involves monitoring the performance of companies' boards in relation to ESG issues and independence. ILIM

reserves the right at all times to vote on any matter, even if this is contrary to the recommendations of ISS. This situation may arise, for example, where ILIM is actively engaging with a company and has an agreed course of action that would require a vote on a specific matter which may be contrary to the default recommendation of ISS.

Securities lending is conducted on behalf of clients in line with the clients' investment policies. ILIM retains a right of recall of stocks on loan with counterparties for voting or other reasons. In addition, the Responsible Investment Team can request that securities with active engagement are excluded from the stock lending programme. Such requests will be approved by either the Chief Investment Officer or Deputy Chief Investment Officer.

ILIM will publish annually, on its website, an explanation of the most significant votes taken, a disclosure covering the use of proxy advisers and information on votes cast.

### 5. GOVERNANCE

#### Responsible Investment Team

The Active Ownership program is led by ILIM's Responsible Investment Team. The team oversees and monitors the voting activities which are implemented on its behalf by ISS. It reports on voting activity to the Responsible Investment Governance Committee which is chaired by ILIM's Head of Responsible Investing.

#### Responsible Investment Governance Committee ("the Committee")

This Voting policy is owned, reviewed and approved, annually or more frequently if required, by the Responsible Investment Governance Committee (the Committee) in advance of approval by the ILIM Board of Directors. The Committee is responsible for reviewing and monitoring adherence to this policy including the consistency with this policy of votes cast by ISS on behalf of ILIM. The membership of the Committee and its terms of reference are available on request. A report on Responsible Investment activity 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.

### 6. 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.



## CONTACT US

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