

MIFL –Shareholder Engagement Policy



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Background

The European Union (Shareholders' Rights) Regulations 2020 ("SRD II") requires asset managers and institutional investors, that invest in companies listed on an EEA regulated market, to develop and publicly disclose a Shareholder Engagement Policy that provides an overview of how shareholder engagement is integrated into the investment strategy.

This Policy seeks to describe how MIFL ensures shareholder engagement is integrated in its investment strategy. Mediolanum International Life DAC ("MIL") is an institutional investor under the SRD II. MIFL acts as Investment Management for MIL and as such has implemented this Policy on MIL's behalf.

This Policy provides an overview of how MIFL:

- Monitors Investee Companies on strategy, financial and non-financial performance, risk; capital structure, social and environmental impact and corporate governance ("ESG");
- Engages with Investee Companies;
- Exercises voting rights;
- Manages actual and potential conflicts of interests in respect of their engagement; and
- Cooperates with other shareholders and other stakeholders of the investee companies.

MIFL believes a sustainable investment approach is more likely to create and preserve investment capital and that such an approach will be helped by integrating the following into the investment process.

- Environmental, Social and Corporate Governance (ESG) factors, which can have a material impact on long-term risk and return outcomes but may not be captured in a company's financial accounts.
- Stewardship/active ownership (via voting and engagement), which can enhance the value of companies, encourages good corporate behaviour, and helps the realisation of long-term shareholder value.

Section 1: Monitoring investee companies

Where MIFL invests directly in investee companies on behalf of the funds under management and relevant institutional clients, it shall monitor the companies looking at strategy, financial and non-financial performance, capital structure and ESG. This monitoring will be done through a variety of potential means, having regard to the nature and size of MIFL's exposure to the relevant investee company, examples of potential monitoring methods include:

- Through information platforms, Bloomberg etc.
- Company financial reports, press releases, regulatory filings.
- Research from selected third party firms.
- Attendance at industry conferences and events.
- Proxy Research Reports.
- ESG Ratings tools.
- Meetings with personnel investee companies to discuss operating and financial performance, and any matters that may pose a risk to the investee company's long-term financial stability.

ESG Considerations

MIFL recognises the importance of shareholder engagement and the contribution that Environmental, Social and Governance (ESG) considerations can make to sustainable investment outcomes. MIFL's view is that integrating ESG factors is not about accepting diminished returns. In fact, there is growing evidence to suggest integration can improve company operational performance and help deliver higher quality returns over the long-run.

Specific to the area of ESG, MIFL has implemented internal procedures that address the ways and means in which MIFL will consider and monitor for ESG factors across the various parts of the investment process and across different asset classes. The internal procedures allow for the monitoring of ESG to ensure it is appropriately integrated into investment decisions and active ownership. While investing in third-party funds and mandates is the core part of the MIFL business, MIFL also considers other important elements of our expertise including asset allocation considerations, in-house direct equity management and direct bond management of assets. Where MIFL sub-delegates portfolio management activities for the funds under management to third party investment managers, MIFL will communicate its ESG approach and requirements with current and potential delegate managers as part of initial and ongoing monitoring.

Section 2: Engagement with investee companies

MIFL believes stewardship (or active ownership) helps to realise long-term shareholder value by providing investors with an opportunity to enhance the value of companies more consistent with long-term investor timeframes.

There are a number of different ways to achieve an effective policy as it relates to proxy voting and engagement in order to have a more holistic ESG considered approach. MIFL may engage with the investee company when it has particular concerns about matters such as strategy, financial and non-financial performance, risk, capital structure and ESG. In such cases, the MIFL may seek to engage with the investee company by opening dialogue through one of the following means:

- (a) meeting with company management on particular issues through calls, emails, meetings etc.
- (b) voting on resolutions at company AGMs

Having regard to the nature of the concern held by MIFL and the nature and size of its exposure to the relevant investee company, MIFL may under certain circumstances request to meet with a member of the executive level management of the investee company.

Section 3: Proxy Voting

Under its current regulatory permissions, MIFL is required to maintain a Proxy Voting Policy that sets out the measures and procedures that have been adopted when exercising its right to vote on relevant securities. The Proxy Voting Policy also applies to the MIL products. As the appointed investment manager, MIFL may vote on behalf of MIL, if so required.

Broadridge have been appointed Proxy Agent by MIO. To assist in this process, MIFL employs the use of a voting web-based platform provided by Glass Lewis and all votes cast by MIFL on the Glass Lewis system are transmitted to Broadridge. There are some exceptions to this process whereby Glass Lewis do not vote or provide a recommendation, and this is set out in the Proxy Voting Policy.

Glass Lewis are an independent provider of global governance services and proxy advisory services. They have 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 their recommendation that serves the best interests of shareholders pursuant to their overarching “Proxy Paper Guidelines – United Kingdom” and their “Proxy Paper Guidelines – ESG Policy”.

MIO will vote in accordance with the principles outlined by the relevant guidelines and regulations and based on the specific circumstances it believes are relevant. MIFL will generally not be influenced by outside sources or business relationships involving interests that may conflict with those of the unit/policyholders and any conflicts will be managed in line with our Conflicts of Interest procedures. MIFL will generally vote in line with Glass Lewis recommendation. Glass Lewis incorporates ESG factors in its approach to Proxy advice in its in-depth Proxy Paper reports which includes a Sustainalytics’ ESG Ratings measure of how well issuers proactively manage the ESG issues that are the most material to their business.

In certain circumstances, MIFL may refrain from voting a proxy where MIFL believes that it is in the client’s best interest to do so. Generally, this will occur if MIFL is in disagreement with the proposals, but the management have committed to make, within an agreed time frame, appropriate changes which in MIFL’s view will favour shareholders.

Section 4: Management of actual and potential conflicts of interest

MIFL has adopted a Conflicts of Interest Policy in accordance with relevant regulations which identifies the circumstances which constitute or may give rise to a conflict of interest entailing a material risk of damage to the interests of MIFL and sets out procedures to be followed and measures to be adopted to manage such conflicts.

In addition, in the Proxy Voting Policy also outlines process to follow on the occasions where MIO may have a material conflict of interest with respect to a matter to be voted. A material conflict of interest may exist, for example, if MIO has a very significant business relationship with either the company whose stock is being voted, the person soliciting the proxy or a third party that has a material interest in the outcome of the proxy vote.

If a potential conflict of interest arises, the Operations Team within MIFL will raise the issue to the MIFL Compliance Team for further consideration. Compliance and the MIFL Investment Committee are then jointly responsible for evaluating the materiality of any conflicts.

Section 5: Co-operating with Other Shareholders and Communication with Stakeholders

Asset Managers

MIFL is of the view that one of the more powerful tools we have is our engagement with third party asset managers given the significant weight of AUM which we outsource. Using this can help to push forward the ESG and sustainable investment agenda across the broader industry. MIFL has put in place a survey which will be sent out to our asset managers on an annual basis.

The objective of this survey is to:

1. Make it clear to our partner asset managers that the monitoring and the development of the ESG agenda is an important issue for MIFL.
2. To allow us to begin to build a database and assess which managers are being particularly proactive, and what evidence of improvement there is over time across asset managers.

Industry Collaboration

MIFL will participate where possible in collaborative industry initiatives to help promote the Responsible investment in the European market. Below is an example of such initiative:

- **Sustainable Investment Forum (SIF Ireland):** MIFL is a founding member of the Sustainable and Responsible Investment Forum Ireland (SIF Ireland). This is a domestic steering group set up by Sustainable Nation Ireland in 2017, which is an Irish Government body established to support and promote Sustainable Investment in Ireland. This group's mandate is to provide support to grow sustainable businesses, encourage efficient use of resources across businesses, training and skills development in ESG, and to promote Ireland as a global hub of sustainable finance. Below is a link showing all corporate partners in this program including MIFL, all of whom are leading corporations in Ireland.

<https://www.sustainablenation.ie/>

<https://www.sustainablenation.ie/corporate-partners/>

MIFL will stay up to date and current on other relevant initiatives and regulatory developments as it relates to Sustainable Investment and will continue to review its approach in the context of possible future memberships of other collaboration initiatives.

Section 6: Transparency Requirements

On an annual basis, MIFL will publicly disclose how its engagement policy has been implemented and this information will be made available free of charge on the Mediolanum website.

As required under the SRD II, MIFL will provide certain institutional clients with additional disclosures on an annual basis regarding how its investment strategy:

- complies with the arrangements in place with those clients; and
- contributes to the medium to long-term performance of the assets of that institutional investor.

Section 7: Annual Review

This MIFL Shareholder Engagement Policy is reviewed and approved annually by the Board, or more frequently as required, and is publicly available on Mediolanum website.