


# Voting *Policy* *Statement*

November 2024



The purpose of this policy statement is to outline our approach to voting. The policy applies to all buy list assets, irrespective of product or service, for discretionary client holdings.

As a discretionary investment manager, clients entrust us with making investment decisions on their behalf, including exercising voting rights. Where we invest in externally managed third-party funds, the responsibility for voting on the underlying holdings lies with the third-party fund manager.

## Voting process

- The central research department is informed of an upcoming Annual General Meeting (AGM)/ Extraordinary General Meeting (EGM) by the third-party research service provider, ISS, through the Proxy Exchange Platform. This is passed on to the Responsible Investment (RI) team and the corresponding sector research team for review.
- Each proposal is reviewed on a case-by-case basis and we are not obligated to vote in agreement with ISS recommendation. In instances where the RI team and sector team disagree, this is escalated to the Asset Selection Committee (ASC).
- In instances where the RI team and sector team propose to vote differently to the ISS recommendation, or against management, the rationale is submitted to the ASC for review and approval.

## Voting principles

- **Avoid abstention** – we will always seek to exercise our rights as shareholders through voting. There may be exceptional circumstances in which we decide to abstain, for example where there is a conflict of resolution, a resolution is to be withdrawn or there is insufficient information to make an informed decision.
- **Long-term** – we believe that voting is essential for enhancing long-term value for our shareholders, stakeholders, and society. We aim to support company management when their actions align with protecting long-term shareholder value. We strive to be supportive of management and recommend votes in favour of proposals, unless there is a compelling reason to oppose them.
- **Consistency** – we aim to vote consistently on issues, in line with our guidelines which span Environmental, Social and Governance (ESG) issues. However, we reserve the right to use our discretion when recommending votes, considering market and company-specific circumstances and in order to serve our client's best interests.
- **Transparency** – a record of how we have voted is publicly available to [view on our website](#) and provided on a quarterly basis.
- **Engagement** – where we are voting against management, we will inform companies of our intention and the reasons why on a best-efforts basis.

## Voting guidelines

Voting guidelines shape our voting decisions while leaving room for flexibility to reflect contextual factors related to markets and companies. We do not require our analysts to vote in a certain way, however, outline broad guidelines within which voting decisions will be assessed and implemented on a case-by-case basis.

### Governance

#### Board structure and independence

- We expect to see separate committees for key functions of the board. These committees should include audit, remuneration and nomination committees (unless this is not a requirement of local governance codes).
- Independent directors should be in the majority (if not comprise the whole board) in line with local governance codes. In judging the independence of a director, our considerations include but are not limited to a director's length of tenure, significant shareholdings and material relationships with the company.
- We may vote against the election of individual directors whose presence would cause a board committee to fail to meet local governance guidelines on composition.

## Board member diversity

- A diverse group of directors, that fosters diversity of thought, skills and attributes, is part of the effective oversight of company management, and companies should be transparent about their diversity policies. Where we do not see evidence that the board is taking steps to ensure the board contains the right balance of skills, experience, gender and ethnic diversity, and make appropriate disclosures, we may vote against the re-election of the nomination committee chair. Decisions will be informed by consideration of local market expectations and best practice.

## Overboarding

- We may vote against a director's appointment if we believe their external commitments are excessive and may hinder their ability to fulfil their role effectively.

## Remuneration

- We may vote against remuneration proposals where there is insufficient disclosure of the terms of the remuneration policy and/or how it is directly linked to the performance of the business, where directors are involved in deciding their own remuneration and where we believe pay outcomes are not justified and linked to performance.

## Environmental

### Climate change

- We may vote against the Chair and/or other directors and resolutions, in situations where we consider a Climate Action 100+ (CA100+) company's response to the risks and opportunities presented by climate change to be materially misaligned with the goals of the Paris Agreement. This assessment can be informed by the Transition Pathway Initiative (TPI) management quality assessment and the CA100+ benchmark indicators.
- On 'say on climate' proposals, voting will be driven by consideration of the company's targets, transition plan quality, alignment to the Paris Agreement and progress evidenced.

## Social

### Human rights

- We support shareholder resolutions asking companies to implement policies and management systems addressing human rights, and to report on their human rights impacts.
- We may vote against the annual report and accounts of FTSE 350 companies who have failed to publish an adequate annual modern slavery statement and provided insufficient explanation, or who have caused adverse human rights impacts or controversies and failed to provide appropriate remedy.

## Important information

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