



2021 Q4 - Quarterly Proxy Voting Report

18 January 2022

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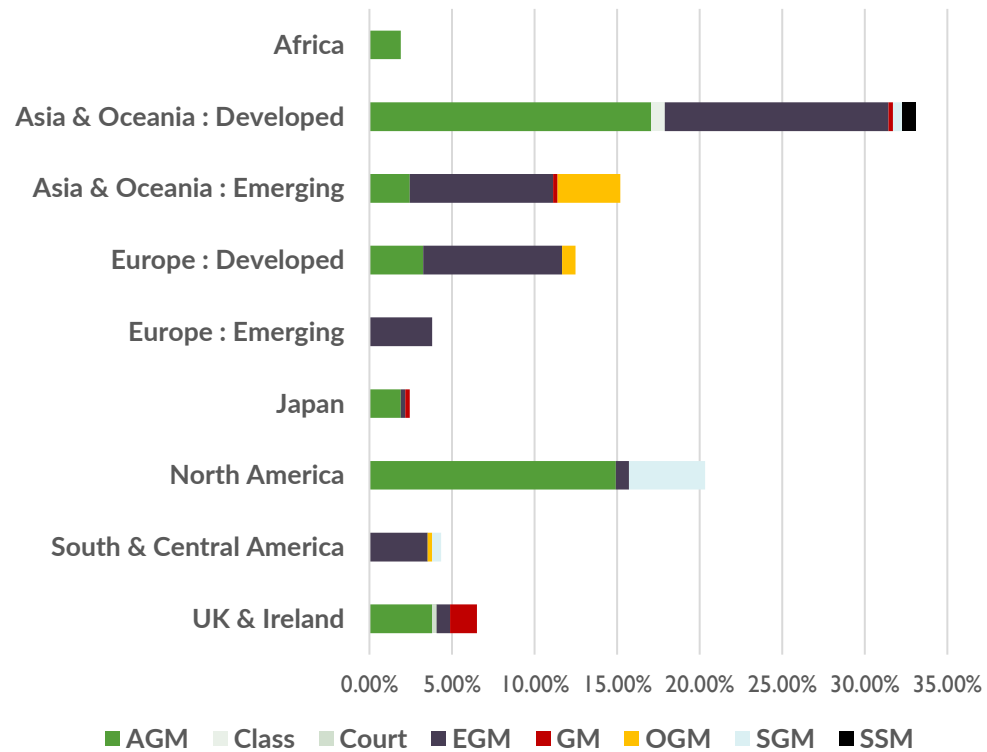
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- Pensioenfonds Vliegend Personeel KLM has developed and implemented policies and procedures to ensure that its fiduciary obligation to vote proxies in the best interest of its clients is fulfilled.
- We actively exercise our rights as an owner of shares to promote responsible and sustainable practices in investee companies.
- We report on our Proxy Voting activities on a quarterly basis in keeping our commitments to our clients as well as the market reporting expectations.
- We have developed a Proxy Voting Policy, setting out our expectations for good corporate governance in the companies in which we invest. The policy has been developed based on global best practice guidelines such as the [ICGN Global Corporate Governance Principles](#) of Corporate Governance, the [G20/OECD Principles of Corporate Governance](#), the [UN Guiding Principles on Business and Human Rights](#) and the [UN Sustainable Development Goals \(SDGs\)](#).
- All data comes from [Minerva Analytics](#), our Proxy Voting service provider.

Vote Summary by Region

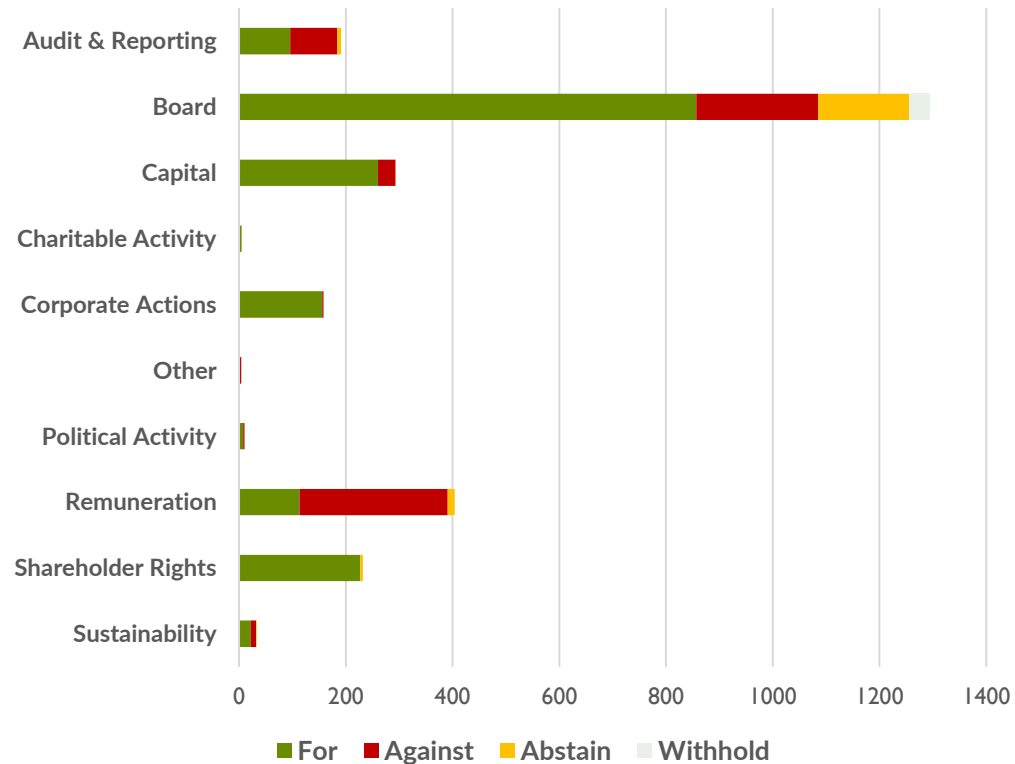
Vote Summary – 2021 Q4



Region	Event Type								Total
	AGM	Class	Court	EGM	GM	OGM	SGM	SSM	
Africa	7	0	0	0	0	0	0	0	7
Asia & Oceania : Developed	63	3	0	50	1	0	2	3	122
Asia & Oceania : Emerging	9	0	0	32	1	14	0	0	56
Europe : Developed	12	0	0	31	0	3	0	0	46
Europe : Emerging	0	0	0	14	0	0	0	0	14
Japan	7	0	0	1	1	0	0	0	9
North America	55	0	0	3	0	0	17	0	75
South & Central America	0	0	0	13	0	1	2	0	16
UK & Ireland	14	0	1	3	6	0	0	0	24
Total	167	3	1	147	9	18	21	3	369

Vote Summary by Resolution Category

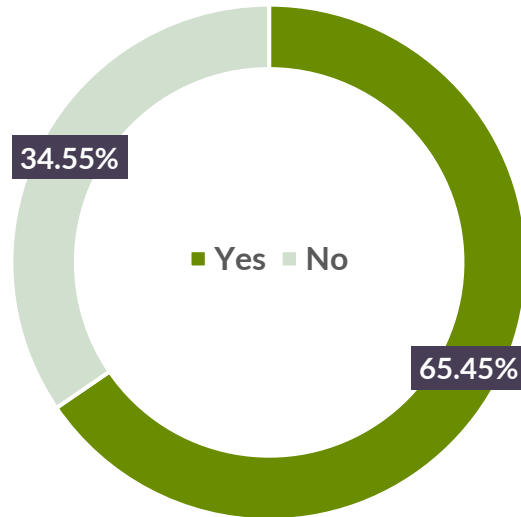
Vote Summary - 2021 Q4



Resolution Category	Votes				Total
	For	Against	Abstain	Withheld	
Audit & Reporting	96	88	7	0	191
Board	857	228	171	38	1,294
Capital	260	33	1	0	294
Charitable Activity	5	0	0	0	5
Corporate Actions	156	2	0	0	158
Other	1	3	0	0	4
Political Activity	8	2	0	0	10
Remuneration	113	278	13	0	404
Shareholder Rights	227	0	5	0	232
Sustainability	22	10	1	0	33
Total	1,745	644	198	38	2,625

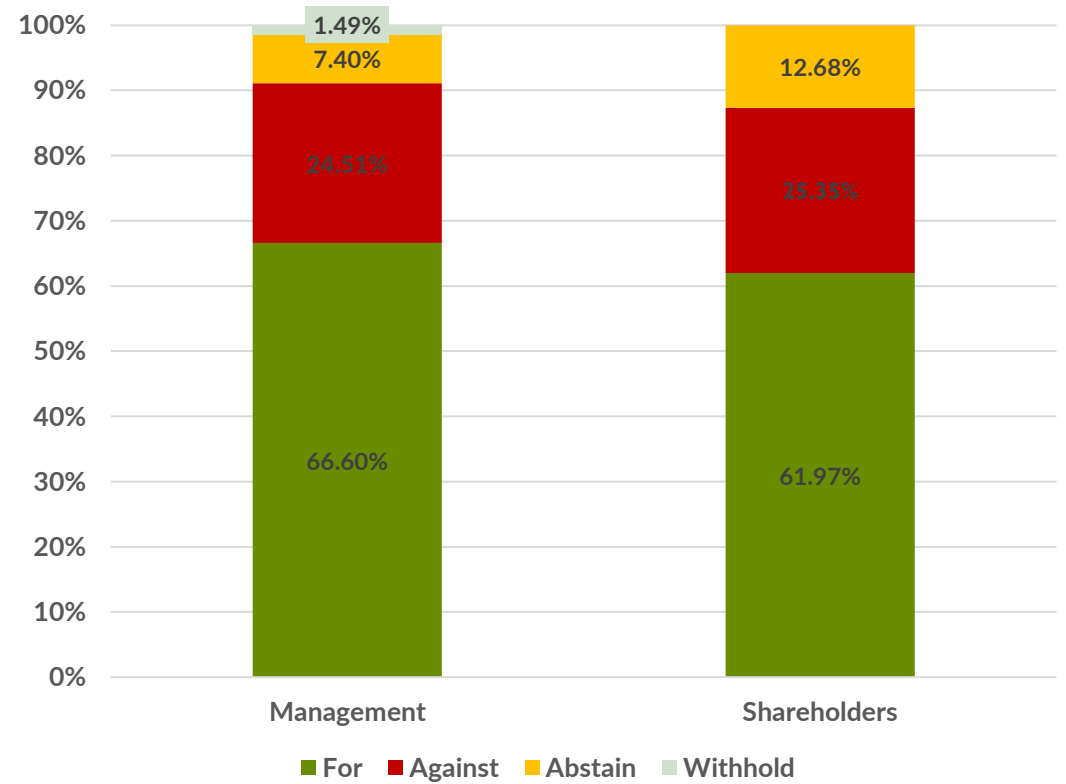
- During the last quarter of 2021, we voted on 369 events and 2,625 resolutions.

Management Recommendation Followed



Votes in line with Management Recommendation	1,718
Votes NOT in line with Management Recommendation	907

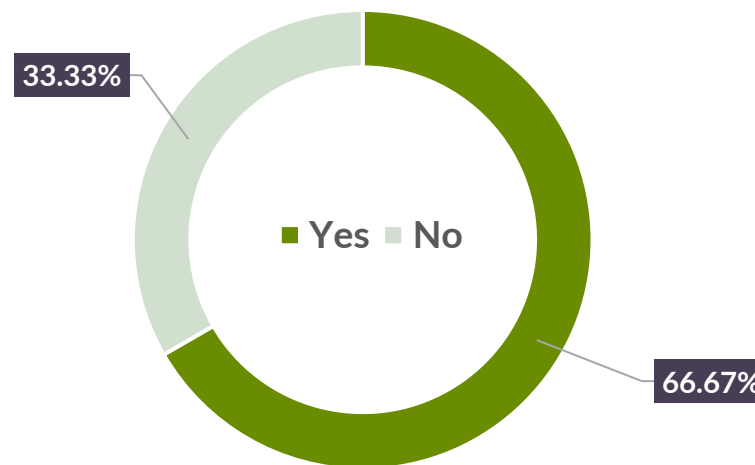
Summary Votes by Proposer



- We use the Sustainable Development Goals (SDGs) to identify Environmental, Social and Governance risks and opportunities. We have identified the below five SDGs themes as priorities.



SDGs Referenced

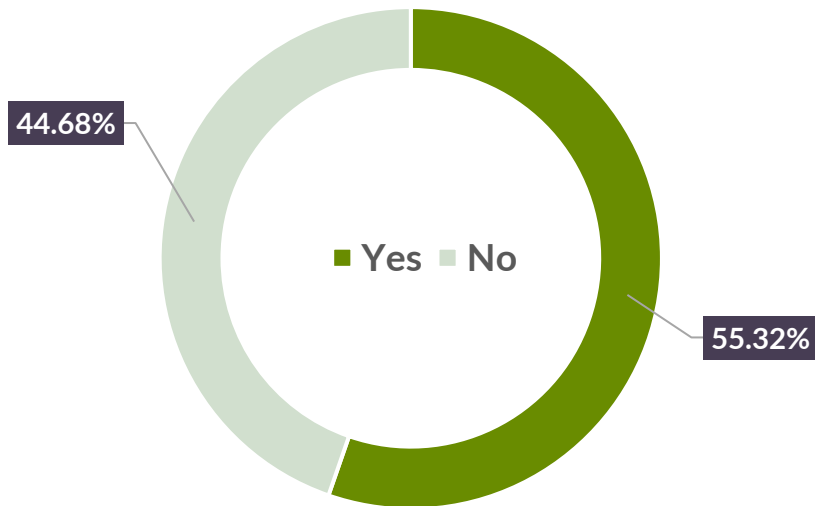


- As part of the Data collection and Research process, Minerva identifies those companies that have referenced the SDGs in their disclosures. In the last quarter of 2021, 66.67% of the companies that held events that we voted on have a material reference to the SDGs.



- We expect companies to have a strategy for reducing carbon emission, to be clear about targets set and to report on the progress achieved.
- Generally, we support proposals that enhance disclosure and provide shareholders with a better view of the company’s practices. To this end, we support the adoption of globally recognised reporting frameworks such as [Task force on Climate related Financial Disclosures \(“TCFD”\)](#).

TCFD Referenced



▪ Minerva has identified that approximately 55.32% of the Companies we voted on between 1 Oct 2021 and 31 Dec 2021 have made specific reference to the TCFD framework and alignment with the disclosure pillars.



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Company	Sector	Incorporated	Event: AGM	Resolution	Proposed by
Insurance Australia Group Ltd	Non-life Insurance	Australia	22 Oct 2021	1 - To adopt the remuneration report for the year ended 30 June 2021	Management

Insurance Australia Group Ltd (IAG) underwrites general insurance, related corporate services and investing activities.

At IAG’s AGM, shareholders voted down the company’s remuneration report, with 54.72% of the shareholder ballot withholding support.

As more than 25% of the votes were cast against the remuneration report, the vote also constitutes a ‘first strike’ under the Australian Corporations Act 2001. If IAG receives 25% votes against or more on the remuneration report in 2022, shareholders will get to vote on a board spill resolution which could enable them to remove the entire board.

The Sydney-based insurance firm reported a loss of AU\$427m in the reporting year after it had to put aside AU\$1.15bn for business interruption claims due to poorly worded policies meaning IAG was liable for losses during COVID-19 lockdowns. IAG also had to deal with staff underpayments and customer refunds related to pricing issues. These issues raise concerns regarding risk management, and internal controls and management systems at the company.

The reported losses and governance failures resulted in major changes to IAG’s board and management team, including the departure of Chair Elizabeth Bryan and Risk Committee Chair Duncan Boyle, and the resignation of Chief Risk Officer David Watts.

Shareholders expressed concerns at the AGM over the remuneration committee’s decision to award annual bonuses to executives in light of financial performance and shareholder returns. We voted against the remuneration report due to these concerns and due to the level of disclosure provided by the committee to justify the annual bonus awards.

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Company	Sector	Incorporated	Event: AGM	Resolution	Proposed by
BHP Group Ltd	Industrial Metals & Mining	Australia	24 Oct 2021	20 - To approve the Climate Transition Action Plan	Management
				22 - To approve the request that the company identifies areas of inconsistency with the Paris Agreement	Shareholders
				23 - To request that the company disclose information pertaining to its fossil fuel assets	

The principal activity of the company is to extract and process minerals, oil and gas.

BHP, the world’s biggest mining company, voluntarily provided shareholders with a vote on its climate transition action plan (a ‘Say on Climate’) at its 2021 AGM. Ahead of the AGM, BHP released a new climate plan that outlined its updated approach to reducing greenhouse gas (GHG) emissions and managing climate risks across its global value chain.

At the AGM, shareholders also filed two climate-related resolutions. One of the resolutions was on climate lobbying and asked BHP to review its industry associations for areas of inconsistency with the goals of the Paris Agreement, and where an association’s record of advocacy is deemed inconsistent, to suspend membership. The board recommended shareholders to vote in favour as it considered the request to be ‘substantively aligned’ with its existing approach.

The second proposal asked for enhanced disclosure of information pertaining to BHP’s fossil fuel assets. Whilst the proposal was disclosure based, the underlying request was for

BHP to manage down its fossil fuel production and the board recommended shareholders oppose the proposal.

We voted against BHP’s climate transition action plan due to concerns with the company’s ambitions to lower its indirect carbon footprint (Scope 3 emissions.) Whilst the climate plan included targets for its shipping and suppliers to achieve net zero emissions by 2050, it excluded its steelmaking customers – the largest contributor to BHP’s Scope 3 emissions. We supported the shareholder proposal on Paris-aligned lobbying and whilst we supported the underlying intention of the shareholder proposal on fossil fuel assets, we abstained as we considered the request to be too directive.

The Say on Climate vote received 14.56% shareholder dissent. The shareholder proposal on lobbying received over 90% votes in favour whilst the fossil fuel assets proposal received 13.83% support.

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Company	Sector	Incorporated	Event: AGM	Resolution	Proposed by
Cintas Corp	Personal Goods	United States of America	26 Oct 2021	4 - To request that the Board introduce the simple majority vote standard	Shareholders

Cintas Corp designs, manufactures and implements corporate identity uniform programs, and provides entrance mats, restroom supplies, promotional products, first aid, safety, fire protection products and services, carpet and tile cleaning and document management services.

At Cintas Corp’s AGM, shareholders put forward a resolution asking the board to eliminate supermajority voting provisions from its governing documents and replace it with a simple majority vote standard.

A supermajority voting standard requires a large majority of shareholders to approve a resolution. In contrast, a simple majority voting standard requires a vote of more than 50% to approve a resolution. Because of the higher threshold requirement, supermajority voting provisions make it harder for shareholders to approve a resolution and can be used as an entrenching mechanism by management.

Cintas’s existing governance documents included a provision requiring certain business decisions to require an affirmative vote of at least 66% of shareholders.

The Council of Institutional Investors Corporate Governance Principles state that “a majority vote of common shares outstanding should be sufficient to amend company bylaws or take other action that requires or receives a shareowner vote.

We voted in favour of the proposal as we consider the use of a simple majority vote to be good practice and that enactment of the resolution would enhance shareholder rights and governance. The resolution received 63.46% votes in favour.

Glossary

■ Meeting Types

- **AGM** - Annual General Meeting: meeting normally required by law taking place on an annual basis.
- **Class** - Class Meeting: shareholders holding a class of share are required to make a decision binding on the company.
- **Court** - Court meeting: shareholders can either order an annual meeting or a special meeting.
- **EGM** - Extraordinary General Meeting: meeting is required to conduct business of an urgent or extra-ordinary nature. Such business may require a special quorum or approval level.
- **GM** - General Meeting: term often used interchangeably with the term EGM,OGM, SGM, depending on the term used by the company in question.
- **OGM** - Ordinary General Meeting: term often used interchangeably with the term EGM,GM, SGM, depending on the term used by the company in question.
- **SGM** - Special General Meeting: term often used interchangeably with the term EGM,GM, OGM, depending on the term used

■ Vote Types

- **Abstain** - Shareholder's vote not in favour or against the proposed resolution, but shareholder demonstrates lack of confidence towards the rationale behind the resolution.
- **Against** - Shareholder's vote against the resolution proposed.
- **For** - Shareholder's vote in favour of the resolution proposed.
- **Withhold** - For North America auditor and director election resolutions, shareholder vote not in favour of the resolution proposed.

DISCLAIMER

■ About Minerva

Minerva helps investors and other stakeholders to overcome data disclosure complexity with robust, objective research and voting policy tools. Users can quickly and easily identify departures from good practice based on their own individual preferences, local market requirements or apply a universal good practice standard across all markets.

For more information please email hello@minerva.info or call + 44 (0)1376 503500

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