



2023 Q4 - Quarterly Proxy Voting Report

29 January 2024

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Introduction

Proxy Voting Snapshot

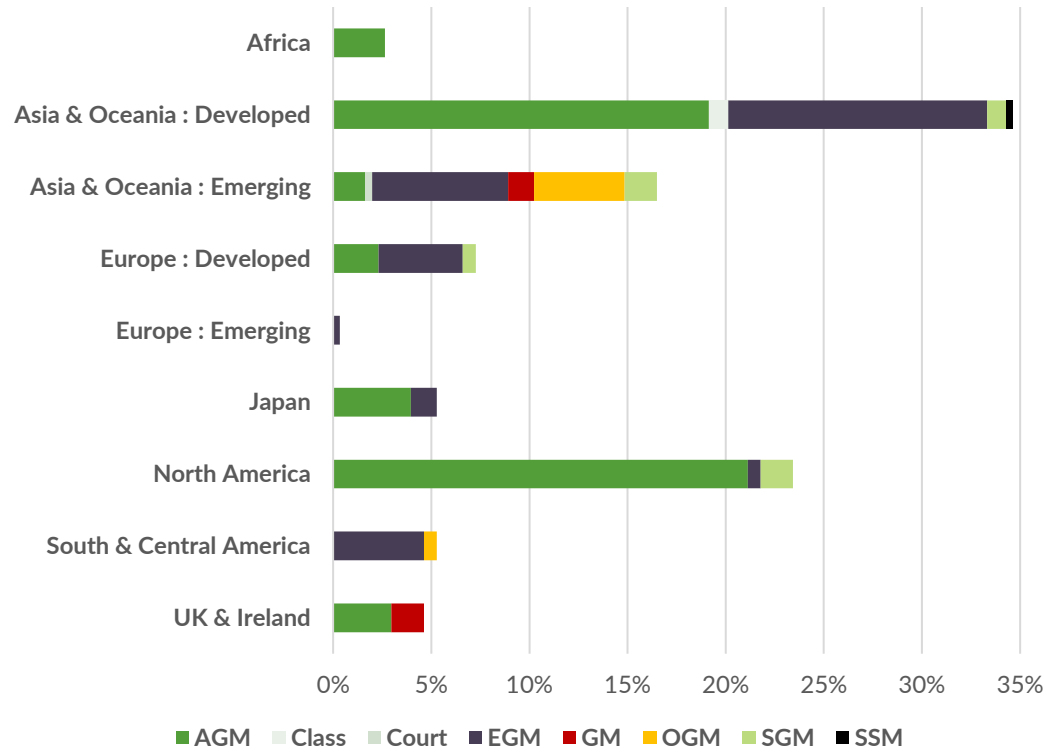
ESG Features

Voting Highlights

- 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 participants 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 participants 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

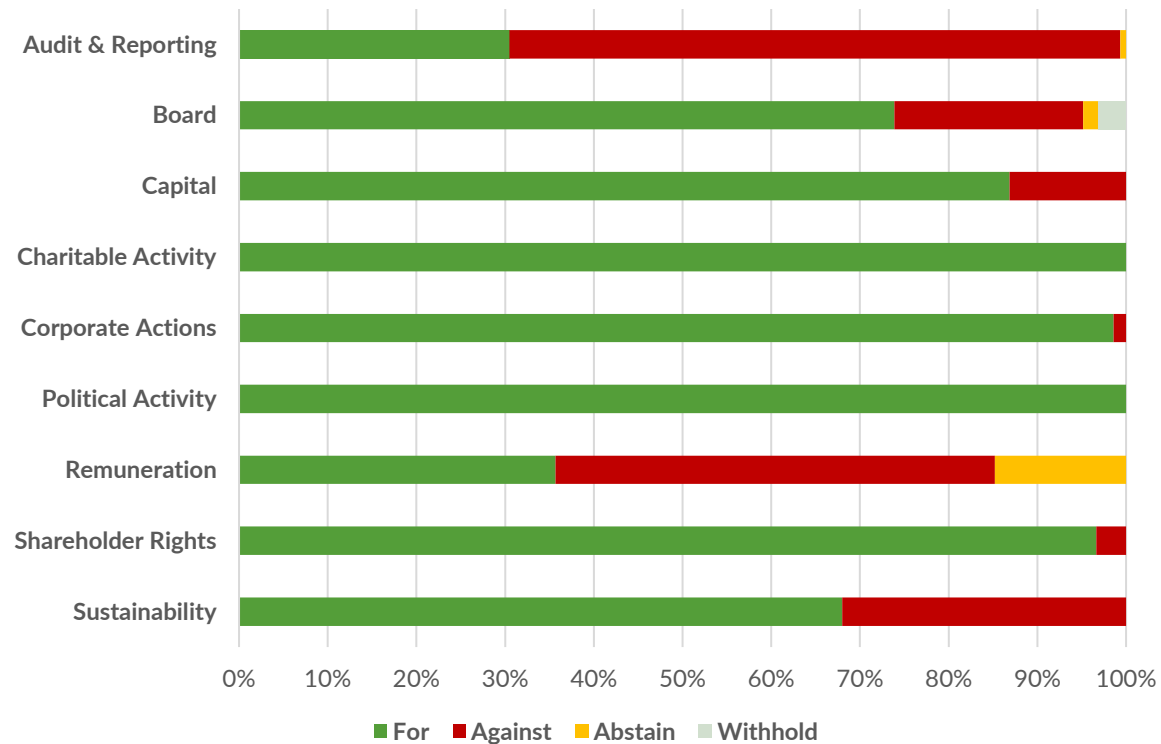
Vote Summary – 2023 Q4



Region	Event Type								Total
	AGM	Class	Court	EGM	GM	OGM	SGM	SSM	
Africa	8	0	0	0	0	0	0	0	8
Asia & Oceania : Developed	58	3	0	40	0	0	3	1	105
Asia & Oceania : Emerging	5	0	1	21	4	14	5	0	50
Europe : Developed	7	0	0	13	0	0	2	0	22
Europe : Emerging	0	0	0	1	0	0	0	0	1
Japan	12	0	0	4	0	0	0	0	16
North America	64	0	0	2	0	0	5	0	71
South & Central America	0	0	0	14	0	2	0	0	16
UK & Ireland	9	0	0	0	5	0	0	0	14
Total	163	3	1	95	9	16	15	1	303

Vote Summary by Resolution Category

Vote Summary – 2023 Q3



Resolution Category	Votes				
	For	Against	Abstain	Withheld	Total
Audit & Reporting	46	104	1	0	151
Board	843	243	20	35	1141
Capital	172	26	0	0	198
Charitable Activity	2	0	0	0	2
Corporate Actions	140	2	0	0	142
Other	0	0	0	0	0
Political Activity	4	0	0	0	4
Remuneration	188	261	78	0	527
Shareholder Rights	229	8	0	0	237
Sustainability	17	8	0	0	25
Total	1641	652	99	35	2427

- During the fourth quarter of 2023, we voted on 303 events and 2,427 resolutions.

Shareholder Proposal Vote Summary

Shareholder proposals are resolutions put forward by shareholders who want the board of a company to implement certain measures, for example around environmental, social and governance (ESG) or sustainability practices.

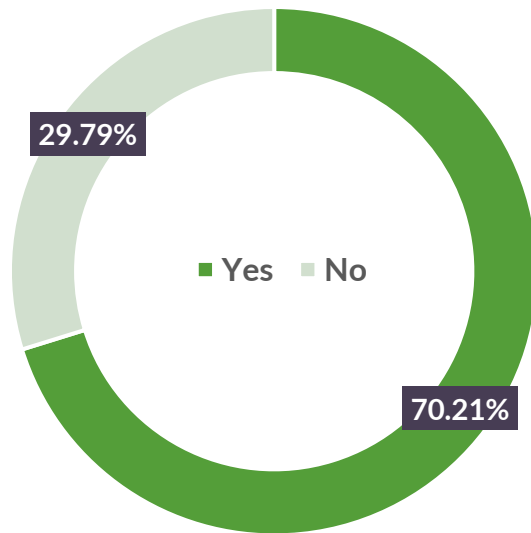
We value the right of shareholders to submit proposals to company general meetings. We will vote in favour of shareholder proposals that promote good corporate citizenship while enhancing long-term shareholder value, sustainability, and good governance.

We will vote against shareholder proposals that are misaligned with these principles and proposals that, in our assessment, are considered duplicative of existing company disclosure, practice and policy; are too prescriptive or seek to micromanage companies; and where the board has provided a commitment to address the issue raised by the proponent.

Resolution Category	Votes				
	For	Against	Abstain	Withheld	Total
Audit & Reporting	0	0	0	0	0
Board	2	3	0	0	5
Capital	0	0	0	0	0
Charitable Activity	0	0	0	0	0
Corporate Actions	0	1	0	0	1
Other	0	0	0	0	0
Political Activity	1	0	0	0	1
Remuneration	1	1	0	0	2
Shareholder Rights	6	1	0	0	7
Sustainability	14	7	0	0	21
Total	24	13	0	0	37

- During the fourth quarter of 2023, we voted on 37 shareholder-proposed resolutions.

Management Recommendation Followed



Votes in line with Management Recommendation	1,704
Votes NOT in line with Management Recommendation	723

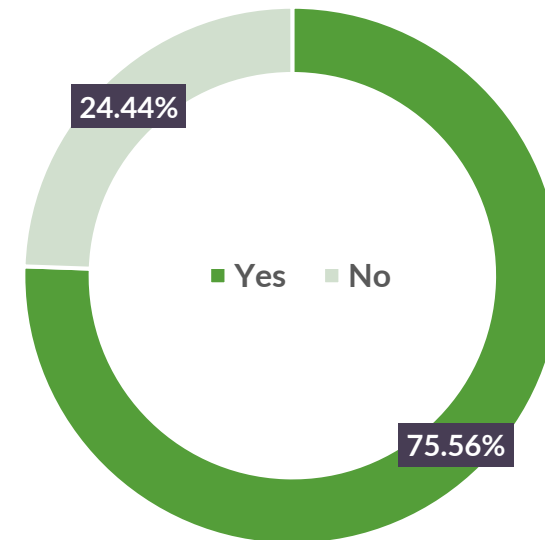
Summary Votes by Proposer



- 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

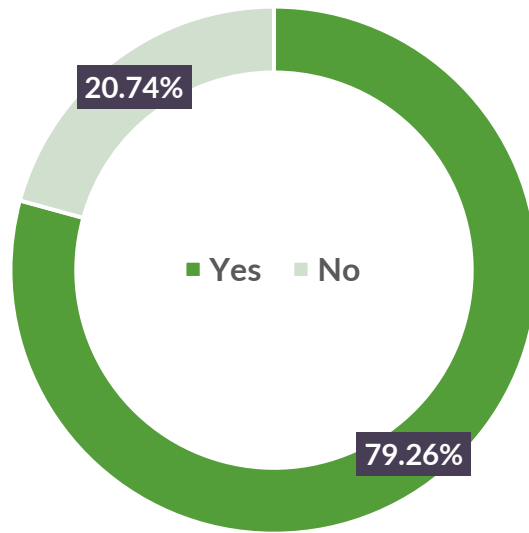


- As part of the Data collection and Research process, Minerva identifies those companies that have referenced the SDGs in their disclosures. In the fourth quarter of 2023, 75.56% of the companies that held events that we voted on have a material reference to the SDGs.



- 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 79.26% of the Companies we voted on between 1 Oct 2023 and 31 Dec 2023 have made specific reference to the TCFD framework and alignment with the disclosure pillars.



Introduction	Proxy Voting Snapshot	ESG Features	Voting Highlights
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Company	Sector	Incorporated	Event: AGM	Resolution	Proposed by
NRW Holdings Ltd	Construction & Materials	Australia	29 Nov 2023	3 – To adopt the remuneration report for the year ended 30 June 2023	Management
				6 – To re-elect as a director, Peter Johnston	Management

The principal activity of NRW Holdings Ltd is the provision of mining and civil construction services.

NRW’s remuneration report was voted down at its 2024 AGM after only 41.27% of the shareholder ballot backed the report. As NRW also received an against vote of more than 25% at the 2023 AGM, this constituted a second strike under the Australian two-strike system.

Under the system, a ‘first strike’ occurs when a company’s remuneration report receives an ‘against’ vote of 25% or more. The ‘second strike’ occurs when a company’s subsequent remuneration report also receives ‘against’ votes of 25% or more. When a second strike occurs, the shareholders will vote at the same AGM on a ‘board spill’ resolution which if passed, the company is required to hold a spill meeting within 90 days at which all individuals who were directors when the directors’ report was considered at the most recent AGM will be required to stand for re-election (other than the managing director).

The intention behind the strike system is to encourage greater transparency and engagement on executive remuneration as well as greater director accountability where boards are unresponsiveness to shareholder concerns.

We voted against the remuneration report due to concerns regarding the remuneration committee’s responsiveness to shareholder concerns as well concerns over the structure and level of executive pay available.

Additionally, on 28 November 2023, the day prior to the AGM, the Board announced that non-executive Peter Johnston had retired as a director with immediate effect. Consequently, the resolution to re-elect Mr. Johnston as a director was withdrawn. However, due to the timing of the announcement, the Company still reported proxy voting poll data for the resolution in the meeting results which indicated that the resolution would have been voted down by shareholders if it had been put to the meeting.

We had intended to vote against the re-election of Mr. Johnston due to “overboarding” concerns, the practice of directors sitting on too many boards at once. The concern is that if a director holds an excessive number of directorships, they may not have sufficient time to discharge their duties effectively. This capacity question was of particular importance in light of Mr. Johnston’s role as chair of the nomination & remuneration committee and ongoing shareholder concerns over remuneration structure.

[Introduction](#)[Proxy Voting Snapshot](#)[ESG Features](#)[Voting Highlights](#)

Company	Sector	Incorporated	Event: AGM	Resolution	Proposed by
Sysco Corp	Personal Care, Drug & Grocery Stores	United States of America	17 Nov 2023	6 - To adopt a stockholder proposal related to a policy for eliminating or reducing gestation crates in the company pork supply chain	Shareholders

Sysco Corp is engaged in selling, marketing, and the distribution of food products to restaurants, healthcare and educational facilities, and lodging establishments.

At Sysco's AGM shareholders put forward a resolution asking the Company to re-establish a policy for eliminating or reducing gestation crates in its pork supply chain, with measurable targets for doing so.

A gestation crate, also known as a sow stall, is a metal enclosure in which a farmed pig used for breeding might be kept during pregnancy. The welfare impacts from the use of these crates in factory farming are controversial primarily due to their small size, often just 2m x 60 cm, barely larger than the sow's body and therefore preventing the sow from moving and turning around. This practice has come under regulatory scrutiny with various states in the United States of America passing laws banning or restricting the use of gestation crates.

The proponent highlighted that in its 2012 sustainability report, Sysco committed to "eliminating gestation crates from our pork supply chain," and promised to "work with suppliers on a timeline to achieve this goal." However, the Company has since weakened its pledge and no longer has a commitment on this issue.

The Board recommended shareholders to vote against the proposal due to two main reasons:

1. As a foodservice distributor, it does not own, raise, breed, process, or transport

live animals; and only within the confines of supply availability and customer preferences does Sysco have an ability to influence the foodservice industry's animal welfare practices at scale.

2. Sysco requires each of our Sysco Brand protein suppliers to comply with the Sysco Corporation Animal Welfare Policy and it monitors these suppliers' compliance through a variety of methods, including third-party animal welfare audits.

We voted in favour of the proposal as we felt that the Company's action in the area lagged peers. For example, many other restaurant companies and retailers – such as McDonald's, Burger King, Wendy's, Kroger and Costco, have adopted policies and actions to reduce gestation crates in their pork supply. Further, whilst Sysco does have a policy on animal welfare and monitors supply chain compliance, the policy does not address the specific subject matter of the proposal (gestation).

The shareholder proposal received 30.44% votes in favour – a significant level of support indicating shareholders support a strengthening of Sysco's animal welfare commitments on this issue.

Introduction	Proxy Voting Snapshot	ESG Features	Voting Highlights
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	Company	Sector	Incorporated	Event: AGM	Resolution	Proposed by
	Microsoft Corp	Software & Computer Services	United States of America	07 Dec 2023	10 - To request the Board report to shareholders on tax transparency	Shareholders
					11- To request the Board report to shareholders on data operations in human rights hotspots	Shareholders
					13 - To request the Board report to shareholders on AI Misinformation and Disinformation	Shareholders

Microsoft Corp is engaged in developing, licensing and supporting a range of software products and services.

At Microsoft’s 2024 AGM there were three shareholder proposals that received over 20% votes in favour that we voted in favour of. A threshold of 20% dissent or more is commonly used in corporate governance codes and institutional guidelines to indicate that a significant proportion of shareholders have voted contrary to management recommendation. When a resolution receives 20% or more dissent, we believe that boards should engage with shareholders on the issue and demonstrate responsiveness to shareholder concerns.

Under item 10, the proponent requested that Microsoft issue a tax transparency report, prepared in consideration of the indicators and guidelines set out in the Global Reporting Initiative’s (GRI) Tax Standard. The GRI standard is considered a leading international framework for reporting on tax, and we supported the proposal as we considered enactment would enhance transparency and accountability on Microsoft’s global tax practices.

Under item 11, shareholders requested the Board to commission a report assessing

the potential implications of siting Microsoft cloud datacenters in countries of significant human rights concern, and the Company’s strategies for mitigating these impacts. We voted in favour as we believed shareholders would benefit from additional risk management reporting in this area.

Under item 13, shareholders requested the Board issue a report assessing the risks to Microsoft’s operations and finances as well as risks to public welfare presented by the Company’s role in facilitating misinformation and disinformation disseminated or generated via artificial intelligence (AI), and plans to remediate those harms, and the effectiveness of such efforts.

AI and algorithmic decision-making processes present significant opportunities for companies. Companies around the world from wide-ranging sectors are investing into the development of new products that use AI to enhance performance and productivity. At the same time, these technological advancements present risks in regard to the amplification of human bias resulting in discriminatory outcomes, threats to privacy and surveillance, and the dissemination of disinformation and misinformation. We therefore voted in favour of the proposal as we are supportive of additional reporting on risk management in this key emerging area.

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: where shareholders can order an annual meeting or a special meeting from a court or where a meeting is called by a Court of Law to approve a Scheme of Arrangement
- **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
- **SSM** - Scheme Meeting: term often used interchangeably with the term Court, depending on the market in question.

■ 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.

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