

# Proxy voting policy

July 2020





# Proxy voting policy

Contents

1. Introduction	3
2. Regulatory framework	3
3. Scope of application	4
4. General principles	5
5. Criteria	5
5.1. Exercise and registration	
6. Governance	
7. Validity	6
8. Publication	6

## 0.1 Introduction

CaixaBank Asset Management, SGIC or the Management Company, as part of its commitment to evolve towards a sustainable economy that combines long-term profitability with social justice and protecting the environment, has established within its Proxy Voting Policy a long-term involvement in the companies in which they invest. This means having a more significant participation in corporate governance decisions and contributing to improving the financial and non-financial performance of said Companies.

It focuses its voting decisions not only on long-term profitability criteria, but also considers the environmental, social and management factors, particularly those mentioned in the United Nations' Principles for Responsible Investment.

The Proxy Voting Policy applicable to the Management Company has been drafted along these lines.

## 0.2 Regulatory framework

This Proxy Voting Policy has been drawn up in accordance with applicable law, in particular, the following provisions:

- (i) Law 11/2018 of 28 December amending the Commercial Code, the restated text of the Corporate Enterprises Act approved by Royal Legislative Decree 1/2010 of 2 July and Law 22/2015 of 20 July on the Auditing of Accounts, concerning matters of non-financial information and diversity.
- (ii) Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement.
- (iii) Law 35/2003 of 4 November on Collective Investment Schemes (CIS).
- (iv) Royal Decree 1082/2012 of 13 July approving the Regulations for the implementation of Law 35/2003 of 4 November on Collective Investment Schemes (RCIS).

## 0.3 Scope of application

In accordance with the provisions of article 115 of the RCIS, CaixaBank Asset Management, is obliged to exercise, with special attention to the right to attend and vote in the General Meetings, the rights inherent in the securities that make up the mutual fund (MF) portfolios it manages.

The same obligation extends to the SICAVs managed by CaixaBank Asset Management, SGIC, unless these reserve the exercise of voting rights in the management contracts. The management contracts signed between the SICAV and the Management Company provide that CaixaBank Asset Management, SGIC, in its capacity as an SGIC, transfers the appropriate instructions to the Depositary Entity in order to preserve the benefit and interest of the shareholders of the SICAV in the exercising of voting rights, but expressly states that the ownership and exercise of such rights correspond to the SICAV itself.

This obligation will be applicable provided that the issuer is a Spanish company and the joint participation in the funds and SICAVs managed by CaixaBank Asset Management, SGIC is greater than 12 months, provided that said participation represents at least 1% of the capital of the investee company.

Notwithstanding the foregoing, CaixaBank Asset Management, SGIC in its commitment to promote the exercise of shareholder rights, has expanded the framework of action required by the regulations so that it also includes the exercising of the right to vote when the issuer is a company with its registered office in an OECD Member State and its shares are admitted to trading in a regulated market that is located or operates in an OECD Member State.

In any case, CaixaBank Asset Management, SGIC may exercise such rights, even if the requirements mentioned above are not met, provided that it is advisable in the interests of the shareholders or unitholders of the CISs managed by CaixaBank Asset Management, SGIC.

Conversely, CaixaBank Asset Management, SGIC reserves the right not to exercise such rights should there be sufficient grounds to justify such action.



## 0.4 General principles

CaixaBank Asset Management, SGIC diligently exercises the attendance and voting rights, to the exclusive benefit and interest of the unitholders and shareholders in accordance with the nature of each of the corporate resolutions submitted before the Annual General Meeting for approval, based on the information made public or the information made available to the shareholders, such being the grounds for calling the General Meeting.

In any event, the decision on how to vote will be taken with total independence and objectivity in relation to the CaixaBank Group. On 11 October 2018, CaixaBank, as the Parent of its Group of which CaixaBank Asset Management, SGIC forms part, ratified the relationship of independence that must exist at all times between CaixaBank as the Parent and CaixaBank Asset Management, SGIC, as well as any other entity that is under the control of CaixaBank Asset Management, SGIC, in respect of the exercise of the political rights inherent in the securities that make up the CIS portfolios managed by the Management Company.

CaixaBank Asset Management, SGIC must exercise the voting rights of the assets of the managed CISs in a manner completely independent to CaixaBank and there should be no direct or indirect interference by CaixaBank to determine, interfere with or condition such exercise.

In compliance with the regulations and in order to reinforce the principle of transparency, CaixaBank Asset Management, SGIC, records a summary of the policy implemented in relation to the exercise of the political rights inherent in all the securities of the managed CISs and the direction of the vote exercised in each one in the annual report of each of the managed CISs.

## 0.5 Criteria

CaixaBank Asset Management, SGIC's voting policy is in line with its vision of socially responsible investment, and is very attentive to the issues of social responsibility and sustainable development, as well as those of governance, as these are essential in the evaluation of a company. A global vision of the company which goes beyond the purely financial aspect, integrating all risks and opportunities in its analysis using ESG criteria (environmental, social and governance). By exercising the right to vote, it aims to influence corporate policies in order to improve the deficiencies in ESG.

The quality of information on the governance of the company, its changes, its position in relation to good market practices and its relations with the stakeholders/interest groups, are essential elements. Therefore, they are fully integrated into voting decisions.

In line with its adherence to the United Nations Principles for Responsible Investment (UNPRI), it will exercise the right to vote based on the evaluation of the medium- and long-term performance of the company in which it invests, taking into account environmental issues (e.g.: pollution, sustainable use of resources, climate change and the protection of biodiversity), social (e.g.: gender equality) and governance (e.g.: remuneration policies).

Furthermore, as an entity forming part of the CaixaBank Group that collaborates in the achievement of the United Nations Sustainable Development Goals (SDGs) established in the 2030 Agenda for Sustainable Development, it will adopt decisions concerning the direction of the vote, taking into account aspects related to the SDGs.

CaixaBank Asset Management, SGIC believes that fair, complete and transparent financial information is essential in order to exercise voting rights. The insufficient quality of the information may lead to abstention or negative voting.

It will show itself to be in favour of profit distribution, when the financial position of the company has been favourable over time.

In respect of the composition of the Boards of Directors, it is in favour of the existence of a majority of independent directors, as well as the requirement of competencies, experience and dedication of their members.

In relation to the selection of auditors, it will be in favour of those who have demonstrated ample efficiency in fulfilling their obligations.

CaixaBank Asset Management, SGIC considers transparency in the remuneration policy and in its implementation as necessary. As stated in its remuneration policy, it is "based on the application of principles that are consistent with the data provided by market references, obtained from various remuneration reports periodically commissioned from specialised external consultants, which allow us to position the remuneration model at an individual level and at a position level with the market". Therefore, it requires that there is an adequate proportion between fixed and variable components, with a link between the remuneration objectives and performance.

In relation to the capital structure, it considers all resolutions that provide greater liquidity to the security or increase its trading volume as favourable.

### 5.1. Exercise and registration

While exercising the right to vote, it will follow the circuit detailed in the Proxy Voting Procedure during its exercise while keeping a record of both the votes cast and those not exercised.



## 0.6 Governance

It is the responsibility of the Board of Directors to approve the Proxy Voting Policy. Any amendment and/or update to the Policy will be approved by the Management Committee and ratified by the Board of Directors.



## 0.7 Validity

The Policy will be in force indefinitely, without prejudice to the amendments, adaptations and updates that are necessary and agreed by the governance bodies of CaixaBank Asset Management, SGIC.



## 0.8 Publication

The Proxy Voting Policy will be published on the website of the Management Company.