



UNJSPF

United Nations Joint
Staff Pension Fund

Summary of proxy voting guidelines

Version 1

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Introduction

The Office of Investment Management (OIM) of the UN Pension Fund has a fiduciary duty to exercise voting rights attached to the shares it owns, in the best interests of the plan and its members. That is done by voting for resolutions that are likely to enhance long term shareholder value and by opposing resolutions that are likely to dilute or diminish shareholder value.

OIM adheres to sustainable investment proxy voting guidelines in partnership with leading global provider, Institutional Shareholder Services (ISS). These guidelines seek to promote support for recognized global governing bodies promoting sustainable business practices advocating for stewardship of environment, fair labour practices, non-discrimination, and the protection of human rights.

ISS's Sustainability Policy and guidelines will take as a frame of reference internationally recognized sustainability-related initiatives such as the United Nations Environment Programme Finance Initiative (UNEP FI), Principles for Responsible Investment (PRI), United Nations Global Compact, Global Reporting Initiative (GRI), Carbon Principles, International Labour Organization Conventions (ILO), CERES Principles, Global Sullivan Principles, MacBride Principles, and environmental and social European Union Directives. Each of these efforts promote a fair, unified and productive reporting and compliance environment which advances positive corporate ESG actions that promote practices that present new opportunities or that mitigate related financial and reputational risks.

The below are below guidelines contain examples of specific voting recommendations with regards to Board of directors' composition and nomination, remuneration and E&S proposals. These guidelines are based on a commitment to create and preserve economic value and to advance principles of good corporate governance. They are not rigid policy positions, and OIM considers extenuating circumstances that might call for a different vote than a specific guideline suggests.

Board of Directors

The Fund believes high quality corporate boards should be comprised of mostly independent directors and be diverse with an appropriate balance of skills, expertise, and tenure. The following are common instances that may result in an against/ withhold vote for a director

- Nominee directors are incumbent members of the audit committee and non-audit fees are greater than 25% of total fees paid to the auditor
- Nominee directors are incumbent members of the nominating committee and there is not at least one woman on the board
- Directors who are not considered independent and serve on a board that is less than 50% independent
- Directors with poor attendance, that is, directors who fail to attend at least 75% of the aggregate board and key board committee meetings on which the director served, absent an appropriate explanation for any extraordinary circumstances

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Remuneration and Executive Pay

The Fund believes executive pay packages should maintain appropriate pay-for-performance alignment, avoid arrangements that risk “pay for failure”, provide shareholders with clear and comprehensive compensation disclosures, and avoid inappropriate pay to non-executive directors. The following are common instances that may result in an against vote for a remuneration/executive pay package:

- There is a significant misalignment between CEO pay and company performance
- The company maintains significant problematic pay practices
- The board exhibits a significant level of poor communication and responsiveness to shareholders

Auditor Ratification

The Fund will vote to ratify auditors unless any of the following apply:

- The non-audit fees paid represent 25 percent or more of the total fees paid to the auditor;
- An auditor has a financial interest in or association with the company, and is therefore not independent;
- There is reason to believe that the independent auditor has rendered an opinion that is neither accurate nor indicative of the company’s financial position;
- Poor accounting practices are identified that rise to a serious level of concern, such as: fraud; misapplication of GAAP etc.

Environmental and Social Resolutions

The Fund supports proposals advocating ESG disclosure of universal norms/codes of conducts.

The Fund will generally vote for social and environmental shareholder proposals that promote good corporate citizens while enhancing long-term shareholder and stakeholder value. Vote for disclosure reports that seek additional information particularly when it appears companies have not adequately addressed shareholders' social, workforce, and environmental concerns.


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