

Mirabaud AM Engagement & Voting Policy

June 2025 vs. January 2021: what changed, and what it means for your ballot

Mirabaud Asset Management

Proxy Voting Policy (January 2021) replaced by Engagement & Voting Policy (June 2025)

The two most recent published editions, compared in full

The voting guidelines have not changed a word in four and a half years. What was added is an entire engagement policy - and with it, for the first time, a stated willingness to vote against directors over ESG failures.

Source: the two published policy documents, read in full. Every quotation below is taken verbatim from them.
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A note on dating

Mirabaud's archived files are labelled by the year they were captured, not by their contents. Both the 2023 and 2024 captures are the same document - a procedure headed "Mirabaud Asset Management Proxy Voting Policy" and dated January 2021 on every page. The current file is a different document: "Engagement & Voting Policy," dated June 2025. This report compares those two, and refers to them by their own dates.

Between the two archived 2021 captures there was exactly one substantive insertion - the sentence confirming that MAM Group "systematically receives voting recommendations in line with the ISS Sustainability Proxy Voting Guidelines." Everything else was page numbering.

The short version

This is a document replacement rather than a revision. The January 2021 file was a nine-page procedure about how votes get cast. The June 2025 file is a fifteen-page policy in which voting is the second half; the first half is an engagement and exclusion framework that did not previously exist in published form.

The single most important thing to know is what did not move. Mirabaud's actual voting guidelines - board composition, chair/CEO separation, remuneration structure, one share one vote, auditor independence, capital raising, ESG - were carried across into an appendix and are 96% word-identical to the 2021 text. The handful of differences are copy-editing: "comprise" became "be comprised of," "the board as a whole" became "the board." Nothing in them would change a vote.

What is new:

- A five-level controversy framework, in which Level 5 means "automatic exclusion and divestment from the investment universe" - a hard screen applied at the top of the eligible universe across equity, convertible and fixed income portfolios.
- A four-step escalation ladder that, for the first time, names voting as a sanction: "Voting against board members responsible for ESG strategy failures."
- A commitment to vote: "MAM Group aims to vote on 100% of votable proposals." There was no equivalent target in 2021.
- Named engagement priorities aligned to the EU Corporate Sustainability Due Diligence Directive - climate transition to Net Zero 2050, biodiversity following TNFD, and human rights under the UN Guiding Principles.
- A conflicts of interest section and a transparency section, neither of which existed in 2021.

And one qualification that cuts the other way: the 2025 document adds a sentence saying MAM Group "may decide to deviate from its voting guidelines to take into account company-specific circumstances or the ISS recommendations." The 2021 text contained no such general reservation.

Direction of travel

Substantially more activist in intent, unchanged in voting substance. The engagement half of the document commits Mirabaud to things the 2021 procedure never mentioned - exclusion, public statements, filing shareholder resolutions, voting against directors. But the guidelines that determine how any given ballot item is decided are the same ones, and ISS Sustainability remains the source of the recommendations they are applied to.

1. The voting guidelines did not change

Section 3 of the 2021 procedure was called "Voting Guidelines." It is now the appendix, "MAM Group Voting Guidelines." Run the two through a word-level comparison and they come back 96% identical, with every difference a matter of grammar.

So the following are Mirabaud's positions in 2025 exactly as they were in 2021:

- Directors elected "individually and annually by the shareholders."
- Chair and CEO split: "The roles of chairman and CEO are fundamentally different and should not be held by the same person. When there is combination of these functions, the board should provide detailed and substantial justification and take steps to offset such concentration of power."
- Audit, nomination and remuneration committees expected at every company.
- Pay: fixed and variable elements, variable based on "clear and challenging performance targets," and "a large part of the variable elements should be paid in the form of shares subject to appropriate vesting and holding period (at least three years)."
- "The one-share-one-vote principle must be respected. Any deviation from this principle should be demonstrably beneficial to all shareholders."
- Shareholder rights to file proposals, requisition meetings, and vote on material changes; and board access "through channels that are independent of executive management."
- Auditor independence, disclosure of the audit/non-audit fee split, and mandatory rotation of the auditor in charge.
- Pre-emption rights on new share issues, no unlimited capital authorisations, and a requirement to explain the terms of any authorised or conditional capital.
- Each material amendment to the articles of association put to a separate vote.
- ESG risk factors "included in the long-term strategic business planning of the company."

Why this matters

For an investor in a Mirabaud fund, this is the practical answer to "has the policy changed?" On the question of how a ballot item will be decided - no. The three-year share vesting expectation, the chair/CEO split, one share one vote and the auditor rotation requirement are the same tests they were four and a half years ago. What changed is the apparatus around them.

2. The new escalation ladder

The 2021 procedure described how ISS recommendations get turned into votes and how an entity could depart from them. It said nothing about what Mirabaud would do if a company behaved badly. The 2025 document sets out four steps.

June 2025, new:

"If an Investee company fails to demonstrate progress on material ESG concerns within a period agreed upon with such Investee company, MAM Group may escalate engagement through: Issuing public statements outlining ESG concerns. Filing or co-filing shareholder/bondholder resolutions to push for policy changes. Voting against board members responsible for ESG strategy failures. Considering divestment, if persistent non-compliance is observed."

Three of those four are notable for a manager of Mirabaud's size. Filing or co-filing resolutions is an active-ownership step most mid-sized European managers do not commit to in writing. "Voting against board members responsible for ESG strategy failures" is a direct link between engagement outcomes and director elections that the 2021 document did not make. And divestment as a stated consequence sits oddly with a house whose funds are largely benchmark-aware - but it is written down.

The ladder is preceded by a softer trigger: where an issuer "fails to respond to the MAM Group's engagement attempts and shows no sign of progress on material ESG topics," the SRI team and portfolio manager "will consider disinvestment or any other measure they may deem expedient or necessary, while taking into consideration the best interest of investors."

All of it is discretionary - "may escalate," "will consider" - and none of it is tied to a threshold. So this is a statement of intent rather than a rule. But it is the first such statement Mirabaud has published alongside its voting policy, and it is the part of the document most likely to show up in a proxy season.

3. Exclusion: the controversy framework

The genuinely binding new mechanism is not in the voting half of the document at all. It is a screen applied before a stock can be bought.

June 2025, new:

"Companies identified as being involved in activities classified as Level 5 controversies by our external data providers are excluded from the investable universe. Level 5 controversies are defined as major incidents that contravene established international norms (e.g., global conventions, multilateral accords), certain national laws, or that present significant risks to human health or the environment. Such cases are deemed non-remediable through engagement."

The five levels run from dialogue recommended (Level 1) through surveillance (Level 2), prompt engagement and ongoing monitoring (Level 3), immediate engagement with divestment considered (Level 4), to automatic exclusion (Level 5). Levels 3 and 4 are re-examined for whether the allegation is proven and whether it is a repeat, with escalation for recurrence and de-escalation if disproven.

There is an override, and it is tightly drawn: companies at Level 4 or Level 5 "may be retained within the eligible investment universe" where there is "demonstrable, ongoing engagement and a strong likelihood of meaningful corrective action," but only with "the joint approval of the MAM SRI and Risk Management teams," documented.

Why this matters

A voting policy determines what happens at a meeting. An exclusion screen determines whether you are at the meeting at all. This applies across equity, convertible and fixed income - so it reaches holdings that carry no vote - and the classification is outsourced to "external data providers," which means a third party's controversy rating now has a direct portfolio consequence. That is a more binding commitment than anything in the voting guidelines.

4. Engagement priorities, KPIs and the voting target

Three named priorities, anchored to EU law

The 2025 document commits to focus areas "aligning with the EU Corporate Sustainability Due Diligence Directive (CSDDD) and best practices":

- "Climate transition strategies: ensuring investees align with the Net Zero 2050 pathway."
- "Biodiversity & ecosystem protection: encouraging issuers to disclose and mitigate biodiversity risks, following Taskforce on Nature-related Financial Disclosures (TNFD) guidelines."
- "Human rights & social responsibility: engaging on corporate compliance with the UN Guiding Principles on Business and Human Rights, promoting fair labour practices and supply chain transparency."

Underneath, materiality is assessed sector by sector using the SRI team's judgement "and also on third party research outputs, such as the Sustainability Accounting Standards Board (SASB) Materiality Map." None of this appeared in 2021.

Measured, at least nominally

Engagement success is now measured against three named KPIs: the percentage of investee companies adopting science-based climate targets, the proportion improving board diversity and governance structures, and the number enhancing ESG disclosure "particularly Scope 1, 2 and 3 emissions." Bespoke KPIs can be designed for funds pursuing sustainable objectives "or those applying for a specific certificate" - a reference to the French ISR Label, which the introduction confirms applies to certain products.

A voting coverage target

June 2025, new:

"This policy and associated procedures aim to allow for a systematic, consistent and transparent exercise of voting rights associated with listed equity held within the portfolios of the MAM Funds, whereby MAM Group aims to vote on 100% of votable proposals."

The 2021 document expressed the same idea less precisely - "the adopted strategy is to exercise all voting rights associated with the stocks held by the portfolios" - and that sentence survives into 2025 alongside the new target. The practical enabler is also unusual, and survives with one small edit worth flagging. 2021: "MAM Group has prohibited security lending which allows it to fully exercise its voting rights." 2025: "MAM Group as a matter of internal policy does not engage in security lending which allows it to fully exercise its voting rights." A prohibition became a practice. The effect is the same today - a manager that does not lend stock has no recall problem and no record-date gaps - but the 2025 formulation would be easier to change.

Collaborative engagement, newly named

Mirabaud now commits to joining collaborative engagements "through its association with organizations such as the Principles for Responsible Investment, the CDP or the Climate Action 100+." The introduction adds support for the Net Zero Asset Managers Initiative and states that MAM "incorporates Task Force on Climate-related Financial Disclosures (TCFD) recommendations into its engagement strategy" - a reference several larger managers removed from their documents this year.

5. Machinery: what survived, what was dropped, and one new reservation

ISS is still the engine

Unchanged from 2021: ISS provides the recommendations, and "MAM Group systematically receives voting recommendations in line with the ISS Sustainability Proxy Voting Guidelines," with links to the international and US versions. Votes are "in principle, exercised according to the recommendations of ISS," with particular focus on mergers, liquidations and spin-offs.

The override machinery also survives intact, and it is stricter than most. For funds administered by Mirabaud Asset Management (Suisse) SA, a decision to depart from ISS "can only be taken by the executive committee," with reasons minuted. For funds administered by the European entity, "such a decision can only be taken by the senior management of MAME," again minuted. For discretionary mandates, a departure must be "sponsored internally by the portfolio manager and reviewed independently by the relevant MAM Group entity's executive committee prior to endorsement and implementation."

The new reservation

June 2025, new:

"MAM Group may decide to deviate from its voting guidelines to take into account company-specific circumstances or the ISS recommendations."

This sits directly beneath the cross-reference to the appendix. It is the one place where the 2025 document is less committal than the 2021 one, which set out the guidelines without any general escape clause. In practice the executive-committee approval requirements above constrain it, but the sentence is there and it is new.

What was dropped

- The costs section. 2021 specified that the costs of exercising voting rights are borne by the sub-funds and mandates, while ISS's analysis and recommendation costs, and the cost of reviewing the policy, are borne by MAM Group. None of this appears in 2025.
- The availability section, under which any investor could request additional information on voting free of charge from the relevant MAM Group entity.
- The list of covered funds - Mirabaud (CH), Mirabaud Fund (CH), Mirabaud Multi Assets, Mirabaud SICAV and Mirabaud Swiss Alpha Plus were named in 2021. In 2025 the scope is defined by reference to a list "maintained by the SRI Team of MAM Group" and not published.
- The revision and approbation clause, which required approval of the policy and any amendments "by the competent governing body of the relevant MAM Group entity."

The proxy voting dashboard survives, as does the record-keeping obligation. Both are now framed inside a new transparency section that also cites the annual stewardship report "submitted annually to the UK Financial Reporting Council in order for Mirabaud Asset Management Ltd (UK) to retain its signatory status to the UK Stewardship Code."

Conflicts of interest, newly addressed

The 2021 procedure had no conflicts section. The 2025 one identifies two firm-level risks - voting at a company whose pension scheme is a MAM client, and employees' personal account transactions or outside business activities relating to investee companies - and a third where "MAM Group's proxy voting guidelines or engagement practice collide with the views of an individual client," handled by formalising responsibilities at client onboarding. Staff must refer conflicts to compliance, disclose directorships, and have personal dealings pre-cleared.

One further structural note: the policy now explicitly states that it discharges compliance with "Article 3g lit (a) of the EU Shareholder Rights Directive," which is the provision requiring asset managers to publish an engagement policy. That is the legal reason the document exists in this form.

The bottom line

Mirabaud has not changed its mind about anything on a ballot. It has changed what it says it will do when a company disappoints it.

The voting guidelines are the same guidelines. ISS Sustainability still supplies the recommendations, the executive committees still have to sign off on any departure, and the firm still refuses to lend stock so that it can vote everything it holds. On the question an investor most often asks - would this policy have produced a different vote in 2021 - the answer is no.

The substance of the update is elsewhere. A controversy screen now removes the worst offenders from the universe before a vote is ever cast. An escalation ladder now contemplates public statements, filed resolutions and votes against directors held responsible for ESG failures. Engagement has named priorities tied to CSDDD and named KPIs tied to SBTi adoption, board diversity and Scope 3 disclosure.

Two cautions. All of the new commitments are discretionary and none carries a threshold, so the published stewardship report - not this document - is where they will be tested. And the removal of the costs disclosure, the free-information undertaking and the named fund list makes the 2025 policy less useful to an investor trying to work out whether it applies to them than the 2021 procedure was.