

SVM ASSET MANAGEMENT



# Responsible Investing Report

MARCH

# 2021





# Responsible Investing at SVM



Responsible investing is an important aspect of the service we offer our clients and a key point of differentiation with passive investment strategies and many other active managers. SVM began managing Socially Responsible Investment (SRI) products in 2006. Since then, our engagement principles have evolved to include environmental, social and corporate governance (ESG) issues across our range.

Our top priorities are to do our best for our clients, by maximising their portfolio returns and protecting their interests, and to drive benefit for society. To select investments, we employ a consistent and disciplined approach that focuses on intensive bottom up research. As part of our investment process we assess many factors including ESG considerations for their potential to materially affect a company's performance.

As a boutique investment firm we recognise that, because in most cases we will not hold significant positions in investee companies, it can be difficult to encourage changes in management attitudes and behaviour purely by exercising client voting powers alone. Instead, we have adopted a more flexible approach and we engage with company management and boards as and when we believe it will be of most benefit.



# Company Engagement

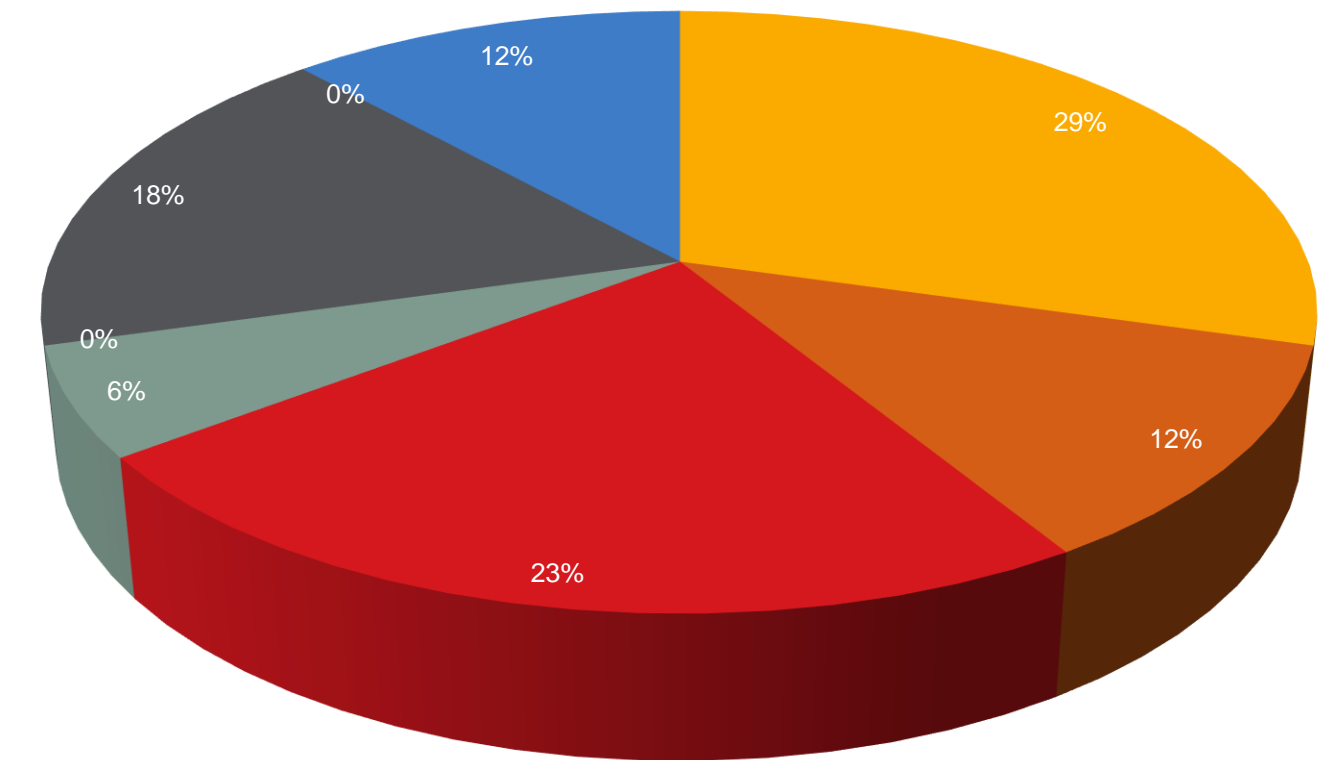


## Engagement Policy

We enter into a dialogue with every potential investment with a view to having a positive influence on the company concerned. Using information derived from a combination of in-house research, dialogue with the company and external sources we identify the key issues and discuss them directly with company management, in order to affect change.

## Q1 2021 Engagement Update

During the quarter we engaged with 11 companies on 18 ESG issues.



- Reporting/Disclosure   ■ Environment   ■ Remuneration
- Sustainability Strategy   ■ Diversity   ■ Governance
- Society   ■ Supply Chain   ■ Human Rights



# Company Engagement - Q1 2021



Company	Engagement Topics								
	Reporting / Disclosure	Environment	Remuneration	Sustainability Strategy	Diversity	Governance	Society	Supply Chain	Human Rights
Avon Rubber			•						
Future plc			•			•			
RWS plc			•			•			
Nordic Entertainment	•		•					•	
Ceres Power	•								
Barco	•	•							
Next								•	
Mediobanca		•		•					
ITM Power	•								
Blue Prism						•			
Maxcyte	•								



# Voting



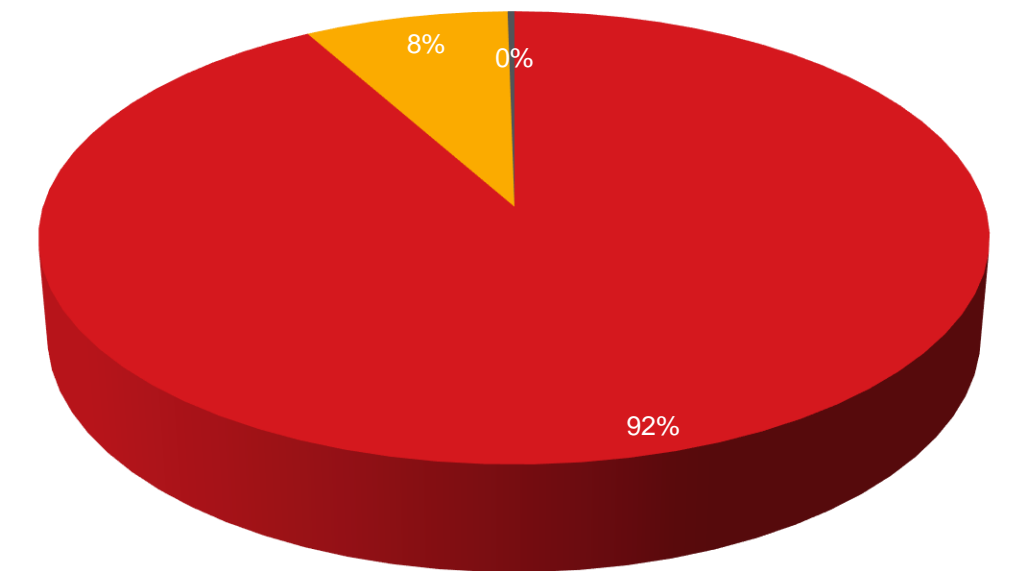
## Voting Policy

We seek to promote corporate social responsibility through engagement and a negative vote will only be viewed as a final measure to be adopted when this process of engagement has not been successful. We have and will express our views in this way if necessary. Our emphasis is on engagement and resolving issues through dialogue.

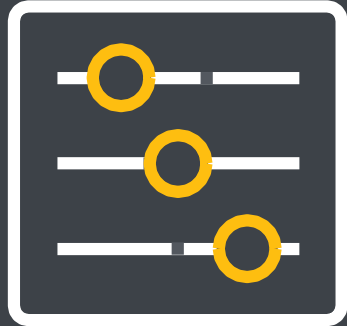
[Click here](#) for voting records for SVM Asset Management from 1 January 2019.

## Q1 2021 Voting update

Across 391 unique proposals to vote, we voted, 361.



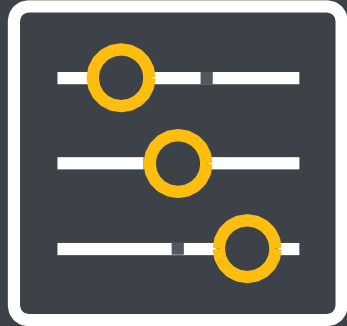
■ For ■ Did Not Vote ■ Against/Withhold ■ Abstain



# Voting Rationale



Date	Security	Resolutions voted against / abstained	Reason
15/01/2021	Diploma plc	11. Approve Remuneration report	We have voted against Item 11 the Remuneration Report as the CFO has retired and they have changed their policy to allow him to benefit from existing LTIP arrangements.
18/01/2021	Avon Rubber plc	2. Approve Remuneration report	We voted against Item 2 as a result of excessive executive pay increases.
03/02/2021	RWS Holdings plc	2. Approve Remuneration report 4. Re-elect Andrew Brode as Director 17. Adopt new articles of association	We have voted against Items 2,4 and 17. For 2 and 17 the remuneration practices do not meet the required standards and 4 is abstaining against the Chairs reappointment as he is over boarded and a non-independent member of the remuneration committee. <b>Update</b> 4/2/21 - following discussions with the company we will now vote for Item 17 as ISS had misunderstood its intentions.
03/02/2021	Future plc	3. Approve Remuneration policy 4. Approve Remuneration report 18. Approve Value Creation Plan	We have voted against Items 3,4 and 18 as a result of excessive remuneration practices.
05/02/2021	Applegreen plc	3. Amend share plans	We have voted through this and another resolution backing the Applegreen takeover. There is a further meeting where we're voting against the management receiving their LTIP early regardless of their position. Three separate ballot papers but please take this email to cover them all.



# Voting Rationale



Date	Security	Resolutions voted against / abstained	Reason
04/03/2021	Plus500 Ltd	A. Vote FOR if you are a controlling shareholder or have a personal interest in one or several resolutions, as indicated in the proxy card; otherwise, vote AGAINST. You may not abstain. If you vote FOR, please provide an explanation to your account manager.	We voted against Item A which is a technical requirement under Israeli law to declare we are not controlling shareholders, a move that is necessary if we are to be permitted to vote at the AGM
04/03/2021	Blue Prism Group plc	5. Re-elect Jason Kingdon as director	We voted against the re-election of the Chair as he also holds the position of CEO
11/03/2021	Arden Partners plc	1. Accept financial statements and statutory reports.	We are voting against Item 1 as the option strike price has been reset with no proper rationale and new options can vest in under 3 years.
30/03/2021	Rio Tinto plc	3. Approve remuneration report for UK law purposes 4. Approve remuneration report for Australian law purposes 5. Re-elect Megan Clark as Director	We have voted against Items 3+4 as the CEO is receiving rewards despite a malus provision which should result in clawback after destroying an Aboriginal burial site. We have also voted against the reappointment of the sustainability committee chair (Item 5) as a result of the same incident.



# Contact Us



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