



Signatory of:



Active investment. Responsible outlook.
Responsible Investing Report
January 2020

ACTIVE STOCKPICKERS



For professional advisers only – not to be relied upon by retail clients

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.

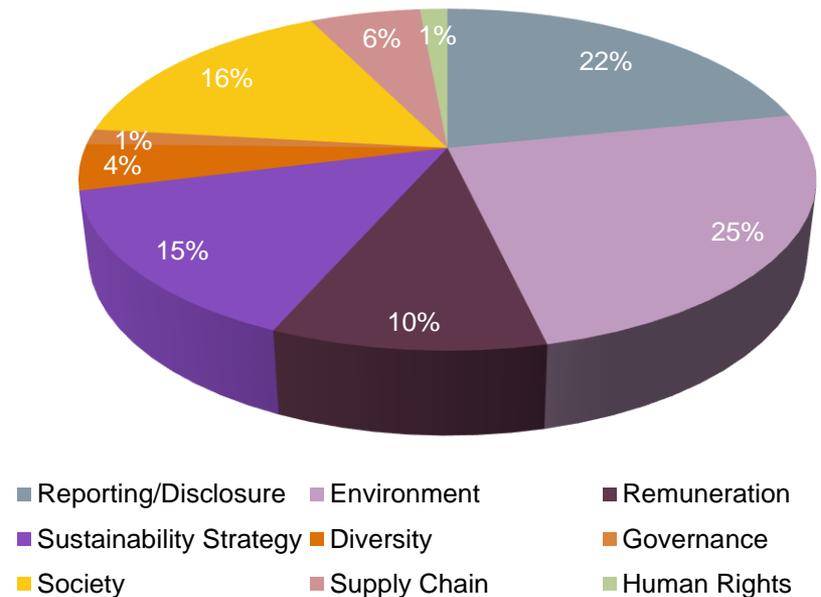
A precursory look at the company's literature looks highly encouraging with some ambitious targets set for environmental improvements, such as a 40% reduction in the energy intensity of the company's estate accompanied by an increase in renewable energy generating capacity across the group. The culmination of these efforts being a 40% reduction in CO2e emissions by 2025. At face value this appears like a company at the forefront of the move to align itself with the principles of the Paris Agreement. Further analysis, and some discussions with management, leads to a very different conclusion. The environmental targets apply to what the company call their "responsible space" and "qualifying buildings". Unfortunately, there is no definition given for such terms but further investigation makes it clear that they refer to only 37% of total floorspace. This makes quantifying and assessing the environmental targets a meaningless exercise. Likewise the promise on renewable energy which only applies to generating capacity not energy produced. When asked, the company states that they do not disclose the level of renewable energy they produce or purchase, again making their targets appear redundant. And this is a FTSE 100 company, these issues tend to be encountered with greater frequency and magnitude the further down the market capitalization range you travel.

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.

Q4 2019 Engagement Update

During the quarter we engaged with 22 companies on 69 ESG issues.



COMPANY	ENGAGEMENT TOPICS							
	Reporting/ Disclosure	Environment	Remuneration	Sustainability Strategy	Diversity	Governance	Society	Supply Chain Human Rights
Norsk Hydro		•						
CHR Hansen	•	•		•				
IWG	•							
Jost Werke	•	•		•				
Metso	•	•						
GVC			•				•	
BASF		•		•				
Unite							•	
AB Dynamics	•							
Pirelli	•	•		•				
Dechra Pharmaceuticals	•	•					•	•
Croda	•	•		•		•	•	
Kerry Group		•		•			•	•
Beazley	•	•	•					
London Stock Exchange	•	•	•		•		•	
Discoverie		•	•	•			•	•
Homeserve	•	•	•	•			•	
JD Sports	•	•		•	•		•	•
Johnson Service Group	•	•	•					
AstraZeneca		•	•				•	
Just Group	•	•		•	•		•	
Applegreen	•							

Source: SVM

Voting Policy

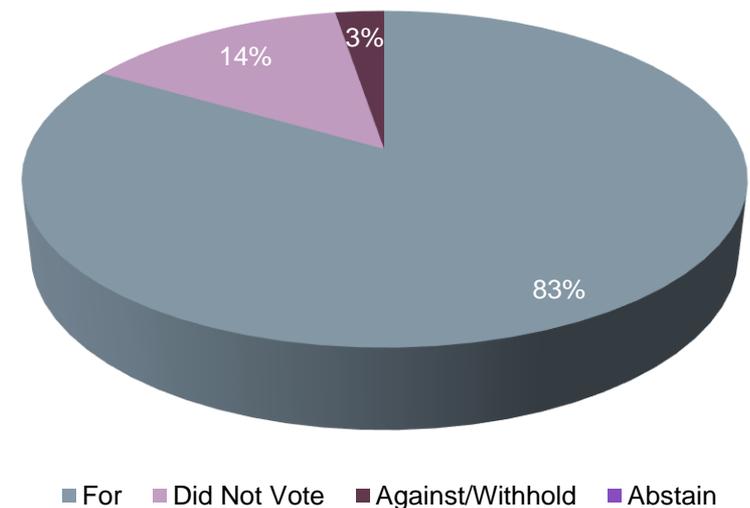
We seek to promote corporate social responsibility through engagement and a negative vote will only be viewed as a final measure to be adopted when this process of engagement has not been successful. We have and will express our views in this way if necessary. Our emphasis is on engagement and resolving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

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

Q4 2019 Voting Update

Across 193 unique proposals available to vote, we voted 166.

Votes cast were in line with management recommendations 99% of the time, with 1% contrary to management recommendations.



Date	Security	Resolutions Voted Against	Reason
31/10/2019	Abcam plc	6. Re-elect Peter Allen as Director	Voted against Item 6 as we consider the director over-boarded.

For further information please contact:

Erin Elliot

eelliot@svmonline.co.uk

SVM Asset Management

7 Castle Street

Edinburgh

EH2 3AH

+44 (0)131 226 6699

www.svmonline.co.uk

www.thevaluekey.co.uk

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