

SVM ASSET MANAGEMENT



# Responsible Investing Report

JUNE

# 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

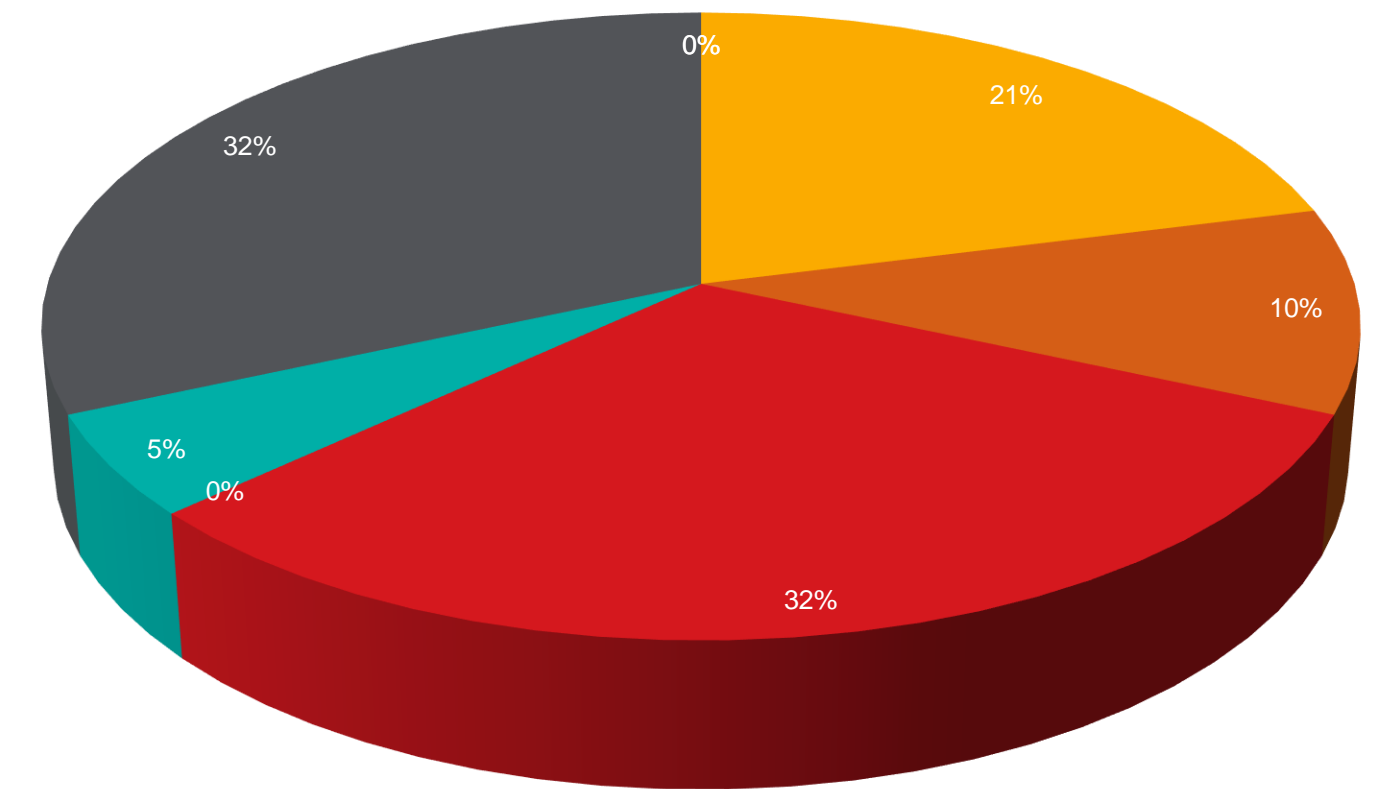


## Engagement Policy

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.

## Q2 2021 Engagement Update

During the quarter we engaged with 13 companies on 19 ESG issues.



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



# Company Engagement - Q2 2021



Company	Engagement Topics								
	Reporting / Disclosure	Environment	Remuneration	Sustainability Strategy	Diversity	Governance	Society	Supply Chain	Human Rights
ActiveOps	•								
CRH	•	•	•						
Tremor International			•			•			
London Stock Exchange			•						
Flutter			•						
Menzies									
Jost Werke	•								
Catena Group						•			
Schibsted						•			
TI Fluid Systems	•	•	•		•				
Ceo Medical						•			
JD Sports			•			•			
Aveva						•			



# Voting



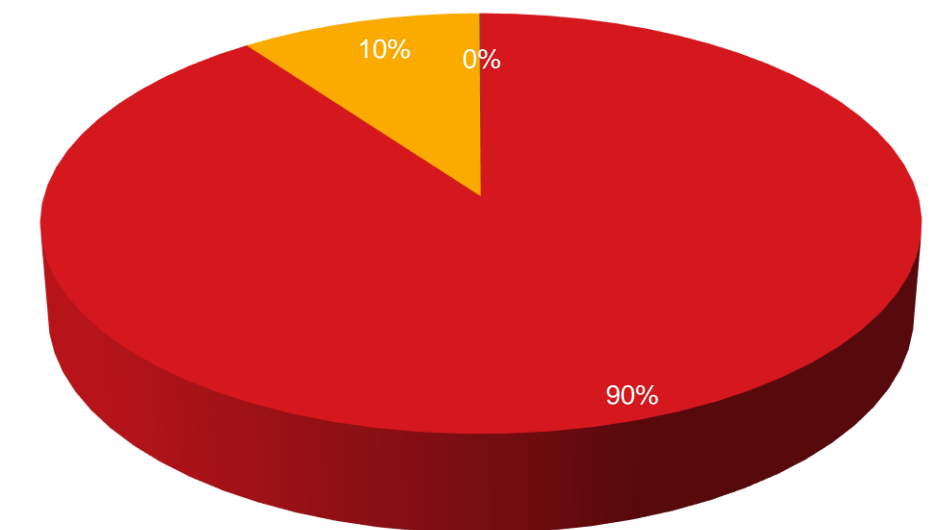
## Voting Policy

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.

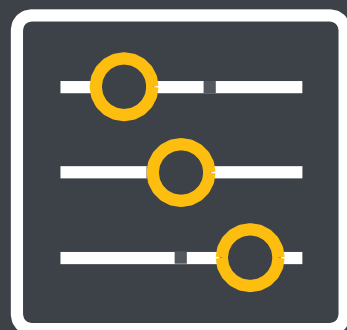
[Click here](#) for voting records for SVM Asset Management from 1 January 2019.

## Q2 2021 Voting update

Across 2010 unique proposals to vote, we voted, 1816.



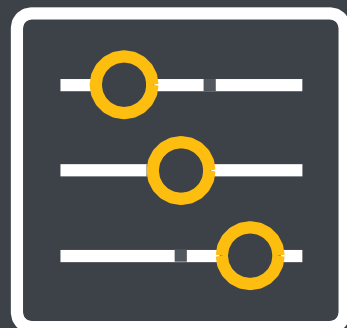
■ For ■ Did Not Vote ■ Against/Withhold ■ Abstain



# Voting Rationale



Date	Security	Resolutions voted against / abstained	Reason
08/04/2021	Crayon	12. Approve Remuneration Statement	We have voted against Item 12 as LTIP vesting periods are less than 3 years.
08/04/2021	Banca Mediolanum SpA	2.1 Approve Remuneration Policy 2.3 Approve Severance Payments Policy 3. Approve Executive Incentive Bonus Plan 4.3.1 Appoint Directors: slate 1 option 4.4 Approve Remuneration of Directors	We voted against Items 2.1, 2.3 and 3 as a result of inappropriate remuneration practices and against 4.3.1 and 4.4 as there were alternative slates offered for voting.
16/04/2021	London Stock Exchange Group plc	3. Approve Remuneration report	We are voting against Item 3 as the CEO has received a disproportionate salary increase of 25%.
16/04/2021	Flutter Entertainment plc	2. Approve Remuneration report	We voted against Item 2 as the 17.5% increase in the CEO salary is considered excessive and long term incentive targets are being retrospectively altered.
16/04/2021	Tremor International Limited	4. Approve new remuneration of Ofer Druker, CEO and Executive Director 5. Approve new remuneration of Yaniv Carmi, COO and Executive Director 6. Approve new remuneration of Sagi Niro, GFO and Executive Director 7. Approve increase to available pool of 2017 Company's Equity Incentive Plan 9. Approve amendments to Articles of Association Item 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.	We have voted against Items 4, 5, 6 & 7 as the remuneration packages are overly dilutive, Item 9 as it gives too much power to the board in terms of appointing new directors and it creates a substantial increase in issued share capital. We have voted against Item A which is a technicality declaring we are not majority shareholders.

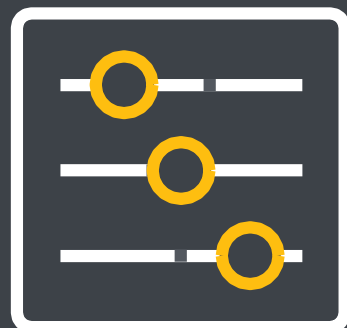


# Voting Rationale



Date	Security	Resolutions voted against / abstained	Reason
27/04/2021	JOST Werke AG	5. Approve remuneration policy	We have voted against Item 5 as the policy gives authority to the board to grant discretionary bonuses and the CEO and CFO remuneration potential exceeds market practice.
27/04/2021	Schibsted ASA	9H - Elect Hugo Maurstad as director	We are voting against Item 9H as the director concerned is considered over-boarded.
06/05/2021	Uniphar plc	5. Authorise board to fix remuneration of auditors	We abstained on Item 5 as the auditor is being paid additional fees for non-audit work in excess of the audit fee.
06/05/2021	TI Fluid System plc	2. Approve remuneration report 3. Approve remuneration policy 4. Re-elect Manfred Wennemar as Director 11. Re-elect Stephen Thomas as Director	We have voted against Items 2+3 as a result of excessive remuneration and Item 4 as a result of the director's overall responsibility for reward. Voting against item 11 as he is on the nomination committee but is not independent.
06/05/2021	Orange SA	Items 20, 22, 24, 27 and 29 - allowing the Board to use delegations under items 19, 21, 23, 26 and 28 (authorising issuance of equity and capital increases) in the event of a public tender offer. 25. Authorise the Board to increase capital in the event of additional demand A. Amending item 31 (authorising up to 0.07% of issued capital in use in restricted stock plans underperformance conditions reserved for some employees and Executive Corporate Officers) to align the allocation of free shares to the Group Employees with that of LTIP Incentives for Employees. B. Amend article 13 of bylaws re plurality of directorships.	We have voted against all resolutions that protect the company against a public tender. A is to align workers LTIP with the CEO's which is a very French socialist move but to be commended under the S in ESG. B is to split the Chair and CEO role which we would like to see to bring France in line with UK standards, neither of which are likely to happen but worth supporting and we've written to them on all points.



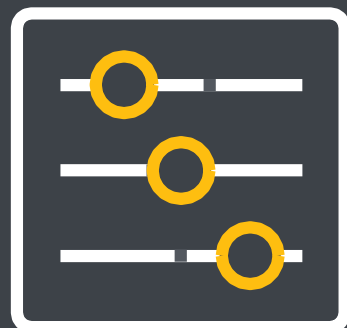


# Voting Rationale



Date	Security	Resolutions voted against / abstained	Reason
06/05/2021	Nordic Entertainment Group	13b. Re-elect Simon Duffy as Director 17e. Approve equity swap agreement as alternative equity plan financing.	We have voted against Item 17e which proposes an alternative equity plan and Item 13b where the director is considered over boarded.
10/05/2021	BOKU Inc	5. Approve Remuneration Report	We have voted against Item 5 as there is a lack of targets for RSU's and NED's are receiving variable awards.
10/05/2021	Kape Technologies	1. Accept Financial Statements and Statutory reports 10. Authorise issue of equity 12. Authorise issue of equity without pre-emptive rights	We are voting against Item 1 as the CEO and CFO are receiving substantial salary increase without any explanation for the rationale. Items 10+12 also voted against as more equity was issued in 2020 than had been asked for.
10/05/2021	Hilton Food Group plc	3. Re-elect Robert Watson as Director	We have voted against item 3 as the chair's tenure is >19 years.
11/05/2021	Total SE	6. Re-elect Patrick Pouyanne as Director 13. Approve Remuneration Policy of Chairman and CEO.	Voted against item 6 as role of CEO and Chair are combined and Item 13 as target for 2021 GHG emissions is above those GHG emitted in both 2019 and 20.
13/05/2021	JDE Peet's NV	2b. Approve Remuneration Report	We have voted against item 2b as the remuneration practices are poor.

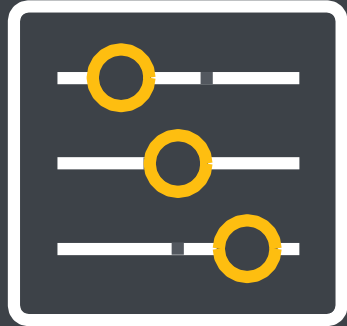




# Voting Rationale



Date	Security	Resolutions voted against / abstained	Reason
28/05/2021	Verallia SA	<p>14. Authorise issuance of equity or equity-linked securities without pre-emptive rights up to aggregate nominal amount of EUR 83 million</p> <p>15. Approve issuance of equity or equity-linked securities without pre-emptive rights up to aggregate nominal amount of EUR 83 million</p> <p>16. Authorise Board to set issue price for 10 percent per year of issued capital pursuant to issue authority without pre-emptive rights</p> <p>17. Authorise Board to increase capital in the event of additional demand related to delegation submitted to shareholder vote above under items 13-15.</p>	We are voting against items 14-17 as these resolutions allow for issuance of equity in excess of 10% without pre-emptive rights.
10/06/2021	Pirelli & C SpA	<p>3.1.1 Slate 1 submitted by Marco Polo International Italy Srl and Camfin SpA</p> <p>A Deliberations on possible legal action against directors if presented by shareholders.</p>	We have voted against slate 1 as this was an either/or resolution. Also voted against Item A as not enough specific detail given on the proposal.
25/06/2021	JD Sports Fashion plc	<p>2. Approve remuneration report</p> <p>3. Approve remuneration policy</p> <p>4. Re-elect Peter Cowgill as director</p> <p>6. Re-elect Andrew Leslie as director</p> <p>13. Approve Long Term Incentive Plan 2021</p>	We are voting against the rem report as the company paid bonuses and took government aid, the remuneration policy because of a reward system skewed toward the CEO, the appointment of the Chair as he also holds the position of CEO, the appointment of director Andrew Leslie as he is responsible for the remuneration policy as chair of the rem committee and finally the LTIP for the above mentioned reasons.



# Voting Rationale



Date	Security	Resolutions voted against / abstained	Reason
28/06/2021	Aveva Group plc	7. Re-elect Olivier Blum as Director	We are voting against Item 7 as the director involved is considered non-independent yet sits on the remuneration committee which goes against best practice.



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