

Stewardship Statement

Our approach towards voting and engagement

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Sustainability is today one of the most important drivers of risk and return. The transition from WILD to CLIC® requires profound change in major systems that affect 95% of our investment universe. We believe that energy, materials and land and ocean systems represent areas where investment is needed at scale to effect urgent transformation and ensure we respect planetary boundaries.

In this [3+1 systems change](#), we are firm believers in the importance of stewardship. This is a crucial approach to protect and enhance the long-term sustainable value of the assets entrusted to us by our clients, and an indispensable tool to achieve long-lasting impact beyond financial returns. Through active ownership, we support the expansion of the portion of the economy that is aligned to the transition.



Rebeca Coriat
Head of Stewardship

Overarching objectives of our stewardship effort

As a responsible investor, we have the duty to engage and vote to shape sustainable companies. Using stewardship, we specifically aim to reach two key objectives:

- 1. Promote alignment with the sustainability transition. In line with existing Substantial Contributions Tests, Do No Significant Harm Tests and Social & Governance Tests, through stewardship we promote higher ambition and credibility in companies' sustainability transitions, better and improved overall disclosures, and practices, as well as taking a role in addressing controversies.**
- 2. Leveraging our suite of sustainability (roadmap, fundamental and systematic) research, through stewardship we seek to support and push companies to align themselves with shifting profit pools.**

We discharge our stewardship responsibilities in an integrated manner with investment and research teams, through engagement across asset classes and through proxy voting. We enter into dialogue with companies, engage with them and use our votes (when applicable) to promote their alignment with the sustainability transition, and promote sustainable returns. We use this dialogue to enhance our understanding of a company's sustainability, allowing us to feed it back into investment analysis.

Voting and Engagement, tools of our stewardship effort

We understand and use proxy voting and engagement as constituents of our stewardship continuum.

Through engagement, a meaningful two-way conversation, we seek to build relationships of trust with our investee companies. It is a crucial, integrated approach throughout the investment lifecycle, seeking to ensure that our companies are aligned with the sustainability challenges they face. Through engagement we raise issues, share our science-based evidence and trajectories and seek to understand how the company is able to react to them and how it engages itself in an internal process to address them. Our engagement policy provides the framework of the engagement activities we carry out.

Proxy voting allows us to hold management accountable at least once a year and express and convey our views and preferences, even if no prior engagement has taken place. Enhanced voting, that is voting *against* a management resolution, or *for* a shareholder proposal *following* an engagement is one of the more powerful stewardship escalation mechanisms we have at our disposal given the legally binding nature of most resolutions that are put to a vote, the readiness and availability that companies display around shareholders meetings' season, and the fact that a company will have full prior visibility on the rationale for the vote against. This vote against may trigger further engagements, allowing us to bring a stewardship outlook into our financial analysis.

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