

ShelteR Investment Management S.A.

SRD II Disclosure Report

(covering the account period 2024)

1. General Information

ShelteR Investment Management S.A. (“SIM”) is a Luxembourg based Manco regulated by the CSSF.

As part of SIM’s regulatory obligations and its efforts to ensure effective and sustainable shareholder engagement, SIM has adopted a Voting and Engagement policy (the “Policy”). The Policy provides the company’s stakeholders with an overview of how SIM intends to ensure compliance with Article 3g of the Shareholder Rights Directive II (“SRD II”) and adherence to Article 1 sexies of the Grand Ducal Law of 1 August 2019 mending the Luxembourg law of 24 May 2011 on the exercise of certain rights of shareholders in listed companies.

The Policy outlines the general principles of how shareholder engagement (voting/dialogue) may be integrated in SIMs investment strategies and the different engagement activities that SIM may carry out on behalf of clients when investing in listed shares.

The Policy is reviewed and updated on a regular basis at all times available on SIM’s website through the following [link](#). SIM’s Voting & Engagement Policy describes how both dialogue, cooperation and voting are integrated into its investment strategy.

This SRD II disclosure report has been executed as part of SIM’s regulatory obligation with the intention to publicly disclose information about the implementation of the Policy, including:

- Annual disclosure obligations on how the Policy has been implemented;
- How votes have been cast in the general meetings of companies in which shares are held;
- A general description of voting behavior;
- An explanation of the most significant votes;
- The use of the services of proxy advisors.

Active corporate governance is a central aspect of SIM’s duty on behalf of shareholders and must always be conducted in their interests.

2. Annual Disclosure Obligations

As part of SRD II’s disclosure requirements, SIM discloses annually via its website the following information: (i) where SIMs Voting and Engagement Policy can be accessed (see above), and (ii) how it has been implemented in a way that meets the requirements of the Directive.

Implementation is covered in SIM’s regular reporting. Details of individual engagements yearly engagement report which can be located [here](#). SIM discloses how it votes across all holdings in its Yearly Proxy Voting Disclosure Dashboard, which can be found [here](#).

3. General Description of Voting Behavior

SIM’s voting behavior focuses on casting votes for individual equity positions exceeding a €500K position threshold, with no minimum threshold for “elevated risk” sectors as defined by Towards Sustainability. Voting is limited to UCITS managed by SIM at the time of voting, facilitated via the ISS proxy voting platform. Decisions to vote may take into account potential constraints, such as share blocking, which could affect liquidity and trading strategies applied to the UCITS.

The voting policy of SIM aligns with ISS’s “sustainable voting benchmark”, emphasizing board independence, compensation alignment, and responsiveness to ESG issues. Environmental and social themes, including labor standards, climate disclosures, and board diversity, are evaluated case-by-case, prioritizing

shareholder value and adherence to industry standards.

SIM also takes a clear position on climate accountability and diversity. Companies with significant GHG emissions or inadequate gender diversity on their boards may face votes against directors or proposals. For 'Say on Climate' initiatives, SIM evaluates the rigor of climate action plans, GHG targets, and commitments to net-zero goals, ensuring robust sustainability practices are upheld.

4. Most Significant Votes and Vote Cast in General Meetings

SIM identifies significant votes as:

- Voting on topics that are at the core of the strategy of SIM on sustainability topics, including environmental issues, climate change, labor rights, and human rights.
- Voting on topics where SIM opposes the management's recommendation, when it holds a significant economic interest in the company.
- Voting on topics where there has been considerable controversy about an agenda topic or shareholder meeting.
- Voting on topics where engagement is or has been conducted with a specific company.

In accordance with the EU Shareholder Rights Directive II, SIM is required to disclose explanations for these voting decisions. A detailed overview of significant votes, along with the rationale behind each decision, is available in the Yearly Voting Report, colored in light blue accessible [here](#).

5. Use of Proxy Advisors

SIM makes use of proxy voting advice provided by a third-party proxy advisor. SIM has appointed Institutional Shareholder Services Inc. (ISS) as its proxy voting advisor and follows ISS's Sustainability Proxy Voting Guidelines as applicable from time to time.

A dedicated team within SIM reviews the merit of each agenda item, considering ISS's recommendations alongside reports from investee companies and insights from portfolio managers and analysts. SIM's internal analysis takes precedence, meaning voting decisions may deviate from both management recommendations and ISS advice, in particular in relation to Significant Voting.

At least annually at the Sustainability Committee, SIM evaluates the quality of governance research provided by ISS and assesses the alignment between ISS's voting recommendations and SIM's internal voting policy. Any issues identified during this review process are addressed accordingly.

January 2025