

Green Investment Partners Limited (the “Firm”)

STATEMENT IN RELATION TO THE SHAREHOLDER RIGHTS DIRECTIVE II

June 2021

The Statement in Relation to the Shareholder Rights Directive II (the “Statement”) is applicable to FCA regulated firms that invest (as a primary or an ancillary strategy) in listed equities globally.

1. INTRODUCTION

The Second Shareholder Rights Directive (“SRD”), which took effect in the UK on 10th June 2019, aims to improve shareholder engagement and increase transparency around stewardship. The Firm invests in listed equities and as such we are required to disclose and make publicly available our policies on how we engage with other shareholders and the companies that we invest in, and how our strategies create long-term value.

2. SRD AND THE FRC STEWARDSHIP CODE

The UK Stewardship Code (the “Code”) was established by the Financial Reporting Council in 2010. UK authorised asset managers have been required under the rules of the Financial Conduct Authority to produce a statement of commitment to the Code or to explain why it is not appropriate to its business model.

Unlike SRD, which applies to investments in listed equities globally, the Code focuses on investments in UK companies only.

The Firm’s response to the Code is detailed in a separate statement, which is available [here](#).

3. THE FIRM’S APPROACH

The Firm will seek to invest in listed global equities and equity-related or linked securities of companies worldwide which are sustainable investments primarily contributing towards a reduction in global greenhouse gas (GHG) emissions. The Firm pursues an active investment strategy founded on a bottom-up security selection based on fundamental analysis.

We are required to either:

- publicly disclose an **Engagement Policy** and a public statement on an annual basis on how the Engagement Policy has been implemented; or
- publicly disclose a clear and reasoned explanation of why the Firm has chosen not to make these disclosures.

The Firm has elected to publicly disclose its Engagement Policy and this is set out in Section 4 below.

This Statement is reviewed annually and updated where necessary to reflect changes in circumstances and actual practice. Should the Firm’s position change, we will review our commitment to SRD and make appropriate disclosure at that time.

4. ENGAGEMENT POLICY

The Firm’s Engagement Policy is set out below:

- (a) [How the firm integrates shareholder engagement in its investment strategy](#)

The Firm’s investment strategy is to achieve long-term capital appreciation through sustainable investments contributing towards a reduction in global GHG emissions for the purposes of Article 9(3) of the EU’s Sustainable Finance Disclosure Regulation (SFDR).

The Firm will seek to achieve its investment objective by investing in listed global equities and equity-related or linked securities of companies worldwide which are sustainable investments primarily contributing towards a reduction in global GHG emissions. The Firm will pursue an investment strategy founded on a bottom-up security selection based on fundamental analysis. The Firm will follow a long-only strategy. The Firm will engage with investee companies where it is deemed necessary, in particular in relation to GHG emissions disclosures.

The Firm will exercise voting rights in line with our [Responsible Investing Policy](#). This policy sets out the Firm's mission, approach, ESG guidelines and procedure and long-term goals. It is not a pre-requisite for the Firm to meet or engage with investee companies. However, from time to time, the Firm will meet with the management of investee companies and in certain situations, the Firm will engage on an ad hoc basis. Certain situations may include raising specific issues or seeking additional information.

(b) How the firm monitors investee companies on relevant matters, including:

- Strategy
- Financial and non-financial performance and risk
- Capital structure
- Social and environmental impact and corporate governance

The Firm conducts in-house monitoring of investee companies. Monitoring is conducted by the portfolio managers on a continuous basis. Key aspects covered include, but are not limited to, strategy, financial and non-financial performance and risk, capital allocation, management and social and environmental impact and corporate governance. Independent third party research and engagement with investee companies is used in the monitoring of investee companies.

(c) How the firm conducts dialogues with investee companies

The Firm will conduct dialogue with investee companies through ad hoc meetings and calls with senior management of investee companies.

(d) How the firm exercises voting rights and other rights attached to shares

As a fiduciary, the Firm owes each of its clients a duty of care and loyalty with respect to services undertaken on the client's behalf, including proxy voting. To this end, the Firm takes all reasonable steps to vote proxies in the best interest of its clients.

The Firm has a proxy voting policy that – amongst other things – sets out the Firm's general approach when voting on behalf of its clients.

This sets out the Firm's General Principles when conducting proxy voting activity. This should be aligned with the wording in the proxy voting policy e.g.:

The Firm generally votes proxy proposals, amendments, consents or resolutions relating to client securities, including interests in private investment funds, if any, (each a "proxy") in accordance with the following guidelines:

- The Firm will generally support a current management initiative if our view of the issuer's management is favourable;
- The Firm will generally vote to change the management structure of an issuer if it would lead to an increase in shareholder value; and
- The Firm will generally vote against management if there is a clear conflict between the issuer's management and shareholder interest.

There may be a situation where the Firm decides, in the best interests of its client, to deviate from this policy or abstain from voting. In this event, the Firm will document in writing the reason for the deviation/abstention. The proxy voting policy is available to clients upon request (contact@greeninvestp.com).

(e) How the firm cooperates with other shareholders, and communicates with relevant stakeholders of the investee companies

- If appropriate and feasible, the Firm may decide to participate in shareholder group forums; informal groups, discussions regarding proxy voting decisions; participation in AGM/EGMs, joint shareholder meetings with a company; and acting as co-plaintiffs in class action lawsuits. This will be with the aim of achieving the Firm's investment stewardship objectives.
- If appropriate and feasible, the Firm may decide to communicate with relevant stakeholders of the investee companies – for example, employees, bondholders, customers, suppliers and vendors. This will be with the aim of achieving the Firm's investment stewardship objectives.

(f) How the firm manages actual and potential conflicts of interests in relation to the firm's engagement

The Firm has a documented Conflicts of Interest Policy. The Firm is required to manage conflicts of interest fairly, both between the Firm and its clients as well as between one client and another client. As applicable, the Firm is also required to identify conflicts of interest between an investor in a fund managed by the Firm and other investors, funds managed by the Firm, other clients of the Firm or the Firm itself.

The Firm's policy is to take all appropriate steps to maintain and operate effective organisational and administrative arrangements to identify and to prevent or manage potential and actual conflicts of interest in the Firm's business.

With specific reference to the Firm's engagement with listed companies, the Firm has identified that conflicts of interest may arise in the following, non-exhaustive, situations:

- Aggregation and allocation of orders
- Investing (different strategies and mandates)
- Proxy voting (as detailed above)
- Use of research
- Remuneration

Conflicts or issues are escalated to the Firm's Compliance Officer. When required to do so, the Governing Body is notified.

In times when conflicts arise between the interests of a client and the interests of the firm, the Compliance Officer will always strive to address conflicts in the best interests of the client. If a conflict of interest is perceived to be material, the Firm may resolve such conflicts as follows:

- Approval of the vote may be required from senior management.
- The voting decision may be delegated to an independent third party.
- The voting decision may be delegated to an independent committee of partners, members, directors or other representatives of the client, as applicable; or
- Investors or representatives of the client may be informed of the conflict of interest and consent obtained (majority consent, in the case of a fund) to vote the proxy as recommended by the Firm.

5. IMPLEMENTATION OF THE ENGAGEMENT POLICY – ANNUAL DISCLOSURE

The Firm's initial Annual Disclosure shall be with respect to the calendar year 2021 and shall be made available in 2022.