

Stewardship Statement

Our approach towards engagement and voting

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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 value chain disruption and profit pool shifts emerging from the energy, land & oceans and materials' systems' transitions represent areas where investment is needed at scale to effect urgent transformation and ensure we respect planetary boundaries.

In this [system-level 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 seek to support the expansion of the portion of the economy that is aligned to the transition.

LOIM's stewardship function has two key objectives:

1. Promote alignment with the sustainability transition
2. Promote company identification and alignment with value chain disruption and shifting profit pools

Our stewardship objectives and implementation consider company alignment with best-practice corporate governance and strong ESG practices as the bedrock in which companies can thrive.

Voting and Engagement, tools of our stewardship effort:

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

Through engagement and having a meaningful two-way conversation, we seek to build relationships of trust with our investee companies. It is crucial that we follow an 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 our estimates for implied temperature trajectories and seek to understand how the company is able to react to them and how it plans to address them. Our engagement policy provides the framework of the engagement activities we carry out.



Rebeca Coriat
Head of Stewardship

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.

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This vote against may trigger further engagements allowing us to bring a stewardship outlook into our financial analysis. Our Proxy Voting Policy and Corporate Governance Expectations and Proxy Voting Guidelines define the voting activities we carry out.

LOIM's stewardship structure includes this Stewardship Statement (mission, vision and stewardship tools), which is underpinned by the Engagement Policy and the Proxy Voting Policy and Proxy Voting Guidelines.

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