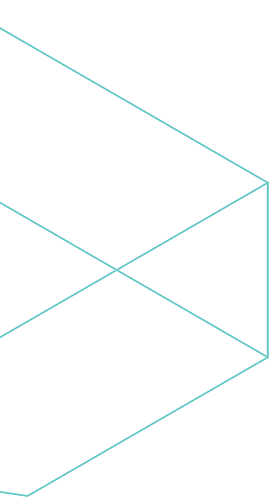




# 2024 Annual UK Stewardship Code Report

OCTOBER 2025



# Aware. Accountable. Aligned.

Global Systematic Investors LLP (GSI) remains steadfast in its support of the Financial Reporting Council's mission to promote transparency, integrity, and accountability in investment stewardship.

As signatories to the UK Stewardship Code since 2022, we are proud to reaffirm that commitment and recognise the Code's growing importance in shaping a resilient and sustainable investment ecosystem. We remain acutely aware that our responsibilities as stewards of capital extend beyond financial performance. In a world shaped by accelerating climate change, biodiversity loss, social change, and rising expectations of corporate accountability, investors must be adaptive, collaborative, and forward-looking in how they fulfil their stewardship duties.

This past year we made a deliberate decision to simplify the names of our funds, removing the word Sustainable. This change reflects evolving market expectations around labelling and regulation, but it does not signal a shift in our investment beliefs or our approach. Although we are not thematic investors, sustainability is fully integrated into our systematic strategies and stewardship activities.

Our commitment to exercising our voting rights remains as strong as ever. Collaboration remains central to our effective stewardship. GSI is deepening its involvement in initiatives such as the IIGCC, Climate Action 100+, and ShareAction, working alongside peers for meaningful collective action.

We also believe investors must speak openly about sustainability challenges and opportunities. "Greenhushing" risks slowing progress, while vigilance against "Greenwashing" remains vital.

We welcome the interim updates to the UK Stewardship Code introduced in 2024, which sharpen the focus on material developments while maintaining the standards of transparency and accountability that underpin the Code. As the landscape evolves, GSI remains aware of our responsibilities and committed to advancing our stewardship practices in line with global standards and client expectations.

For more information on our stewardship activities please visit our website [www.gsillp.com](http://www.gsillp.com)

This report has been reviewed and approved by the Management Committee of Global Systematic Investors LLP 30 October 2025.



Garrett Quigley

Managing Partner,  
Co-Chief Investment Officer, GSI





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## The UK Stewardship Code: Roadmap to stronger stewardship

The UK Stewardship Code, introduced by the Financial Reporting Council (FRC), sets out principles and expectations for asset managers, asset owners, and service providers to promote responsible investment and effective stewardship. First published in 2010 and significantly revised in 2020, the Code defines stewardship as “the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries, leading to sustainable benefits for the economy, the environment and society.”

The 2020 version introduced a comprehensive set of 12 “apply and explain” Principles for asset managers and owners, with a complementary set for service providers. These principles emphasise long-term investment, active engagement on issues such as strategy, risk, and performance, and greater transparency in

stewardship activities. Importantly, they also recognise the growing relevance of environmental, social, and governance (ESG) factors, including climate change, biodiversity, and systemic market risks.

In 2024, the FRC introduced an interim reporting process ahead of a planned full review in 2026. This reduces the need for comprehensive annual updates, instead focusing on material changes and progress since the last submission. It reflects a shift towards more outcome-oriented reporting and recognises the evolving stewardship landscape.

The forthcoming 2026 update is expected to place a stronger emphasis on collaboration, biodiversity, and nature, as well as transparency. It is also likely to require more evidence of the effectiveness and impact of stewardship activities.

To remain a signatory, we are required to submit a Stewardship Report each year describing how we have applied the Principles over the preceding 12 months. The FRC assesses these reports, and those meeting the required standards are listed as signatories.

GSI remains committed to the principles of the [UK Stewardship Code](#). This report sets out our 2024 approach and activities, demonstrating our continued alignment with the Code’s expectations and our preparation for the enhanced standards and evolving priorities anticipated from 2026 onwards.



Principle 1:  
Purpose, strategy  
and culture

Principle 2:  
Governance,  
resources and  
incentives

Principle 3:  
Conflicts of interest

Principle 4:  
Promoting  
well-functioning  
Markets

Principle 5:  
Review and  
assurance

Principle 6:  
Client and  
beneficiary needs

Principle 7:  
Stewardship,  
investment and

Principle 8:  
Monitoring  
managers and  
service providers

Principle 9:  
Engagement

Principle 10:  
Collaboration

Principle 11:  
Escalation

Principle 12:  
Exercising rights  
and responsibilities



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True stewardship is grounded in awareness of risks and opportunities, of responsibility and consequence and in aligning our actions with the values of our clients and society.

Kate Hudson  
Stewardship Lead, Global Systematic Investors LLP







SECTION 1

# Purpose and governance

## Principle 1: Purpose, strategy and culture

*Signatories' purpose, investment beliefs, strategy, and culture enable stewardship that creates long term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment, and society.*



GSI aims to design, build, and deliver portfolios that have better risk and return profiles than traditional, market-weighted indices while integrating sustainability risk into our investment decisions.

Our purpose is to be a trusted partner to our clients, providing them with investment solutions that align with their values and long term goals.

We have a systematic, disciplined approach which is robust, and built on academic research and empirical evidence. We remain at the forefront of financial economics research, continuously integrating the latest insights into our investment strategy. For some time, academic and empirical research has demonstrated that, within the broader equity market, risk and return can be differentiated into separate factors by creating portfolios using companies' characteristics such as size, value, and profitability.

The aim is to provide our investors with investment strategies that not only optimise returns but also exhibit improved ESG risk profiles. Our investment approach allows us to effectively integrate return factors with improved ESG characteristics, which are sometimes conflicting.

We provide investors with diversified, sustainably focused portfolios with high

“

In April 2025, the GSI funds were renamed, replacing 'Sustainable' with '**Aware**'. This reflects our continued focus on awareness – of ESG risks, research, markets, and client priorities while maintaining the same investment objectives and strategy. The funds remain Article 8 under the SFDR.

Garrett Quigley  
Managing Partner, Global Systematic Investors LLP

capacity, low turnover, and low transaction costs. We incorporate material ESG risk considerations into all our investment strategies and have been doing so since 2018.

### Investment approach

At GSI, we believe that the purpose of equity market investments is to gain equity risk exposure. The expectation is that, over the long term, this risk is rewarded by positive returns. In the short term, equity returns can be negative, sometimes very negative. However, research shows that trying to time markets is futile and costly.

Therefore, for equity investors, it is better to take a disciplined, long-term view and employ well diversified, low turnover investments.

We strive to deliver improved returns for our clients over the long term, through 'factor investing.' We believe that if an investor wants to target higher expected returns, then the most robust and effective way to do so is via the management of well known factor exposures while ensuring that a portfolio maintains diversification across countries, sectors, and stocks. In doing so, the funds have higher expected returns than market-weighted portfolios.



Our approach, therefore, is to design a set of factor-based exposures in a portfolio to target the higher expected returns associated with those factors. We then integrate the tilts to companies that have better ESG scores while maintaining those targeted factor exposures and ensuring that those exposures are not diluted after the integration of the ESG tilt.

When introducing ESG tilts in our portfolios, our academic background led us to explore the academic arguments and evidence available.

One of the most extensive academic studies at the time was a detailed review by Friede, Busch and Bassen (2015). Their research found that the majority of the 402 studies showed a positive relationship between ESG scores and corporate financial performance. Friede et al. state:

"The orientation toward long-term responsible investing should be important for all kinds of rational investors to fulfil their fiduciary duties and may better align investors' interests with the broader objectives of society. This requires a detailed and profound understanding of how to integrate ESG criteria into investment processes to harvest the full potential of value enhancing ESG factors." <sup>1</sup>

Systematic risk factor strategy  
(ESG overlay on risk factor structure)



A more recent study from 2021, titled 'Sustainable investing: the good, the bad, and the costly' by Blitz et al, reinforces the benefit of integrating ESG considerations for our investor base.

"Our study adds to the literature by showing that sustainable investing works particularly well in asset management for private investors. The findings suggest that retail investors are not only interested in the environmental, social, and governance (ESG) aspects of investments but that they also benefit from investing in stocks with high ESG ratings." <sup>2</sup>

## Integrating sustainability

GSI understands that the impact of corporate activities on people and the planet extends beyond financial metrics and can have far-reaching implications for long-term sustainability and value creation.

GSI holds a fundamental belief in our moral and fiduciary obligation to conduct ESG screening. The 2015 Paris Agreement, endorsed by global leaders, commits to limiting the rise in global temperatures to below 2°C of pre-industrial levels. We see it as our responsibility to contribute by investing in companies that prioritise sound ESG practices. Not only do these companies align with our values, but they also offer enhanced appeal to investors, particularly when risk and return profiles.

Considering non-financial materialities is essential to fulfil our fiduciary duty to clients, manage risks effectively, and contribute to long-term value creation. We do this by integrating environmental, social, and governance (ESG) factors into our investment processes, exercising our voting rights, engaging with companies through collaborative initiatives, working with stakeholders, and promoting transparency.

<sup>1</sup> Reference: "ESG and financial performance: aggregated evidence from more than 2000 empirical studies" by Gunnar Friede, Timo Busch, and Alexander Bassen (2015)

<sup>2</sup> Sustainable investing: the good, the bad, and the costly" by David Blitz, Matthias Hanauer, and Milan Vidojevic (2021)

When we research and analyse a company's factor potential, its ESG rating helps to inform our view. Is a company attempting to reduce its impact on the environment? How does it manage its relationships with employees, suppliers, and customers, not to mention the community within which it operates? How is the company led, how are executives paid, and is the business well-audited?

We set an 'ESG score' for all companies based on underlying ESG risk data. The ESG scoring process calculates all the unmanaged risks regarding the most pertinent ESG issues for each company.

ESG integration is further described in **Principle 7**.

## Stewardship

We have a duty to our clients who entrust us with their investments to act responsibly and in their best interests by advocating for sustainable practices to contribute to a healthy enduring environment, equitable social structures, and well-governed companies.

Serving as an active owner helps to fulfill this responsibility, while producing value for clients over the long-term and drives positive change within companies and industries.

There are several ways this is facilitated, including stewardship through engagement, policy lobbying, voting and escalation.

As systematic investors there are certain ways to add value through stewardship and exercise our rights and responsibilities as managers of capital. We are less focused on direct corporate engagement. We value the power of our voice in collaborative forums and use our expertise to cast voting decisions in our clients and society's best interests. Although we are a small manager, every vote counts and our vote can be critical.

Our perspective on voting is echoed by Peter Taylor of the IIGCC, who said; "Stewardship can be more than voting, but it can't be less", a sentiment that aligns closely with our approach.

As global equity investors, our clients' returns are linked to the broad economy. Our voting policy is aligned with the firm's philosophy of providing our clients with long term positive investment experiences by encouraging improved corporate behaviour among the companies in which we invest.

In our voting and engagement policies, we consider a broad range of ESG factors that may not directly affect the risk or return of the corporation in the short term but

can significantly influence its long-term performance and resilience. These non-financial materialities include issues such as climate change, human rights, labour practices, diversity and inclusion, supply chain management, and community engagement.

Stewardship activities are further described in **Principles 9 and 10**.

## Culture

At GSI, intellectual rigour, integrity and alignment are at the core of our culture. Our approach is guided by a commitment to align with the needs of our clients, as well as the broader interests of society and the planet. With integrity and transparency as our guiding principles, we strive to exceed expectations and build lasting relationships based on trust and credibility.

As philosophical outsourcers, we recognise the value of leveraging external expertise where economies of scale are advantageous. Through our network of partners, we tap into specialised knowledge and resources to enhance our operations and better serve our clients.

Our culture is built on mutual trust, fostering cooperation and unity as we work together toward shared goals.



## Team

The strength of our small team lies in the decades of diverse collective experience, and the varied backgrounds, perspectives, and professional experiences, which we have unified to create a scalable proposition that matches the needs of investors.

GSI's Managing Partners are all seasoned professionals, each with years of relevant practical experience and academic credentials. It is through this collective experience that GSI was founded. We all have a passion and belief in systematic investing. Additionally, we share a deep understanding of equity markets and the ethos of aligning investment philosophies and processes with client needs.

GSI has a culturally diverse team. As we grow, the focus will be on fostering a meritocratic inclusive environment to attract the best people to the firm.

Our team recognises the importance of fostering industry knowledge. We engage PhD graduates and students to support specific GSI research projects. Bernd Hanke, our Co-CIO, volunteers as a curriculum level advisor for the CFA reading material (Level 3) and was involved in the development of initial reading material for the CFA Certificate in ESG in Investing.

## Client centricity

We pride ourselves on our strong relationship with our clients. Part of what makes this work so well is they have access to the portfolio managers and key decision makers on an ongoing basis. Our approach is collaborative, internally, and externally.

We are dedicated to maintaining a collaborative and open relationship with clients. This includes meeting regularly. This is essential for fostering trust, understanding their needs, ensuring alignment and leads to better outcomes for both parties.

We have a focus on working with like minded evidence-based investors and the networks that support them.

- GSI works principally with independent financial advisors and other intermediaries that use our funds in portfolios for clients
- We work closely with financial advisers to help them understand what we do and how that can benefit their clients
- Advisers and their clients access our funds through model portfolios services (MPS), or directly via platforms, such as Transact or Fundment

Our product development process is deeply rooted in stakeholder input, ensuring that we craft solutions tailored to meet the desired investment outcomes of end investors. Through our partnerships with financial advisors and wealth managers, we have collaboratively designed strategies that align with our shared investment philosophy and ESG values.

We will continue to develop innovative solutions and products to meet client needs. There are very few deep value strategies that can incorporate sustainability factors effectively whilst maintaining the risk-return characteristics of factor investing sought after by certain investors.

Refer to **Principles 6** on meeting client needs, including communication and reporting.

## Summary

Our purpose, strategy, and culture are guided by strong ethical standards, transparency, and a commitment to long-term value. We hold ourselves to the highest standards of professionalism and integrity.

We also recognise that our responsibility extends beyond financial returns, and we strive to incorporate environmental, social, and governance considerations into our investment decisions.

Through this, we cultivate a culture where awareness, alignment, and accountability are embedded in how we steward capital for lasting benefit for clients and society.

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PRINCIPLE 2 ►

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SECTION 1

# Purpose and governance

## Principle 2: Governance, resources and incentives

*Signatories' governance, resources and incentives support stewardship.*



GSI strongly agrees with the FCA's view on governance, "Effective governance is essential for ensuring transparency, accountability, and integrity in asset management, ultimately fostering trust and confidence among investors." - Financial Conduct Authority (FCA)

Prior to 2021, our organisation was in a phase of growth and expansion and did not have an active stewardship strategy. Our initial priority was building a strong foundation for our business model and ensuring operational efficiency to deliver on the investment expectations of our growing client base.

We have always recognised the critical importance of stewardship in aligning values and driving long-term sustainability however, we did not have the size to warrant the additional cost to our investors.

Since 2021, we have added to our Stewardship pathway in a logical manner. We continue to refine our strategy as we move along this path.

Our approach has been grounded in the rationale of structuring and applying governance, resources, and incentives in a manner that evolves alongside the growth of our firm. This adaptive framework ensures our investment strategy upholds our fiduciary responsibilities and safeguards the best interests of our clients.

## GSI Stewardship pathway



## Organisation and governance structure

GSI is a Limited Liability Partnership and is a regulated FCA fund manager.

The GSI Global Aware Value Fund and the GSI Global Aware Focused Value Fund are sub-funds of the Irish-domiciled UCITS umbrella fund, GemCap Investment Funds (Ireland) plc ('GIF'). Both funds are classified as Article 8 under SFDR and incorporate the same sustainability model. This consistent approach to sustainable integration guarantees that all clients benefit from a clear and standardised approach.

The Management Company of the UCITS umbrella fund is Gemini Capital Management (Ireland) Limited (GemCap).

The roles and responsibilities of GemCap are:

- Monitor, independently of the Investment Managers, that each fund is managed in line with the fund documents and applicable regulations
- Support the GIF board, with day to day responsibilities and functions
- Supervise delegates to ensure they are performing their appointed roles
- Safeguard that there is a functional and hierarchical separation of risk management and portfolio management functions
- Regularly report to the GIF board and attend the fund's board meetings



This structure is fully explained in the GSI Due Diligence Framework.

GSI's Management Committee sets the firm strategy and oversight of the firm's systems and controls. Our Investment Committee, which reports to the Management Committee sets investment policies and is responsible for ESG integration.

The Investment Committee evaluates the effectiveness and robustness of our stewardship policies, initiatives, engagements with companies and proxy voting, it also investigates conflicts of interest that may arise from our stewardship activities.

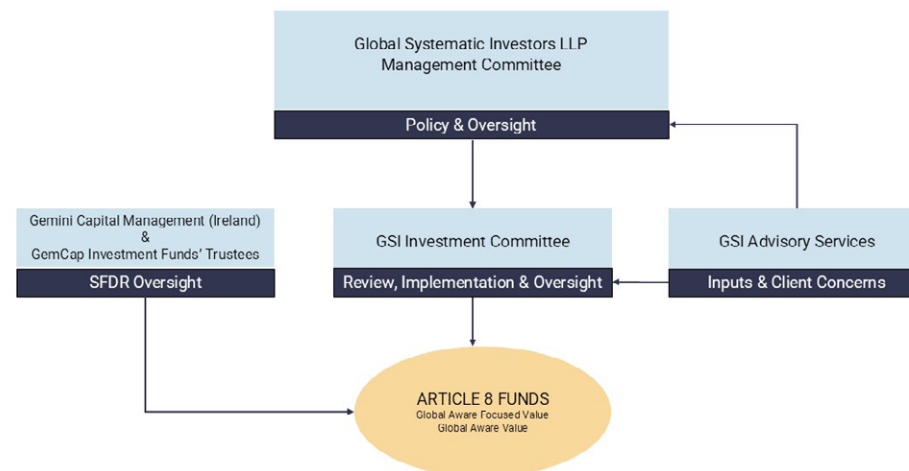
Our Management Committee provides guidance on corporate values while leveraging the other Committee's views on investment research, portfolio management, corporate responsibility, risk, and compliance.

Accountability ultimately lies with the Management Committee and the managing partners. The members of these committees are all managing partners of the firm and have every incentive to ensure that the business operates properly.

Our Partner overseeing Advisory Services manages Client Relationships and represents the expectations of clients and stakeholders including the relationships with any signatories and coalitions.

We also have an external compliance specialist, Cosegic, to support the governance oversight.

We have a salaried Compliance Manager alongside the partners to ensure regulatory responsibilities are managed on a continuous and accountable basis. This ensures clear roles and consistent standards in our governance framework. In addition, we retain an external compliance specialist, Cosegic, to strengthen and support governance oversight.



## The GSI team

GSI is a small but deeply experienced team. The partners have on average 30 years each of practical investment knowledge with global experience across the UK, Europe, the US, and Asia Pacific. Three partners collectively hold advanced degrees from the London Business School including a PhD, Master of Finance, and an MBA. Two team members are CFA® charter holders and another has a Bachelor of Economics and holds the CFA Institute Certificate in ESG Investing. Dr Bernd Hanke was on the advisory board for the CFA Global Certificate in ESG.

GSI has seen steady growth in assets under management and, although our operating model relies on outsourcing, we are expanding the team and actively recruiting. We aim to add expertise in our investment team initially to improve our research capabilities and to ensure we have the capacity and oversight to support continued growth.

## The GSI team



**Garrett Quigley**  
Managing Partner;  
Co-Chief Investment Officer

Garrett has over 30 years' experience managing quantitative investment strategies. He co-founded GSI to forge diversified factor-based investing with long-term sustainability of investments. Prior to this he was a senior portfolio manager with Dimensional. He holds a Masters in Finance from London Business School and an MSc in Intelligent Systems from Brunel University. He has co-authored articles including a study with Rex Sinquefeld on UK fund returns and a long-term study on the value effect in the UK with Elroy Dimson and Stefan Nagel. He is an Advisory Board member of Style Analytics and was a director of INQUIRE UK.



**Bernd Hanke**  
Managing Partner;  
Co-Chief Investment Officer

Bernd has more than 25 years' experience managing quantitative investment strategies on a global basis. Prior to founding GSI, Bernd was an asset manager for GSA Capital in London and Head of International Quantitative Equity Research at Goldman Sachs Asset Management in New York. Bernd believes that a scientific, academically grounded, and sustainable approach to investment management produces optimal long-term results both for investors and for society as a whole. He is also a referee for the Financial Analysts Journal. Bernd holds a CFA designation and has a PhD in Finance from London Business School.



**Andrew Cain**  
Managing Partner

Andrew has over 30 years of experience in fund management, both in Europe and Asia. His expertise covers global, regional, local equity and fixed income portfolios. Andrew holds a CFA designation and an MBA from the London Business School. Andrew is a firm believer that a systematic approach to investing, using well understood and tested academic theories, combined with sensible implementation, produces the best results for clients. GSI has enabled Andrew to get back to working in a small team of like-minded professionals, all of whom are passionate about investing and delivering the best outcome to their clients.



**Kate Hudson**  
Managing Partner

Kate has over 30 years' experience in global asset management in distribution across all channels. Prior to GSI, she was Head of Institutional Business UK and Europe, Listed Infrastructure for Legg Mason Global Asset Management and Director of RARE Infrastructure (UK). Kate was also Director at Russell Investments in London and Vice President at Dimensional Fund Advisers based in Sydney and held senior positions for BT Funds Management and AMP Capital. Kate is a Trustee for the Shrewsbury Food Hub. She holds the CFA Institute Certificate in ESG Investing and a Bachelor of Economics from the Australian National University (ANU).



**Max Tennant**  
Partner

Max has over 30 years' experience in the financial advisory world in advice, strategy and platforms and is a regular conference speaker. He talks across UK, Europe and SE Asia on subjects such as socially responsible investing and practice management. Max has spent many years applying systematic investment strategies to client portfolios. His drive for adopting a sustainable approach to investing has come from his farming background as a child and one simple question he asks nearly everyone he meets; "What do you want for society and the world at large?" Max is a Chartered Financial Advisor, MCSI and Chairman of IFAMAX.



**Greg Brown**  
Compliance Manager

Greg joined GSI in May 2024 and has over 20 years of financial services experience in both operations and compliance roles across Europe, Asia and the US. Most recently, Greg was a Senior Compliance Consultant at Northern Trust Asset Management in their Dublin office. Among his many degrees he has completed the Institute of Banking in Ireland's MSc (Compliance) program via University College Dublin and is currently undertaking an MSc in computer science with a specialty in artificial intelligence.



## Organisation chart - including roles and responsibility



**Garrett Quigley**  
Managing Partner;  
Co-Chief Investment  
Officer

### Management Committee Member

- Setting strategy
- Monitoring and reviewing business plan
- Reviewing financials
- Oversight of firm's systems and controls

### Investment Committee Member

- Setting investment strategy
- Monitoring and review of investments

### Compliance Committee Member

- Monitoring and review of firm's compliance programme

### Investments

- Maintaining systems and controls for GSI's investments

### Sustainability

- Setting sustainability integration strategy
- Systems and controls for GSI's sustainability programme



**Bernd Hanke**  
Managing Partner;  
Co-Chief Investment  
Officer

### Management Committee Member

- Setting strategy
- Monitoring and reviewing business plan
- Reviewing financials
- Oversight of firm's systems and controls

### Investment Committee Member

- Setting investment strategy
- Monitoring and review of investments

### Compliance Committee Member

- Monitoring and review of firm's compliance programme

### Research

- Maintaining systems and controls for GSI's research

### Sustainability

- Research, data and reporting for GSI sustainability programme



**Andrew Cain**  
Managing Partner,  
Compliance Officer,  
& MLRO

### Management Committee Member

- Setting strategy
- Monitoring and reviewing business plan
- Reviewing financials
- Oversight of firm's systems and controls

### Investment Committee Member

- Setting investment strategy
- Monitoring and review of investments

### Compliance Committee Member

- Monitoring and review of firm's compliance programme

### Compliance

- Maintaining systems and controls for GSI's research

### MLRO

- Maintaining systems and controls for anti-money laundering

### Operations

- Maintaining systems and controls for GSI's business operations

### Sustainability

- Monitor and review regulatory and compliance requirements for GSI sustainability programme



**Kate Hudson**  
Managing Partner,  
Head of Advisory  
Services

### Management Committee Member

- Setting strategy
- Monitoring and reviewing business plan
- Reviewing financials
- Oversight of firm's systems and controls

### Investment Committee Member

- Setting investment strategy
- Monitoring and review of investments

### Compliance Committee Member

- Monitoring and review of firm's compliance programme

### Sales & Marketing

- Maintaining systems and controls for GSI's sales and marketing efforts

### Sustainability

- Monitor and review stewardship and collaborative engagement strategy for GSI sustainability programme

## ESG and stewardship functions

All members of the firm are actively involved in ESG investment and stewardship. The table below provides a comprehensive overview of the roles and responsibilities within GSI's ESG and stewardship functions. Led by dedicated professionals, each area plays a pivotal role in integrating ESG considerations into the investment processes and promoting responsible practices. While specific individuals lead certain functions, it's important to note that everyone at GSI is actively involved in

these efforts, reflecting the firm's collective commitment to responsible investing and stewardship. From developing ESG strategies to engaging with stakeholders and ensuring regulatory compliance, these functions collaborate across the organisation to uphold GSI's values and drive meaningful impact.

### Diversity and inclusion

Diversity is essential in any workplace, as it fosters a culture of inclusivity, creativity, and collaboration. GSI is a small firm, with

a gender ratio of five men to one woman. The partnership is culturally diverse, with partners from Irish, German, English and Australian backgrounds.

The team has been built on a shared investment philosophy. Three of the 5 partners have worked previously for the same asset manager however in different locations. Our aim is to ensure that our business policies, procedures, and behaviours promote diversity and inclusion and create an environment where individual differences are valued.

Functional roles and organisational chart - ESG integration and stewardship

| Investment<br>Garrett Quigley                                                                                                                                                                                               | Lead | Compliance & Regulation<br>Andrew Cain                                                                                                                                                                                                                                    | Lead | Stewardship and Engagement<br>Kate Hudson                                                                                                                                                                                                                                                       | Lead |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|
| <b>ESG Strategy Development</b><br>Design, development and Implementation of ESG strategies aligned with firm mission.                                                                                                      | All  | <b>ESG Policy Development</b><br>Develop internal policies and guidelines regarding, ESG integration and data management, stewardship and voting practices, tailored to our investment approach and client objectives.                                                    | MC   | <b>Stakeholder Engagement</b><br>Cultivate relationships and engage with clients, investors, industry associations, and NGOs, to understand their sustainability expectations, gather feedback, and communicate GSI's ESG initiatives.                                                          | KH   |
| <b>Investment Process Integration</b><br>Incorporate ESG factors into investment analysis and decision-making processes to align with client preferences for sustainable and responsible investment strategies.             | GQ   | <b>Regulatory Compliance and Transparency Oversight</b><br>Monitoring of regulatory developments and requirements related to sustainability reporting, disclosure requirements, and ESG standards, ensuring compliance with relevant regulations and industry guidelines. | AC   | <b>Collaboration and Partnerships</b><br>Collaborate with industry peers and other stakeholders to share best practices, participate in collaborative initiatives, advocate for shareholder rights. Contribute to working group and attend research meetings and sustainability-focused events. | KH   |
| <b>Controversies and Exclusion monitoring</b><br>Identify, monitor and address exclusion and controversies in portfolio companies, ensuring fair and equitable practices consistent with GSI Investment rules and protocol. | GQ   | <b>Proxy Voting</b><br>Supervise strategic execution of proxy voting decisions on behalf of investors during shareholder meetings, ensuring alignment with agreed interests and values.                                                                                   | AC   | <b>Reporting and Transparency</b><br>Provide transparent and comprehensive reporting to clients and industry bodies, including the FRC, on stewardship activities, including voting decisions, engagement outcomes.                                                                             | KH   |
| <b>Portfolio Evaluation</b><br>Maintain attribution on impact of our ESG integration on portfolio performance and risk management.                                                                                          | GQ   | <b>Proxy Advisory Services Utilisation</b><br>Utilize proxy advisory services to enhance research capabilities, gather insights on corporate governance practices, and inform voting decisions in alignment with client interests.                                        | KH   | <b>Continuous Education and Training</b><br>Invest in ongoing education and training initiatives for investment professionals to stay updated on evolving stewardship practices and regulatory developments.                                                                                    | All  |
| <b>Reporting</b><br>Preparation of regular reports on sustainability metrics and benchmark performance.                                                                                                                     | BH   |                                                                                                                                                                                                                                                                           |      |                                                                                                                                                                                                                                                                                                 |      |



We ensure that all employees have equal access to professional development opportunities, and creating a workplace culture that values and respects diversity.



GSI is a work place committed to:

- free from discrimination, harassment, bullying, victimisation, and vilification
- treating employees fairly and with respect
- a workplace culture that is inclusive and embraces individual differences
- awareness in all fairness, equity, and respect for all aspects of diversity
- flexible work practices and policies
- cohesive hiring policies to attract and develop a diverse range of talented people

## Learning and development

GSI are a team of intellectually curious academic practitioners. We dedicate time and resources to understand the increasing complexity of the interplay between ESG considerations and their impact on investment performance. We leverage a wide network of industry relationships and sources of data and research. We maintain strong ties with respected academics from prestigious institutions like London Business School, Bayes Business School, Cambridge University, and Toulouse Business School.

"The rapid evolution of ESG practices requires continuous learning and adaptation. Fund managers must engage in ongoing education to effectively integrate sustainable principles into their investment strategies and meet investors' expectations."

CFA Institute, The Importance of Learning in ESG Investing, 2024

To continuously enhance our knowledge and expertise, we prioritise ongoing learning and knowledge-sharing initiatives through the following initiatives:

## Professional development

Our stewardship lead, Kate Hudson attended the Oxford Sustainable Finance Group's Stewardship and Engagement Leadership Programme in June 2024. This experience enhanced her skills, knowledge, and networks to support more effective stewardship. Grounded in real-world examples and practical exercises, the course explored current and emerging engagement strategies, the data and analysis that inform them, and considered the roles of policymakers, regulators, companies, and society in shaping outcomes.

## Networking

Networking provides valuable opportunities for knowledge exchange and learning from peers and experts in the field. We regularly attend events, listen to webinars, and collaborate with our peers across many different industry associations and groups including INQUIRE UK, IIGCC, UKSIF, Transparency Taskforce, CFA, CISI, SRI, Professional Advisor, ShareAction, Morningstar, Chatham House, The Investment Network, and others. We participate to learn, share experiences, and encourage a better understanding of stewardship and sustainable investing issues.

Participation in the 2024 Oxford Stewardship and Engagement Leadership Programme connected GSI with a global cohort of peers spanning diverse markets, asset managers and academic experts. This rich mix of perspectives fostered meaningful exchanges, practical insights, and established relationships that continue to inform our thinking and support collaboration on emerging ESG issues.

Refer to Principle 10 for collaborative engagement.

### Sharing knowledge

As a team, we actively stay informed about stewardship issues, monitor regulatory developments, and track industry trends. Including dialogue with industry experts.

While we had initially planned to establish an Advisory Board in 2024, our focus on SFDR naming protocols prompted broader consultation across the industry. Rather than formalising guidance within a small group, we chose to engage a wider network of professionals to capture diverse insights and avoid narrowing our perspective.

Throughout the year, we benefited from valuable input from industry experts including Jenny Young (Avyse Partners), Arun Kelshiker CFA, Dr Kevin Chuah (Wharton Impact), Paul Hewitt (LPFA), Clémence Chatelin (ex-CCLA), among others. Their contributions spanned key topics such as voting policies, SFDR naming conventions, and fossil fuel exposures.

These external perspectives offered a rich alternative viewpoint, informing our evolving approach. We may revisit the concept of a formal Advisory Board in the coming year, building on the relationships and insights developed through this broader engagement.

## Systems and processing

### Outsourcing

To achieve the best results while being a relatively small business, GSI outsources areas of operations and stewardship where we believe that the business and our clients will benefit.

Outsourcing to experts in their field of operation enables us to concentrate on our core competencies and strategic priorities, allowing us to operate more efficiently, competitively, and strategically in the dynamic asset management environment.





### Strategic partnerships

| Provider                          | Role                                                                                             |
|-----------------------------------|--------------------------------------------------------------------------------------------------|
| <b>GemCap</b>                     | Provides fund services via an umbrella structure, under which our funds operate as sub-funds     |
| <b>Vident Investment Advisory</b> | Coordinates our global trading activity as a US-based advisory firm                              |
| <b>Minerva Analytics</b>          | Implements our tailored voting policy through its European proxy voting and stewardship platform |
| <b>Cosegic</b>                    | Delivers compliance support as a specialist consultancy                                          |
| <b>StyleAnalytics</b>             | Supplies portfolio metrics; now part of InvestmentMetrics (Confluence)                           |
| <b>WhatMatters</b>                | Supports marketing, communications, and brand strategy                                           |
| <b>Various external partners</b>  | Provide IT, legal, accountancy, and marketing services through trusted, well-regarded firms      |

### Data and research

The Investment Committee has an extensive set of resources available to fulfil its function:

### Investment resources

- An extensive global dataset provided by FactSet covering market based and fundamental data across global equity markets
- An extensive global dataset on the sustainability of companies provided by Sustainalytics
- A global market weighted index dataset based on free float adjusted market capitalisations which has been screened for liquidity and investability provided by Solactive
- External portfolio analysis software provided by Style Analytics and Bloomberg provide analysis, attribution, and investment reports
- A rich set of software resources developed internally for portfolio construction, back testing, and analysis

### Stewardship resources

These resources and inputs complement our internal analysis and help ensure our voting, engagement, and reporting:

- Minerva Analytics – Proxy voting and stewardship platform offering ESG and governance research
- Sustainalytics – ESG risk ratings, controversies, product screening, carbon data, SFDR and EU Taxonomy support
- Gemini – Real-time alerts and monitoring of our exclusion list
- IIGCC – Data and analysis used in voting target list.
- ShareAction – Surveys, briefings, reports, and collaborative engagement opportunities
- Academic Connections – Insights, research, and thought leadership
- Fund Analytics and Peer Comparison – Tools and insights from SRI Services and AssetQ to benchmark fund characteristics and stewardship positioning

Data routinely validated across multiple sources to ensure robustness and reliability

## Proxy voting

Once our firm reached a size where implementing proxy voting and expanding stewardship activities became feasible, we sought a scalable solution aligned with our structure. After evaluating various service providers, we began our partnership with Minerva at the start of 2022.



We chose Minerva because its template is based on a unique decision-support algorithm which generates bespoke policy guidance. This ensures that the template is based on our own specific criteria to create a completely tailored approach. The Minerva system also provides transparent policy rationales which are drawn from global investor good practice guidelines, regulations, and national corporate governance codes. Our voting policy is not constrained by default or standardised policy parameters.

Each year Minerva conducts a comprehensive review of global governance and voting guidelines to ensure that the Minerva Voting Template system accurately reflects current good practice.

We also use the services of Minerva to provide information, highlight controversial items in addition to providing the platform to execute our proxy votes.

## Regulatory

As previously noted, GSI funds are Irish-domiciled UCITS, regulated by the Central Bank of Ireland. In line with the EU's Sustainable Finance Disclosure Regulation (SFDR), asset managers must publish specific sustainability-related information. GSI works in close partnership with GemCap, which retains governance responsibility for ensuring the funds meet their SFDR obligations. As a specialist in fund governance, GemCap oversees more than €6 billion in assets and collaborates with 10 other managers. To support SFDR compliance, Gemini has appointed RiskSystems to monitor the funds, while GSI subscribes to the Sustainability Analytics SFDR module for reporting purposes. SFDR disclosures are published on each fund's page via [GemCap's website](#).

### Sustainability Disclosure Requirements (SDR)

Although GSI funds are Irish-domiciled UCITS and therefore out of scope of the UK Financial Conduct Authority's Sustainability Disclosure Requirements (SDR), we recognise the importance of transparency and cross-border regulatory alignment. Our strategies promote sustainability characteristics in line with SFDR Article 8, but do not carry an SDR label.

To support clients and stakeholders in understanding our approach, (Sustainable Characteristics - no label) and provide clear, accessible information that demonstrates how our stewardship activities contribute to the funds' sustainability objectives and desired outcomes.

GSI remains committed to responsible investment, anti-greenwashing standards, and ongoing regulatory evolution. We continue to monitor SDR developments and ensure our disclosures reflect best practice across jurisdictions.

## Corporate engagement

For corporate engagement, GSI works with ShareAction and the IIGCC and other groups when appropriate, including SHARE in the US, to identify key engagement issues and to cooperate with other asset managers and asset owners in engaging with investee companies. We carefully assess these relationships to ensure they remain free from bias and conflict, and that all collaborative activity is aligned with our stewardship priorities and long-term investment objectives.

Refer to **Principle 9** for explanation of our corporate engagement relationships

## Incentives

GSI is structured as a Limited Liability Partnership (LLP).

In 2024 the Management Committee at GSI were all equity partners in the firm. With personal investment in the firm's performance, the partners are deeply committed to GSI's long-term success and sustainability. The partnership structure fosters alignment, accountability, and commitment among the partners, as all partners share in the firm's successes and failures. This ensures that everyone is incentivised to effectively manage and run the firm in the best interest and the

enduring success of the business. Rewards come from the continued growth in assets under management and client retention and satisfaction.

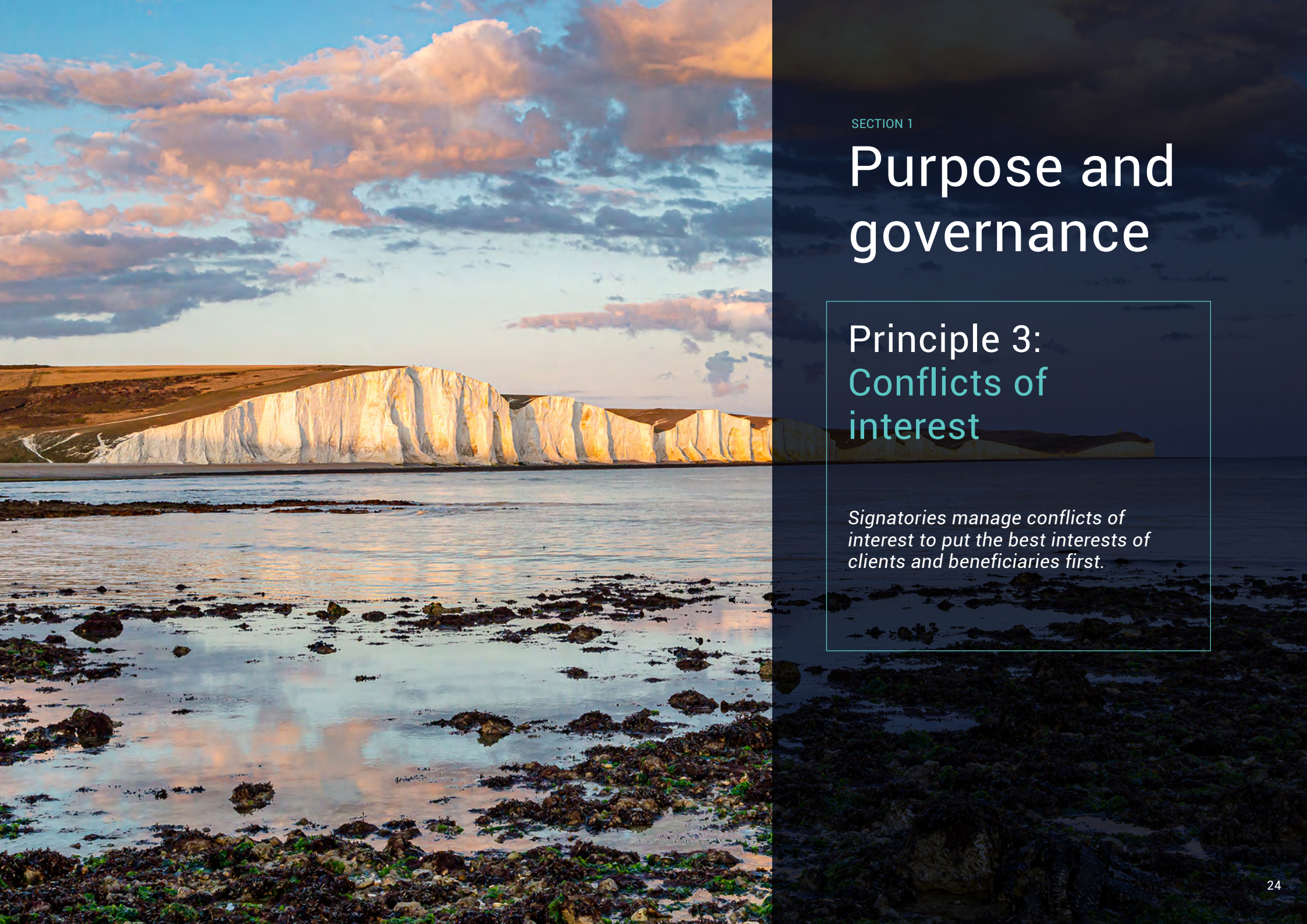
GSI's Management Committee is responsible for governance and oversight arrangements within the firm, including the firm's remuneration policy. There are no additional volume or sales targets for which sales are measured against for remuneration purposes.

## Summary

Our governance structure is proportionate to the scale and complexity of our business enabling effective decision-making and designed to ensure clear accountability and effective oversight. We maintain lean internal operations by outsourcing to specialist providers, ensuring access to high-quality expertise while preserving strategic focus. Incentives are aligned with long-term outcomes and responsible investment goals, supported by a culture of awareness and continuous improvement across the organisation.

PRINCIPLE 3 ►





SECTION 1

# Purpose and governance

## Principle 3: Conflicts of interest

*Signatories manage conflicts of interest to put the best interests of clients and beneficiaries first.*



## Conflicts of interest

GSI values integrity and operates to the highest possible standards of openness and accountability to ensure that we conduct our business with honesty and integrity across all our clients and business activities. We have processes in place to ensure legal and regulatory requirements are fully complied with as required.

### Ethical commitment

GSI recognises the importance of upholding ethical responsibilities in managing clients' assets. By implementing robust conflict policies, we ensure the integrity in our investment decisions.

For example:  
We do not front run, churn or accept gifts and incentives.

### Regulatory compliance

GSI takes risk seriously and have established processes designed to mitigate conflicts and comply in a complex regulatory landscape.

For example:  
We prioritise timely and comprehensive disclosure and prevent market manipulation or insider trading.

### Client-centric approach

GSI has an unwavering commitment to the fiduciary duty to our clients drives the comprehensive approach to conflicts.

For example:  
We ensure we treat all investors fairly and we provide clear reporting on the portfolio risks and performance.

There is a clearly articulated policy on managing conflicts of interest which forms part of the firm's policies and procedures. Our Conflicts of Interest Policy is available on request to clients.

We are committed to identifying and effectively managing any conflicts of interest in the best interests of our clients. We firmly believe that transparency and disclosure are vital components of our conflict management strategy.

The Managing Partners of the firm are responsible for ensuring that the systems, controls, and procedures can identify, manage, limit, or prevent any potential and actual conflicts of interest that may arise.

Our business model is regularly reviewed to ensure any new potential conflicts are noted and managed or prevented effectively.

Where a conflict of interest has arisen, the issue is reviewed and, if appropriate, brought to the Compliance Committee. The Committee reviews the issue and determines the best approach to manage the conflict.

### Conflict Management Framework: Oversight & Controls

Conflict management is supported through a combination of the following arrangements:

- **Documented policies** that define expectations and boundaries
- **Internal procedures** to guide consistent decision-making
- **Conflict registers** to log, monitor, and review potential issues
- **Targeted assessments** conducted where risks warrant deeper scrutiny
- **Staff training** to embed awareness and accountability
- **Governance frameworks** with appropriate oversight and escalation routes

## GSI Conflicts of Interest Policy

We regularly review our business model to identify potential conflicts of interest for now and in the future and established policies to mitigate these risks.

These include roles, responsibilities and management of employees, remuneration, business interests, connected persons, inducements, including gifts and hospitality, personal account dealing, client orders versus firm business or other clients' orders, and handling confidential and insider information flows.

The following table contains the current list of these conflicts and the relevant policies:

| GSI Conflicts of Interest Policy                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Conflicts                                                   | Policy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Employee roles &amp; responsibilities</b>                | GSI maintains a clear segregation of roles and responsibilities within the firm to maintain an effective control environment and to avoid conflicts of interest in roles wherever possible.                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Supervision and management of staff</b>                  | Staff typically work remotely. Access to sensitive data may create potential conflicts of interest and data protection obligations. GSI access policy limits access only to information necessary to perform specific designated roles. Employees receive regular training to understand their responsibilities under the relevant regulations.                                                                                                                                                                                                                                 |
| <b>Remuneration</b>                                         | In order to prevent a conflict of interest, the remuneration of employees is not directly linked to sales and the remuneration structure considers a number of different factors including a good standard of compliance.                                                                                                                                                                                                                                                                                                                                                       |
| <b>Business interests</b>                                   | GSI requires its employees to disclose directorships and interests in other companies and to disregard the interest, relationships or arrangements concerned when acting on behalf of clients.                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Connected persons</b>                                    | There is a duty to avoid a conflict of interest arising where an employee has an indirect interest through a connected person. We require our employees to disclose any conflict and to disregard the interest when acting on behalf of clients.                                                                                                                                                                                                                                                                                                                                |
| <b>Inducements including gifts and hospitality</b>          | We recognise that gifts and hospitality can lead to potential conflicts of interest. GSI has a strict policy, which specifically prohibits soliciting or accepting any inducements to conduct business in a specific manner that would give rise to favouring the interests of one client over another. Our policy ensures all gifts and inducements received from or given to third parties of any size are declared and approved as appropriate. All employees are expected to act with the highest standards of integrity to avoid any allegations of conflicts of interest. |
| <b>Personal account dealing procedures</b>                  | In order to manage actual or potential conflicts that may arise from personal account dealing, GSI has Personal Account Dealing Procedures in place.                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Customer orders</b>                                      | Our Order Execution Policy requires employees to take all reasonable steps to achieve the best overall trading result for clients; to exercise consistent standards; and operate the same processes across all markets, clients, and financial instruments in which it operates. GSI has a strict "no front running" policy.                                                                                                                                                                                                                                                    |
| <b>Handling confidential &amp; inside information flows</b> | All staff must comply with our Market Conduct Policy, which aim to prevent insider trading, the misuse of information and market manipulation.                                                                                                                                                                                                                                                                                                                                                                                                                                  |



## Avoiding Conflicts

GSI will not enter into an arrangement where a potential conflict of interest is prohibited by any applicable law or regulation. A conflict of interest register is maintained which sets out identified potential conflicts of interest and the controls in place in each case.

## Conflict Disclosure

Where an unavoidable conflict arises, or where measures to manage a conflict are deemed ineffective, we will disclose the matter to affected clients. We will also provide disclosure where required by law or regulation. All such information will be communicated clearly and comprehensively, enabling clients to make informed decisions.

## Oversight

GSI employs an external consultant, Cosegic Limited to assist in its compliance activities, including but not exclusive to regulatory filings, review and maintenance of compliance procedures, and a periodic review of the firm's implementation of the compliance governance process. Cosegic's review and monitoring responsibilities include GSI's conflicts of interest policies.

In 2024, GSI expanded our team and created a dedicated highly experienced work with our current Compliance Officer and Compliance Committee. Greg Brown, a highly experienced professional with over two decades of regulatory and governance and risk management experience was appointed.

This year, we have expanded our team and created a dedicated in house Compliance Manager role to work with our current Compliance Officer and Compliance Committee. This person will liaise with Cosegic on all matters concerning conflicts.

The firm records all conflicts of interest that arise or may arise, on the Conflicts of Interest Register which is updated regularly and discussed at the monthly compliance meeting.

The Register is provided to the Compliance Committee for review at least annually. We regularly review our business model to ensure any new potential conflicts of interest are noted and managed or prevented effectively.

We also have regular compliance training for staff to ensure awareness and understanding of the management of conflicts of interest is up to date.

## Other potential conflicts

GSI recognises that conflicts may arise in a range of areas beyond those already covered. Where GSI partners with platforms, DFMs, distributors, or affiliates, there is a potential for bias in product recommendations. Controls are in place to ensure that commercial considerations do not influence investment decisions. GSI also encourages a culture where staff can speak up if they identify potential conflicts or ethical concerns, supported by training and internal communications that reinforce the expectation to always act in clients' best interests.

There could be a conflict in how our sustainability programme evolves in response to emerging ESG issues and regulatory expectations. There are many ways to interpret and invest according to responsible and sustainable policies, and we seek to make our approach transparent to all clients and prospective investors. This allows clients to assess whether our approach to sustainable investing aligns with their values and objectives. In 2024, we have particular emphasis on ensuring our exclusions and engagement priorities meet the evolving standards of Article 8 funds under SFDR and the UK Stewardship Code.

GSI may also face pressure from clients to exclude specific countries or regions. Investment decisions remain guided by our fiduciary duty to act in the best interests of all investors and to apply sustainability and risk policies consistently. Any requests to deviate from standard exclusions are reviewed through established governance processes, ensuring decisions are transparent, fair, and do not give undue weight to individual client preferences.

Another example of a potential conflict is pre-trade allocation. Rules and monitoring of trade execution help ensure that no fund or client is disadvantaged due to liquidity or market impact. Periodic reviews confirm that trading practices remain fair and consistent across all strategies.

### Proxy voting and engagement

Since increasing our stewardship function, introducing voting and engagement initiatives we have been conscious to identify any conflicts of interest that may materialise in these processes.

The policies and procedures for identifying and managing conflicts of interest that may arise in the execution of our voting activities are outlined in the GSI Global ESG Proxy Voting Guidelines.

GSI maintains an explicit policy on managing any potential conflicts that is focused on the principle of preserving shareholder value. GSI works with Minerva to identify and manage potential conflicts to ensure GSI casts votes to serve our clients' best interests. Most proxy votes will be cast in accordance with pre-defined procedures and guidelines that minimise the potential for any conflict of interest.

Conflicts may arise where GSI has a commercial relationship with an investee company, or when engaging with or voting on companies where our staff have material holdings or personal relationships and connections.

Conflicts may also occur if GSI engages with or votes on companies that are direct competitors, or if GSI retains the services of a third-party service provider that is also a portfolio company soliciting a proxy. To date, none of these has been an issue for GSI.

GSI currently does not split votes or accommodate expressions of wish in line with client requests. If we were to introduce this option, the proxy would continue to be voted in accordance with GSI's Proxy Voting Guidelines.

If the Compliance Committee identifies a significant conflict of interest, it has several options to address it, in line with its obligation to act in the best interests of clients and within legal requirements.

These options include:

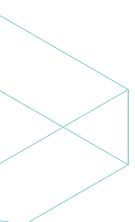
- Recommending an independent fiduciary to act impartially
- Abstain from voting

During the reporting period, there were no occasions when voting decisions were escalated due to an actual or potential conflict of interest being identified.

Proxy voting is further described in **Principle 12**.

### Proxy Advisor

Minerva offers assistance with bespoke voting guidelines, proxy voting research, and proxy voting implementation for GSI. GSI requires Minerva to inform us if there is a substantive change in their policies and procedures, including with respect to conflicts of interest.



## PRINCIPLE 3: CONFLICTS OF INTEREST

Over the past year, GSI has maintained a strong and conflict-free relationship with Minerva, which continues to deliver reliable and comprehensive stewardship solutions. Minerva's support includes detailed reporting and engagement data on sustainability issues, alongside effective facilitation of proxy voting activities.

How we monitor our service providers is further described in **Principle 8**.

### Outcome

GSI's relatively modest size and geographic reach do not diminish the importance of robust conflict management. In 2024, our processes enabled consistent and transparent handling of potential conflicts, whether arising from client requests or evolving ESG considerations. This approach reinforces the reliability of our investment decisions, promotes long-term portfolio stability, and strengthens confidence in how we conduct business.

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PRINCIPLE 4 ►





SECTION 1

# Purpose and governance

## Principle 4: promoting well-functioning markets

*Signatories identify and respond to market-wide and systemic risks to promote a well-functioning financial system.*



GSI recognises that the integrity and resilience of financial markets underpin our ability to act as responsible stewards of capital, and our role extends beyond engagement with individual issuers to strengthening the market system, so it delivers fair, long-term returns for all participants.

As a systematic global equity manager and signatory to the UK Stewardship Code, our investment philosophy is founded on the view that public markets are effective at processing information about risks and opportunities. We design strategies and processes to capture real-time price signals and support robust price discovery.

GSI is covered by the FCA's Senior Managers and Certification Regime (SMCR), which is tailored to firms of different sizes and systemic importance, and as a small asset manager we are classified as low risk in relation to market-wide and systemic risks while maintaining controls proportionate to our responsibilities.

We commit to fair, transparent, and efficient markets through improved disclosure, disciplined execution practices and operational controls that minimise market disruption, and we hold our critical service providers to the same high standards.

## Investment risks

Navigating risk through a robust, systematic and diversified approach is foundational to GSI's investment philosophy. We accept market risk is part of equity investing and expect investors to receive fair returns for bearing it. Consistent with this view, we incorporate ESG risk ratings into our evaluation of companies, enhancing our ability to manage both risks and opportunities across the investment universe.

Our investment process addresses market-wide and systemic risks through broad diversification. Portfolios are balanced across sectors, geographies and factors, and typically hold hundreds of securities drawn from an investable universe of over 2,000. This approach mitigates idiosyncratic risks associated with individual holdings and reduces exposure to extreme market movements, which are often amplified in market-weighted strategies that concentrate on large-cap companies.

We do not attempt to time the market or individual segments such as sectors. Instead, we maintain a disciplined, long-term approach that has historically delivered performance above market returns, while acknowledging that temporary drawdowns may occur.

As noted in academic literature, *"Investors should not try to time the market based on macroeconomic factors such as interest rate changes. The efficient market hypothesis suggests that securities prices fully reflect all available information, including macroeconomic factors, making it difficult to consistently earn abnormal returns by timing the market."*<sup>1</sup>

Our Investment Committee regularly evaluates risks related to liquidity, counterparty exposure and other market-related factors.

Our strategies typically remain fully invested, even during periods of market turbulence. However, we place strong emphasis on maintaining liquidity across all portfolios. At present, all strategies could be liquidated to cash in under one day with no market impact.

Events such as market turmoil from a war or market shock cannot be forecasted systematically, so the best way to deal with them is to avoid overreacting and to keep the long-term investment objective in mind.

1. Source: Malkiel, Burton G. "A Random Walk Down Wall Street: The Time-Tested Strategy for Successful Investing." W. W. Norton & Company, 2019

Climate risk

Climate-related risks, comprising both physical and transition risks, have become integral considerations in our investment strategy. Physical risks, such as extreme weather events and rising sea levels, can lead to asset devaluation and operational disruptions. Transition risks arise from the global shift towards a low-carbon economy, including regulatory changes and shifts in consumer preferences. Research indicates that companies with higher emissions profiles may face elevated capital costs, potentially impacting their financial performance.

Reducing exposure to companies that are poorly positioned to adapt to a low carbon economy can mitigate downside risks associated with potential regulatory penalties, stranded assets, and reputational damage.

We address these risks through a systematic investment process that emphasises:

Reduced exposure to GHG and fossil fuels: aligning our portfolios with the transition to a low-carbon economy

We significantly reduce our overall exposure to fossil fuels and greenhouse gas emissions, while having a higher investment in companies within the same sector that have a better record of managing their environmental responsibilities, and a lower (or zero) investment in those firms with a poor record.

We target a level of GHG and fossil fuel exposure of half that of our benchmark (the Solactive GBS Developed Markets Large & Mid Cap Index) or lower. Companies are considered to be exposed to fossil fuels if they are involved in oil & gas production and power generation, oil and gas

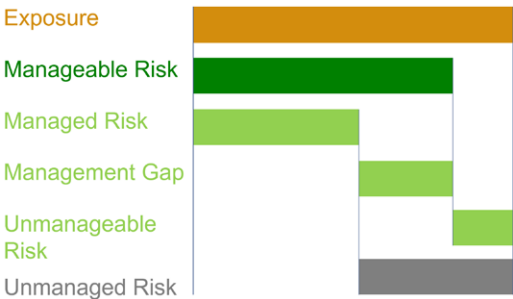
products and services, thermal coal extraction or thermal coal power generation. We also target an aggregate level of GHG intensity of half that of the benchmark or lower.

To measure the GHG intensity of a company we use the standard definition set by the Task Force on Climate-Related Financial Disclosures (TCFD) which is annual GHG Scope 1 and Scope 2 emissions, divided by annual revenues.

Integration of ESG Factors to inform portfolio weights

Environmental, social, and governance (ESG) risk considerations are embedded in our investment analysis through the integration of Sustainalytics risk rating data.

ESG risk ratings measure the extent to which the enterprise value of a company is at risk due to a company's exposure to ESG issues that are material to its business. Rather than volatility, the risk rating can be viewed as a downside risk measure. The risk metric is determined by adding up the unmanaged risk factors of a company with regard to the most pertinent ESG issues for the company. ESG risk ratings suggest a stronger link between ESG risk and financial risk for a company than the previous ESG scores.





## Engagement and stewardship: encourage transparent climate-related disclosures and the adoption of sustainable practices

Our voting guidelines were updated to encourage companies to develop a climate transition plan that discloses the strategy and actions the company intends to take to transition to net-zero greenhouse gas emissions by 2050.

We actively engage with high-impact sectors, including our participation in the CA100+ investor group's dialogue with AP Moller Maersk, and our climate coalition work with chemical companies, including Linde, to promote transparent climate-related disclosures and the adoption of sustainable transition plans. These actions are designed to support credible net-zero pathways and uphold our disclosure expectations around material climate risks.

## Social risk

Social and human rights risks, particularly those linked to inequality, labour standards, and governance, can materially affect long-term value and how markets function. We address these risks by supporting companies that demonstrate credible policies on social responsibility, inclusion, and workforce wellbeing.

We advocate for climate transition plans that integrate social impact, including the effects on workers and communities. Our expectations are guided by the International Labour Organization's "Guidelines for a Just Transition," which we support as a framework for managing transition-related social and governance risks.

Remuneration remains a key area of scrutiny. In 2024, we voted against 84% of proposals on incentive plans, opposing excessive one-off awards and advocating for pay structures that are fair, transparent, and aligned

with workforce norms. We expect companies to disclose individual limits and justify any lead executive salary increase above 20%.

We also expect companies to adopt and disclose board diversity policies, with measurable objectives. Our voting policy reflects FCA diversity targets for UK-listed companies, including gender and ethnic representation at board and senior leadership levels.

## Geopolitical risk

In 2024, geopolitical risk once again highlighted the importance of staying disciplined and systematic.

Escalating tensions in the Middle East, ongoing conflict in Ukraine, shifts in European defence policies, and political developments in the U.S., including U.S. policy developments under Trump, alongside rising tensions with China contributed to increased volatility and created additional uncertainty for investors.

Political developments in the U.S., Europe, and globally created particular pressures in sectors such as military equipment and oil. For example, rising share prices in defence stocks were driven by government policy changes and increased focus on re-armament in Europe, while oil markets were affected by both conflict-driven supply disruptions and regulatory interventions.

These shifts can create headline-driven volatility that tempts reactive trading, but in times of uncertainty, we remain staunch supporters of our investment philosophy: patient, data-driven, and resilient. We do not attempt to time the market or make tactical bets on headline news. We manage these risks through diversification across developed markets and sectors so that no single event dominates our portfolios.

Our investment approach ensures we remain aligned with our long-term risk-return objectives. The markets often reward those who adhere to a consistent, long-term approach rather than reacting impulsively to short-term shocks.

Maintaining well-functioning markets depends on investors having access to clear, accurate information. By sharing insights and analysis, we aim to support informed decision-making during periods of geopolitical uncertainty, helping investors remain aligned with long-term objectives.



“Political stability and effective governance are critical for fostering well-functioning markets. In an era of heightened geopolitical tension, ensuring that markets operate freely and equitably is essential for sustainable economic growth and investor confidence.”

World Economic Forum, Global Risks Report 2024

## Market integrity and transparency

### Supporting global and UK market disclosure frameworks

Our approach is grounded in transparency. We work to stay aligned with global investor expectations and UK and international disclosure requirements, by supporting better disclosures and align our reporting with recognised frameworks including TCFD, ISSB and TNFD.

We have also monitored the evolution of the EU Taxonomy and agree with the harmonisation of global disclosure frameworks.

GSI funds are classified under SFDR Article 8, confirming our commitment to promoting sustainability characteristics and transparency beyond the minimum requirements. As our funds are Irish domiciled UCITS' they are outside the SDR regime.

Global Systematic Investors LLP (GSI) is regulated by the FCA. We have followed the anti-greenwashing principles introduced since 2024 and remain ready to incorporate any subsequent regulatory guidance and deadlines as policy evolves.

We integrate climate and sustainability considerations not only as discrete screening mechanisms but as core components of risk management and portfolio construction. We incorporate climate and environmental risk data, leveraging TCFD-aligned metrics such as weighted-average carbon intensity, and utilising leading external data providers such as Sustainalytics.

Our internal methodologies ensure portfolio-level exposure to fossil fuels and GHGs is in line with TCFD and ISSB guidance and both funds are recognised with “low carbon” designations (Morningstar).

Regular updates ensure our voting guidelines reflect current sustainability disclosure standards and emerging ESG governance issues. Inputs to our customised voting policies are provided by Minerva Analytics. The framework is aligned with global best practice frameworks such as OECD Principles, ICGN, IIGCC and TCFD and references the International Sustainability Standards Board (ISSB) / IFRS S1 & S2.

## Recent Focus: Nature and Biodiversity Disclosures

Recognising the interconnectedness of environmental, social and financial sustainability, we moved swiftly to incorporate nature-related considerations into our voting guidelines using TNFD-aligned principles. In 2023–24, we reviewed and updated our proxy voting policies to capture company performance and risks in relation to biodiversity, ecosystem health, and nature-based solutions. We view this expansion as essential for the long-term viability of markets dependent on the integrity of natural systems.

## Policy engagement and advocacy

GSI actively contributes to industry consultations and working groups that shape the regulatory and stewardship landscape, particularly where they intersect with climate, ESG, and disclosure standards. During 2024 we were involved in the following:

### IIGCC Stewardship Code Review

GSI was both a member of the Institutional Investors Group on Climate Change (IIGCC) consultations on the revised UK Stewardship Code and a participant in the FRC's Stewardship Code guidance round tables, including the event held in Edinburgh. This engagement was important to ensure that the revised Code reflects the practical realities of stewardship implementation, particularly for smaller firms and systematic managers. We advocated for clearer expectations around escalation, outcomes, and proportionality, and welcomed the opportunity to help shape guidance that supports meaningful, evidence-based reporting.

### FCA Consultation on UK SDR

Although out of scope, we contributed to the SRI (Julia Dreblow) industry consultation feedback on the FCA's Sustainability Disclosure Requirements (SDR) and Investment Labels (CP22/20). We did this informally through the group, as we were not in a position to submit views directly to the FCA. Our input emphasised the need for clarity, global alignment, and the avoidance of regulatory fragmentation that could undermine investor trust or limit cross-border product comparability. We also highlighted the importance of recognising different business models, particularly for systematic, factor-based managers, whose stewardship and ESG integration may differ from traditional active approaches.

### Net Zero Voting Group

The Net Zero Investment Group developed a framework that provides a common set of recommended actions, metrics and methodologies through which investors can maximise their contribution to achieving global net zero emissions by 2050 or sooner. GSI supported the development of shared standards that enable consistent and credible escalation, voting and engagement aligned with net zero goals.

### Proxy Voting Working Group

The IIGCC Proxy Advisor Working Group developed a collaborative agenda to elevate the quality and climate relevance of proxy advice, recommending clearer integration of net zero expectations, firmer treatment of transition plans and board accountability, and more consistent handling of shareholder resolutions. As part of this group we supported these shared standards to drive concrete policy updates so that voting guidance more reliably underpins credible engagement, escalation and stewardship outcomes.



## Oversight of market service providers

### Proxy advisers

Robust market standards require critical, ongoing oversight of proxy advisers, whose research, voting recommendations, and methodologies influence market outcomes and the stewardship ecosystem. We participated in the Proxy Voting Working Group at the IIGCC

We value the use of ESG ratings in investment allocation and stewardship. However, we closely review the methodology, data provenance, and governance of providers such as Sustainalytics to ensure that external assessments align with our own investment understanding and principles.

### ESG ratings agencies

We value the use of ESG ratings in investment allocation and stewardship, we monitor and scrutinise the methodology, data provenance, and governance process, Sustainalytics.

GSI supports moves towards globally harmonised codes of conduct for ratings providers that mirror the principles set out by IOSCO and UK/EU regulators, and we advocate for proportionate oversight to ensure innovation and competition are not stifled.

## Participation in industry networks

An important aspect of promoting well-functioning financial systems is engaging with other market participants.

GSI participates in several industry initiatives, and trade associations, including events run by the INQUIRE UK, IIGCC, UKSIF, CFA, CISI, SRI, The Investment Network, ShareAction, and others, where we have input into relevant topics and how ESG practices are progressing in the sector.

Garrett Quigley, Co-CIO, was previously a director of the Institute for Quantitative Investment Research UK (INQUIRE UK), the premier organisation for connecting academic research in financial economics and other quantitative investment topics with industry practitioners. INQUIRE UK runs regular research seminars and events where leading researchers present to practitioners and peers. We are still members and regularly attend their seminars and other events.

Bernd Hanke PhD, Co-CIO has been involved for over 5 years in initiatives to protect the rights of investors and reduce the fiduciary risk and failures of governance in the stewardship of US pension funds. He is used as an expert witness in US class action lawsuits involving major pension plan sponsors.

We are members of the IIGCC and participate in many of the working groups and the more formal networks of CA100+ and Net Zero Engagement Initiative (NZEI). Through these networks, GSI gains a platform to collaborate with industry peers, share best practices, and contribute to impactful initiatives aimed at integrating climate considerations into investment decisions.

## Investor education and market stability

### Investment noise and market confidence

We believe well-functioning markets reward the patient. Markets inevitably generate noise and short-term volatility. Such noise increases the risk of permanent capital loss for investors who chase short-lived themes or abandon well-founded strategies.

At the extreme, preserving market function means preventing noise-driven runs that drain liquidity, amplify volatility and trigger systemic losses, protecting capital and confidence through discipline, disclosure and coordinated market support.

That is why we promote informed, disciplined decision-making and clear, timely communications that help clients look through market noise.

### Investor education and informed decision-making

A core pillar of GSI's investment philosophy is the empowerment of investors to make informed and resilient decisions. We recognise that well-functioning markets depend on participants having access to transparent data, clear insight into risks, and credible assurance of consistent standards.

Transparent and accessible information from reputable sources builds trust and confidence among investors.

**Client education:** we deliver educational sessions to clients and beneficiaries on the integration of ESG and systematic risk assessment regularly.

- Sessions cover risk metrics, portfolio construction and attribution, and the role of stewardship in our portfolios
- We research and monitor emerging risks within our funds and share timely insights through research papers and thought leadership
- We also have a series of presentations to dispel the myths (Greenhushing) of ESG investing

**Contribution to industry knowledge:** Staff contribute to industry best practice through advisory roles (e.g. CFA curriculum contributions) and active participation in panels and roundtables hosted by standard setters and investment associations.

Our goal is to foster a market environment where stewardship and client education go hand in hand, supporting a resilient and informed investor base that helps prevent systemic risk and maintain public trust.



"Markets have shown a remarkable ability to absorb geopolitical shocks, but investor overreaction remains the greatest risk."

MSCI Market Insights, 2024

## Outcome

By combining advocacy, collaboration, and rigorous oversight, we contribute to markets that are transparent, resilient, and aligned with the long-term interests of our clients and society. Our independence ensures that our positions are guided by client priorities rather than industry pressure, and we remain committed to continuous improvement in how we promote well functioning markets.

We integrate and advocate for best-practice transparency standards, robust risk management frameworks, outcome-driven policy engagement, critical oversight of service providers, and support for sustainable markets. Complemented by our emphasis on investor education and commitment to the ongoing refinement of process and reporting, we believe our activities contribute directly to market integrity, systemic resilience, and the delivery of long-term value for clients, beneficiaries, and the wider financial system.

As market and regulatory expectations evolve, we are open and adaptive, confident in our working in a way that encourages markets that are fair and trustworthy.

We remain committed to deepening our engagement and interaction with market participants and have upheld our commitment to increase our involvement with industry advocacy groups and growing engagement in 2024.





SECTION 1

# Purpose and governance

## Principle 5: Review and assurance

*Signatories review their policies, assure their processes and assess the effectiveness of their activities.*



## Assurances - Checks and balances

We are committed to maintaining the highest standards of integrity and accountability in the implementation of our sustainable investment strategies.

Our policies and implementation around sustainability and stewardship have developed and improved greatly over the past few years, as GSI has grown in both clients and assets. We have embraced feedback from our clients and the industry network. This has been instrumental in refining and improving our approach to stewardship.

We have set policies and procedures to ensure effective governance of our activities. We recognise assessment and reflection of our policies, processes and frameworks are critical in ensuring the effectiveness of our approach in response to the rapidly evolving landscape. Although reviews are scheduled at least annually we adopt a pragmatic approach when time-critical drivers, such as material incidents or regulatory amendments, require ad-hoc attention.

There are several assurance checks and balances in place to ensure ongoing effectiveness of our stewardship practices.

These are covered by five areas:

1. Independent oversight
2. Proxy Voting Guidelines
3. Review of policies and practices
4. External validation
5. Client reporting – 'Fair Balanced and Understandable'

### 1. Independent oversight

The funds for which GSI is the investment manager are sub-funds of a Dublin-based umbrella fund. The management company of the umbrella fund GemCap has independent oversight of the funds' investment activities, including the funds' approach to sustainable investments. GemCap's investment compliance team regularly review the funds' investments and challenge GSI if there are any perceived issues with the investments.

This oversight gives us regular opportunities to receive assurances if they support our processes.

GemCap and GSI jointly report on the funds' investments to the Board of Trustees of the umbrella fund company, at least twice a year, in a detailed [Investment Managers Report](#) in addition to other regular meetings.

In this report sustainable finance is assessed, including sustainability risk faced by the fund (being the risk that the value of the fund could be materially negatively impacted by an ESG event). In 2024 this was assessed again as low.



The GemCap UCITS platform houses sub-funds from a number of leading Investment Management firms from across the world, of which GSI is one of the most prominent and successful. The GSI funds have grown steadily since their inception and have garnered a strong reputation in the market for excellence and expertise in systematic and factor investing. In addition their long-term commitment to sustainable investments is unique and embedded in the DNA of the firm. GemCap is proud to be associated with GSI and look forward to working together to continue to deliver a high quality investor experience.

Conor Hoey, Director GemCap

## 2. Proxy voting guidelines

We have developed and implemented policies and procedures to ensure that the fiduciary obligation to vote proxies in the best interest of our clients is fulfilled. We follow a set of 'Guidelines' that provide a general framework for our proxy voting analysis. These guidelines are produced in consultation with Minerva who blends GSI's own stewardship policy beliefs with global good practice principles and sophisticated technology and expert analysis to ensure we execute independent and objective voting.

Our guidelines are consistent with global best practice guidelines such as the G20/OECD, are fully aligned with both the IIGCC Toolkit and the wider net zero objective and are aligned with the Transitional Pathway Initiative and Task Force on Climate-related Financial Disclosures (TCFD) Principles.

### Changes to guidelines 2024

We have the flexibility to update our proxy policy guidelines at any time, though we conduct an annual formal review when we assess potential additions, revisions, and updates to our proxy voting and engagement policies, procedures, and guidelines.

As part of our commitment to reviewing our voting guidelines annually, a meeting is held in early February each year. This is set intentionally to properly digest the outcomes of the last proxy season and to review and add any recent changes in good practice, which shape our thinking. We review all the recommendations and updates in the Minerva master template and select and or adapt those appropriate for the GSI Template.

In 2024 there were more than 40 template question amendments with an additional 70 introduced in February 2025.

### VOTING TEMPLATE QUESTION CHANGES 2024/2025

| RESOLUTION CATEGORY | NEW       |           | REVISED   |           | SHAREHOLDER |          |
|---------------------|-----------|-----------|-----------|-----------|-------------|----------|
|                     | 2024      | 2025      | 2024      | 2025      | 2024        | 2025     |
| Audit & reporting   | -         | 8         | 5         | -         | -           | 3        |
| Board               | 8         | 4         | 2         | 9         | 2           | -        |
| Capital             | 3         | -         | -         | 7         | -           | -        |
| Charitable activity | -         | -         | -         | -         | -           | -        |
| Corporate actions   | 1         | -         | 2         | -         | 1           | -        |
| Political activity  | -         | -         | -         | -         | -           | -        |
| Remuneration        | 4         | 4         | -         | 5         | -           | -        |
| Shareholder rights  | 1         | 2         | -         | 3         | 1           | 1        |
| Sustainability      | 2         | 23        | 4         | -         | 5           | 1        |
| <b>Total</b>        | <b>19</b> | <b>41</b> | <b>13</b> | <b>24</b> | <b>9</b>    | <b>5</b> |



The changes are reflected in the following amendments to our guidelines:

| SECTION                     | CHANGE                                                                       |
|-----------------------------|------------------------------------------------------------------------------|
| 2.1 Composition             | Diversity expectations enhanced and FCA diversity targets added              |
| 3.2 Share issue authorities | Dilution expectations aligned with Pre-Emption Group Guidelines              |
| 5.2 Remuneration policy     | Expectations on ESG metrics strengthened                                     |
| 6.1 Voting rights           | Expectations on time-based sunset provisions for dual-class structures added |
| 8.2 Climate change          | Expectations on climate disclosures added                                    |
| 8.3 Nature                  | New section on nature and deforestation added                                |
| 8.3 Responsible tax         | Following adoption of new voting guideline on tax policy, new section added  |

### 3. Review of policies and practices

#### Review of proxy voting policy

Our proxy voting policy is reviewed drawing on input from Minerva and their annual review of the Global Governance Voting Policy and Guidelines. All changes are considered by the Compliance Officer, Andrew Cain and Lead for Stewardship, Kate Hudson, and then discussed with the Investment Committee before any changes are agreed. The decisions to adapt our bespoke policy is garnered with insights from sustainability data research, industry experts, our proxy advisor Minerva, client feedback and industry engagement.

Minerva incorporates guidance published by the Institutional Investor Group on Climate Change and Climate Action 100+, both of which we are members.

We also examine the [Share Actions Voting Matters report](#) and as a member of the IIGCC Proxy Voting working group participate to gain insights into emerging issues and trends among other proxy firms and asset managers.

Refer to Principle 12 for voting activity

#### Changes to proxy voting policy 2024

In 2024, we refined and strengthened specific sections of our voting policy to improve clarity, raise expectations in key areas, and ensure continued alignment with international standards and responsible investment principles, rather than making wholesale changes.

These refinements include enhanced guidelines on board diversity, clearer expectations on remuneration practices, and the introduction of guidance on dual class share structures with time-based sunset provisions to protect shareholder rights and references to Cybersecurity in the disclosure of recognised risks.

We also expanded quite considerably our climate expectations which are outlined in detail in Principle 4.

Refer to Principle 4 for climate voting policy changes

And also we introduced new sections on nature and responsible tax to address emerging systemic risks and transparency expectations.

This inclusion reflects our view that nature loss is both a material investment risk and an emerging area of regulatory and stakeholder focus. Integrating nature into our voting policy allows us to engage and escalate more effectively where disclosure or management of these risks is insufficient.

#### **Other notable changes to our voting policy in 2024 include:**

##### **Remuneration policy**

We have strengthened our expectations around the use of ESG performance metrics in executive remuneration. For companies operating in high climate impact sectors, we expect executive incentives to be explicitly linked to credible climate transition plans and emissions reduction targets aligned with a 1.5°C net-zero pathway.

##### **Responsible tax**

Following the adoption of a new voting guideline on tax policy, we have introduced a dedicated section on Responsible Tax. We also encourage country-by-country tax reporting in line with the GRI 207 standard to support transparency and accountability.

##### **Target voting list**

Currently, given the additional costs associated with voting proxies, we believe that it is not in the best economic interests of our clients to vote all proxies. Instead, we select subsets of the funds' holdings that we believe warrant voting. The Target Voting List has 200 companies, covering up to 70% of our fund holdings.

##### **Review of target voting list**

Our target list is reviewed annually. However, we can adapt this list at anytime, if for example any active controversies require us to review our holdings.

During the 2024 review, we analysed the methodology and adapted the criteria variables slightly for the target companies. Changes were necessary as the portfolios have grown in average minimum holdings over the year due to an increase in AUM and performance of the US mega caps.

We also expanded the decision tree to include any holdings identified within CA100+, NZEI, Nature Action 100, and G-SIBs (Global Systemically Important Banks) that have not already been included due to the other criteria.

This is to ensure that our voting coverage includes those companies considered systematically important in addressing climate-related risks. Including these globally recognised focus lists, that identify companies with poor ESG practices or high ESG risks, ensures that our voting decisions align with broader industry concerns in relation to carbon and nature. For example, Nature 100 targets companies in key sectors that are deemed to be systemically important in reversing nature and biodiversity loss by 2030.

##### **Say on Climate – Just Transition**

New policy question covers disclosures indicating that the company has committed to decarbonise in line with defined just transition principles, specifically, how it considers the social impact of its decarbonisation plan on workers and local communities, such as those outlined in the International Labour Organisation's Guidelines for a Just Transition.

In 2025, we will continue to maintain this process; however, some of the minimum criteria levels have been adjusted slightly. These changes are as follows:

1. **2024:** Minimum aggregate holding increased from \$300,000 (2025 - \$725,000);
2. **2024:** ESG Risk Rating > X increased from 28 to 30, which maps to the reported "High Risk" level. (2025 - No change)
3. **2024** GHG Intensity remained at min 200. (2025 - 300)
4. **2024:** updated criteria to include crossover of portfolio holdings with systematically important ESG risk companies highlighted in the focus lists of CA100+, NZEI, G-SIB's and Nature100.

#### Target voting list criteria

| FILTERS          | RULE                                                                                   |
|------------------|----------------------------------------------------------------------------------------|
| Total holdings   | Total aggregated company holdings and total value held                                 |
| Minimum holdings | Aggregate holdings of at least \$300,000                                               |
| Size             | Mega-Cap - Top 40% aggregate free float adjusted market weight                         |
| Large holdings   | Aggregate holdings of at least \$1,000,000                                             |
| ESG credentials  | ESG Risk Rating <30 (High Risk)<br>GHG Intensity - Min 200                             |
| Focus lists      | Cross Over with Systematically Important Focus Lists<br>CA100+, NZB, Nature 100, G-SIB |

## 4. External validation

External validation, ratings, or certifications assess our stewardship practices and compliance with industry standards and best practices.

### UK Stewardship Code

By signing up for Stewardship Code we were subject to external scrutiny and assessment of our stewardship practice. This demonstrates our willingness to be held accountable for our stewardship activities and to operate with transparency and integrity.

### Independent compliance review

GSI engages Cosegic, an independent compliance consultancy, to provide external oversight. Working with our Compliance Manager, Cosegic offers an additional layer of independent assurance by reviewing our policies, procedures, and internal controls and provide constructive challenge where appropriate. Cosegic tests for the strength of our governance culture, our responsiveness to regulatory change, and our commitment to continuous improvement. Any issues or recommendations arising from their reviews are reported directly to our Compliance Officer and inform our internal assurance and training processes.

### Independent research review

Mainstreet continue to conduct third-party review of our strategies on a semi-annual basis, providing an independent and insightful assessment of our sustainable investment processes.

We consistently receive positive scores for the degree of ESG integration, with consideration given to our systematic strategies limitations.



They continue to commend our collaborative engagement efforts, noting the depth and consistency of our approach and indicating strong assurance in this area.

Notably, our decision to rename certain funds in early 2025 was viewed favourably. The change was seen as a constructive step toward clearer alignment between product labelling and investment strategy, resulting in improved scores and the removal of prior regulatory adherence penalties.

While these outcomes are encouraging, the review also highlighted areas for continued refinement, particularly around evidencing sustainability claims with greater detail. With growing industry and FRC emphasis on outcomes, we are working to establish robust metrics to assess the effectiveness of our stewardship activities.

The scale of our firm limits the breadth of direct engagements therefore also rely on the assessments and insights provided through collaborative initiatives. We are committed to ensuring our role within collective engagements is clearly documented and that outcomes are transparently communicated.

These enhancements will help us evaluate whether our stewardship activities contribute meaningfully to improvements in corporate governance, environmental performance, and long-term value creation.

## 5. Fair balanced and understandable reporting

The stewardship code stipulates the necessity of delivering reporting that is fair, balanced, and comprehensible, principles with which we agree. We recognise the importance of this requirement and consider it an integral part of our standard practice. Such reporting must also be both comparable and relevant. We therefore ensure that our fund and stewardship reporting meet these criteria.

We share information to clients, researchers, and prospective clients through fund factsheets, thought leadership 'perspectives and viewpoints,' research papers, webinars, and face-to-face meetings. We produce detailed attribution and performance, and risk analysis and half yearly detailed investment managers reports. We publish our information on our website and thought pieces under our 'Insights' section ensuring the information is freely accessible.

Gemini, the management company of our funds, publishes audited fund annual reports.

Our voting records are available on the [website](#), and we summarise our stewardship activity in reports to clients.

To support our communication and marketing efforts, we engage the service of Robin Powell. Robin is an author and journalist specialising in finance and investing, and a campaigner for a fairer, more transparent asset management industry. He is the founding editor of The Evidence-Based Investor. Robin regularly produces reporting and material, supplementary to our regulated reporting requirements, which has been produced specifically to be fair, balanced, and understandable for our client base.

## Stewardship reporting

In alignment with our stewardship activities, we produce updates on our stewardship and voting activities at all regular client updates and prospective client meetings. We publish full disclosure of voting records on our website and report on our stewardship activities through the Stewardship Report and regular updates. We update all relevant policies, including our Responsible Investment Policy annually and these are available on our website.

Refer to **Principle 6** for communication and reporting

## Summary

We continue to enhance and align our sustainability-related activities with industry best practices and our firm's strategic intentions. As an FCA-regulated firm, we recognise the increasing regulatory scrutiny around sustainability-related claims. We are committed to ensuring that our communications, with our regulators, client reporting, proxy voting, and stewardship disclosures, are clear, evidence-based, and free from ambiguity. This approach reinforces our responsibility to mitigate the risk of greenwashing and supports the integrity of our investment proposition.

We are actively deepening the integration of sustainability considerations across our investment and governance processes, ensuring they remain responsive to our strategic objectives and evolving industry standards. We continue to evolve our frameworks and processes to reflect regulatory developments and stakeholder expectations, while maintaining our independence and commitment to transparency.

The 2025 Stewardship Report provides a comprehensive and accessible account of our policies, activities, and outcomes over the past year. It has been reviewed and approved by both our investment team and compliance function to ensure it meets the highest standards of fairness, balance, and clarity for all stakeholders.

PRINCIPLE 6 ►



A scenic landscape photograph showing a wide, winding river flowing through a lush green valley. The sun is high in the sky, creating a bright glare on the water and casting long, soft shadows. The river meanders through the landscape, surrounded by rolling hills and fields. The sky is a mix of blue and white with wispy clouds. The overall mood is peaceful and expansive.

SECTION 2

# Investment approach

## Principle 6: Client and beneficiary needs

*Signatories take account of client and beneficiary needs and communicate the activities and outcomes of their stewardship and investment to them.*



GSI was founded on the philosophy that long-term investment success is built on transparency, discipline, and evidence. Well-functioning markets reward disciplined investors who remain invested through the cycle. Founded on the principle of delivering improved outcomes through factor-based investing, we aim to be a trusted partner offering strategies that are aligned with both clients' financial goals and their values.

What GSI stands for is in our company name and the name of our funds.

### Global Systematic Investors

- **Global:** We invest in developed markets only, no distractions, no drift
- **Systematic:** Data-led, rules-based, repeatable.
- **Aware:** Conscious of market risks, ESG impacts, and long-term sustainability
- **Focused on Value:** Precision in factor exposure, clarity in client outcomes

### Understanding client needs

GSI has a client base built on a mutual investment philosophy and most of our clients share a common set of values, beliefs, and objectives when it comes to managing their investments. Our network is UK focused and primarily composed of investment professionals who adhere to an evidence-based investment philosophy.

Our narrow focus enables us to provide specialised expertise, consistent service, unique differentiation, and agile responsiveness. Ultimately, we believe these benefits lead to better investment outcomes for our clients.

By understanding and aligning with our clients' investment philosophy, regional preferences, investment style, and asset class preferences, we have built investment and distribution models based on strong, long lasting relationships grounded in mutual trust and understanding.

We place a strong emphasis on understanding and addressing the specific needs of our clients and beneficiaries in all aspects of our investment and stewardship efforts. Our commitment to transparency and open communication is integral to our approach.

“

As a DFM, we rely on asset managers not just for performance, but for clarity, context, and conviction. The real value comes when managers step beyond the factsheet, whether it's through supporting conference, educational sessions or tailored updates. When they help us understand the 'why' behind fund positioning and the stewardship principles guiding their decisions, it strengthens our own conversations with clients and reinforces trust across the value chain.

Nicki Hinton-Jones - CIO, Timeline

Our distribution network primarily targets the UK and is predominantly comprised of investment advisors dedicated to evidence-based investment strategies. The majority of our assets (67%) are managed through discretionary fund advisors and small institutions as part of model portfolio services. We do not engage directly with individual consumers.

PRINCIPLE 6: CLIENT AND BENEFICIARY NEEDS

Our assets under management as at end December 2024, originated from clients in the following two regions:

**UK**

AUM £734m

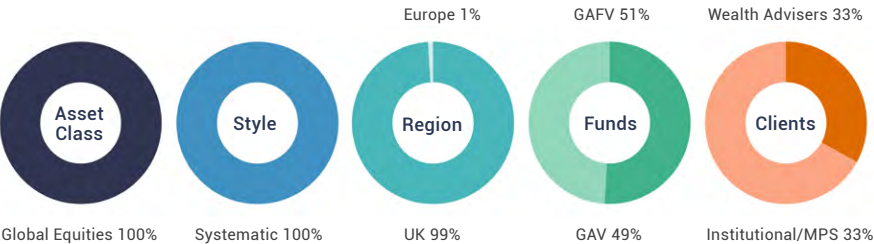
Platforms > 26

**Europe ex UK**

AUM £4.6m

Platforms = 2

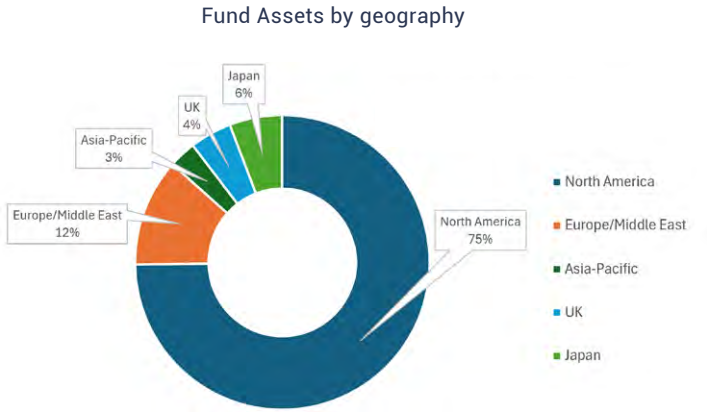
We exclusively manage one asset class, global equities, primarily concentrated in one region—the UK.



Developing suitable products

Our funds are centred on client preferences. To meet investor needs we designed global equity funds with the objective to deliver higher returns for our clients through diversified factor-based portfolios with high investment capacity, low turnover and low transaction costs and sustainable integration.

Our funds are well diversified global equity strategies. We believe in diversification across stocks, sectors and countries which helps reduce risk. The eligible universe is divided into 3 regions: Europe, North America and Asia Pacific and market weights are applied across each region.



GSI manages two sustainable investment funds: the Global Aware Value Fund (GAV) and the Global Aware Focused Value Fund (GAFV). The main difference between the two strategies is the degree of factor tilts. Both funds are Article 8 and integrate ESG consideration. Investors can choose between funds based on their risk tolerance, investment goals, and preferences for factor exposure. GAV was the first strategy opened and was intended to be used as part of a core equity allocation. GAFV is more focused and aggressive in its factor tilts, to small and value and has higher tracking error to a market benchmark.

GAV was designed as our clients sought a sustainable fund with a stronger value exposure. There is limited availability of factor-driven strategies that integrate ESG considerations. We leveraged our core capabilities to design a product specifically tailored to meet the clients' requirements.

As of December 31, 2024, our total assets under management amounted to £738 million, marking an increase of £162 million compared to the previous 12 months. These assets are evenly divided between our two strategies, with 49.7% allocated to GAV and 50.3% to GAFV. It's important to note that our entire asset base is invested in global equities.

## Investment horizon

Academic literature emphasises the importance of maintaining a long term perspective for value investing.

GSI's equity strategies adopt a strategic, long term approach across market cycles, resulting in low portfolio turnover and extended security holdings. We recommend investment timeframes of five years or more, in line with patient capital and value-oriented investing principles. Returns of individual factors can vary sharply from one year to the next and timing market allocations is notoriously difficult.

Given the volatility of individual factors and the challenge of timing market allocations, the probability of outperformance increases with longer investment horizons.

Investment durations are contingent upon individual financial goals, risk tolerance, liquidity needs, age, and life stage. The majority of our clients, comprising of regulated financial advisors and wealth managers, understand their clients' specific circumstances. A long-horizon investor, willing to stay the course, and hold a portfolio combining multiple factors, should benefit from a more positive investment experience.

## Client feedback

GSI is centred on managing assets in alignment with clients' principles. We have always worked collaboratively and align our core values and capabilities with those that clients want, and investors need.

During the reporting period we conducted a number of activities focused on understanding the sustainability concerns and values of clients.

These included the following:

## Fossil fuel exposure

As part of our review of ESMA's fund naming guidelines and the Paris-Aligned Benchmark framework, we surveyed clients to better understand their views on fossil fuel inclusion. Feedback indicated strong support for reduced exposure, particularly to companies lacking credible transition plans, but also a clear preference for remaining invested. Clients expressed concern that full exclusion could limit influence over corporate behaviour and undermine stewardship efforts. We share this view and continue to favour selective inclusion where it supports active ownership, and long-term decarbonisation. This approach ensures our fund positioning reflects both regulatory expectations and client values.

To support our clients' understanding of how we manage fossil fuel exposure, we produced a brief report, [Fossil Fuel Exposure and Oversight](#), outlining our holdings v benchmark and voting activity in the sector, in October 2024 and updated this in April 2025.

## Product involvement screens

At client meeting we often discuss our product involvement screens. For example, a recurring question is our position on excluding military contracts and controversial weapons.

Geopolitical tensions, global conflict, and strong performance in the defence sector have added complexity to investor perspectives on funding weapons and surveillance. While such exposure may enhance portfolio returns, it also raises material human rights and environmental concerns. Some argue that investors have a duty to support national security efforts.



Due to increasing discourse, we produced an analysis of the sustainability and environmental implications of defence sector exposure, also surveying several large clients. The consensus was to uphold our existing exclusion policies. A short document outlining our analysis on [Defence stocks and ESG principles](#) was shared with clients.

We continue to exclude companies involved in Defence and Military sectors from our portfolios \*.



\* Product involvement is defined at the 10% level of company revenues or more. We exclude all controversial weapons.

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## Client communication

### Meetings

GSI seeks to be a conduit for knowledge and information for clients. To facilitate this information flow we have scheduled regular touchpoints with clients. These include half-yearly in person review meetings with the investment team, quarterly conference calls, and monthly fund reporting.

We prefer to meet in person or pick up the phone, when communicating, rather than relying on blanket informal emails. GSI strongly adheres to the research that face-to-face communication fosters deeper connections and understanding.

Meeting regularly and direct conversations allows for nuances to be fully appreciated, enhancing trust and rapport in relationships. By consistently engaging with clients and providing updates on relevant information, such as portfolio performance, market insights, and stewardship results, we demonstrate our transparency, accountability, and responsiveness to client needs.

This helps us understand their current and evolving stewardship requirements and deliver relevant and practical support.

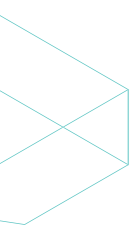
### Educational events

We regularly attend ESG-focused conferences, including Goodstock, Reset Connect, the SRI Conference, and UKSIF's Good Money Week, to hear directly from clients, advisers, and industry peers about emerging concerns, priorities, and expectations. These events help us refine our stewardship approach, tailor our communications, and ensure our support reflects the evolving landscape of responsible investment. This year Kate Hudson was a panelist at 3 events, speaking on the topic of 'How to talk to you clients about ESG'.



We commend the exceptional support provided by the GSI team whether launching a fund, providing analysis, or simply addressing a query, they consistently deliver an outstanding service.

Craig Burgess CEO  
ebi Portfolio



## Documentation and reporting

GSI works closely with GemCap to ensure that the offering documents, including the prospectus, PRIIPS, and KIIDs, provide the appropriate information for investors to make informed decisions. In addition, we provide investment performance and risk statistics to clients and prospective clients, through fund factsheets, attribution analyses, thought leadership, podcasts and research documents.

Our [website](#) provides information on our stewardship and investment activities, particularly about how we incorporate sustainability into the investment process.

We provide stock-level data and portfolio returns to Morningstar, a popular source of knowledge for our client network. Morningstar publishes fund analysis on their website includes detailed sustainability scores for each of the funds it analyses. Both funds have been rated Low Carbon by Morningstar.

Our fund details are also available on the [Fund Eco Market](#) database. Fund EcoMarket is a comprehensive database tool designed for UK financial services professionals to match client aims with sustainable, responsible, and ethical investment options.

## Stewardship reporting

Over the past four years, we have actively aligned stewardship with client priorities and values. As described in Principle 2, our stewardship pathway has been steep.

During 2024, we expanded our involvement in targeted industry initiatives, including joining the ShareAction Banks initiative including investor led interaction with HSBC.. This was a deliberate move to focus more on investor led engagement with banks, a sector in which our investment strategy holds a natural overweight position.

Stewardship and engagement details are included in all quarterly fund updates, and we have added more case studies on outcomes from activity, including Amazon and Air Liquide.

We continue to provide separate ESG attribution and performance analysis, broken down by factor and region, to clients on a quarterly basis across multiple timelines.

Our Stewardship Code annual report, which includes examples and case studies, is available on our website and distributed to all clients.

Full voting records are published on our website semi-annually.

By regularly gathering client feedback, we monitor client concerns on our stewardship and outcomes and gain invaluable insight into the issues that are top-of-mind with investors. We are aware that this coming year's regulatory changes are concerning most.

## Myth-busting and stewardship clarity

Since 2024, we have seen a rise in ESG fatigue and misinformation, driven by politicised narratives, concern around greenwashing, greenhushing, and credibility of transition plans.

In response, we intensified our communications to challenge outdated assumptions and help clients navigate the evolving ESG landscape with clarity and confidence.

Our messaging focuses on positive outcomes, showing that it is possible to pursue financial goals while investing in companies that behave better, disclose more, and respond to shareholder scrutiny. We are not an impact investor, but we remain committed to active stewardship, collaborative engagement, and client education.

We've addressed several persistent myths:

- That ESG means sacrificing returns
- That sustainability requires blanket exclusions
- That ESG is just marketing
- That ESG has become overly politicised

Our role is to use available research to put these myths into context: for example, while ESG politicisation has gained attention, anti ESG sentiment has been amplified largely by regional factors such as litigation threats and regulatory rollbacks in the US.

To put this in perspective: the global momentum toward responsible investing remains strong with institutional investors.

A 2024 McKinsey survey found that over 70% of institutional investors in Europe and Asia have ESG integration as a core part of their strategy, underscoring the continued international commitment to responsible investment.

We also challenge the recurring claim that 'retail' clients don't care about ESG anymore." Evidence shows that investors remain deeply concerned about climate risk, human rights, and governance, even if the language is changing.

Our goal is to help clients cut through the noise, understand what ESG really means, and make informed decisions that reflect their values and financial objectives. We support this through transparent reporting, educational resources, and ongoing dialogue, ensuring our stewardship remains grounded, credible, and client-led.

## Outcome

In 2024, we deepened our engagement with clients and advisers through targeted communications and transparent reporting. We published a dedicated report on fossil fuel exposure and climate oversight, helping clients understand our selective inclusion approach and stewardship rationale. We also expanded our myth-busting content to address ESG fatigue and clarify our stance on defence sector holdings.

As a reflection of our growing voice in the industry, we were invited to speak on panels at several ESG-focused conferences in 2025, including Goodstock, NextGen Planners (now Plannex) and Reset Connect, where we shared insights on communicating with clients, on ESG and stewardship, better. These opportunities underscore the credibility of our approach and the trust placed in our communications.

Client feedback has been consistently positive, with advisers welcoming our clarity on complex topics and our commitment to remaining invested where it supports active ownership. We continue to prioritise our efforts based on client needs, regulatory developments, and our capacity, ensuring our stewardship remains proportionate, transparent, and grounded in real-world outcomes.



A wide-angle landscape photograph showing a winding river flowing through a green valley. The sun is high in the sky, creating a bright glare on the water and casting long shadows. The river curves through the landscape, surrounded by lush green fields and distant hills under a blue sky with wispy clouds.

SECTION 2

# Investment approach

## Principle 7: Stewardship, investment and ESG integration

*Signatories systematically integrate stewardship and investment, including material environmental, social and governance issues, and climate change, to fulfil their responsibilities.*



## Integrating sustainable investment practices

All GSI's funds systematically integrate material environmental, social, and governance risks to investment decisions. We seek to use stewardship activities to protect and enhance shareholder value across all our equity strategies, as discussed in Principle 1. We currently only manage developed markets global equity funds. All funds integrate sustainable investment practices. We are committed to enhancing our methods for identifying and mitigating risks within our portfolios.

We refine our approach, when appropriate, to integrating ESG factors to align with our long-term investment perspective and expectations of our clients.

### Five-step approach

GSI's approach continues to follow our five-step process. The first three steps focus on the integration of ESG risk ratings, screening, and exclusions; the final two encompass voting and collaborative engagement. While the structure of this process remains unchanged, we continually refine the process through improvements in available data inputs and deeper stewardship integration.



## Step 1: Adoption of Sustainalytics ESG risk ratings

We prefer ESG risk ratings over the standard ESG approach for several reasons. Firstly, these ratings assess each company based on the specific ESG risks pertinent to its business model. Secondly, they establish a more direct correlation between the ESG risk ratings and the actual ESG risks faced by the companies. Lastly, these ratings offer comparability across sectors and companies.

ESG risk ratings are calculated by aggregating the unmanaged risk factors associated with the most relevant ESG issues for a company. For instance, if a company fails to effectively address material ESG concerns like carbon exposure or labour rights violations, it may face heightened risks such as regulatory scrutiny or reputational damage.

We tilt holdings in our portfolios towards companies that are assessed to have lower ESG risk ratings whilst maintaining the required exposure to our investment factors.

Material ESG issues are the central building block of Sustainalytics' ESG Risk Ratings. Underpinning their 20 material ESG issues are more than 250 ESG indicators, which enable us to understand how exposed companies are to specific issues and how well companies are managing these issues.

## Integrating ESG scores

The ESG scoring process addresses environmental, social and governance issues across a range of topics selected for their relevance from a business and sustainability perspective.

We create an ESG score based on the underlying ESG risk ratings by subtracting the risk ratings from 100 so that higher transformed ESG score companies have a lower ESG risk rating.

This score is then ranked separately within mega/large and within mid/small cap to lie between 0 and 2. This ranking procedure is similar to the procedure we use for our investment factors.

## Step 2: Responsible investment screens

As part of our sustainable investment process, we adhere to several responsible investment principles and practices including screening to align with international standards such as the Sustainable Development Goals (SDG) and United Nations Global Compact (UNGC) and avoid investments in controversial sectors like cluster bombs.

Both the SDGs and UNGC set the international standards for sustainability and corporate responsibility. By integrating these screens into our investment process our portfolios align with broader global efforts to identify and mitigate risks related to environmental damage, social injustice, and unethical governance practices.

Investments that conflict with SDGs or violate UNGC principles may also pose higher financial risks due to regulatory penalties, reputational damage, or operational disruptions.

These screens position our portfolios to avoid companies that engage in harmful activities, while supporting those that contribute to a healthier and more equitable world.

The investment committee monitors instances of non-compliance with these regulations and standards, as well as violations and ethical misconduct.

## Sustainable Development Goals

To better align our portfolio with the SDGs, we have adopted a set of exclusions related to areas of product involvement that we believe conflict with those goals. If a company derives more than 10% of its revenues from any of the product involvement areas, we exclude it from investment. In 2024 we excluded 78 companies on that basis (3.82% of the benchmark).



## SDG exclusions

Exclusions cover a targeted set of ESG concerns, including military contracts, GM crops and pesticides, gambling, adult entertainment, tobacco, thermal coal and arctic energy, while animal testing is not currently excluded.

For instance, **Bayer**, a German pharmaceutical company, is excluded due to its involvement in pesticides and GM crops. **Elbit Systems**, an Israeli aerospace and defence company, because of the military contracts. **Glencore**, a UK materials company due to thermal coal and **BAT** (British American Tobacco), a UK consumer discretionary company due to its involvement in tobacco products.



## United Nations Global Compact



**United Nations**  
Global Compact

In addition to adhering to the Sustainable Development Goals (SDGs), GSI requires companies to adhere to the principles of the United Nations Global Compact (UNGC). Violations of these principles may result in exclusion from our investment universe. The UNGC promotes sustainable and socially responsible business practices through ten widely accepted principles covering human rights, labour standards, the environment, and anti-corruption. Sustainalytics monitors compliance for over 20,000 issuers globally, identifying companies that are non-compliant and actively updating their 'watch list'.

### UNGC exclusions

In 2024, 4 companies were excluded for non-compliance with the UN Global Compact Principles which was consistent with the previous year.

We continue to exclude Wells Fargo, a prominent US bank. It is found to be non-compliant with UNGC Principle 10, which addresses combating corruption. Sustainalytics assessed Wells Fargo's failure to work against corruption and uphold this principle, specifically in addressing extortion and bribery.

### Removal of cluster bomb munitions manufacturers



Certain munitions do not discriminate between combatants and non-combatants, leave post-conflict residual dangers, and frequently pose great danger to children. Compounding these issues is the cost of post-conflict clear-up, which acts as a barrier to development in poorer communities. In accordance with two UN Conventions, the United Nations has banned all use, stockpiling, production, and transfer of these weapons. The two conventions are The Convention on Cluster Munitions 2008; and The Anti-Personnel Mine Ban Convention 1997.

GSI is aligned with the humanitarian principles of these conventions and excludes all companies involved in these munitions from its portfolios.

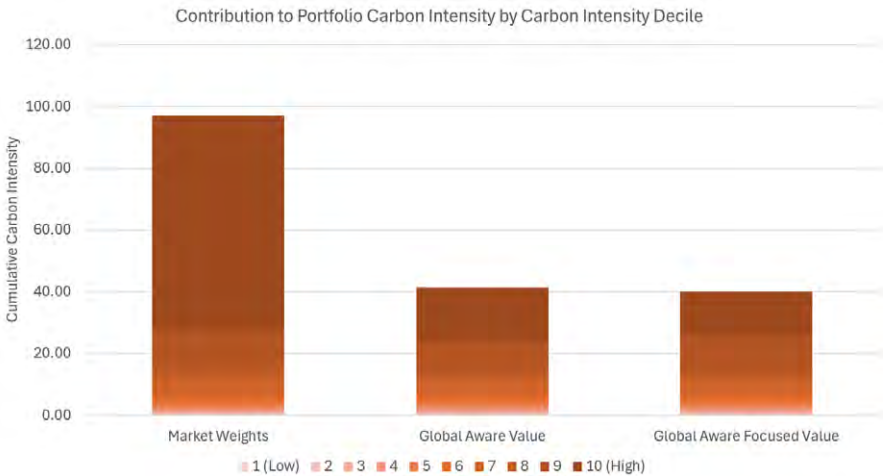
Exclusions further described in **Principle 11**.

### Step 3: Carbon conscious lens

We recognise that modern society has a responsibility to balance the needs of today's population against the consequences for future generations and the environment. To this end, we believe that it is neither feasible nor desirable to exclude all companies involved in the production and use of fossil fuels and their derivatives. Instead, we believe in a just transition and a progressive approach.

We aim to achieve this by significantly reducing our overall exposure to fossil fuels and greenhouse gas emissions while, in these sectors, having a higher investment in companies that have a better record on managing their environmental responsibilities and a lower (or zero) investment in those firms with a poor record on managing their environmental responsibilities.

We target a level of fossil fuel exposure of half that of our benchmark (the Solactive GBS Developed Markets Large & Mid Cap Index) or lower. Companies are considered to be exposed to fossil fuels if they are involved in Oil & Gas Production, Oil & Gas Power Generation, Oil and Gas Products and Services, Thermal Coal Extraction or Thermal Coal Power Generation.



Source: GSI LLP. Contribution to portfolio carbon intensity by carbon intensity deciles for a market-weighted portfolio ("Market Weights"). Based on data supplied by FactSet, Solactive and Sustainalytics. Data as at December 2024

We also target an aggregate level of GHG intensity of half that of our benchmark or lower. To measure the GHG intensity of a company we use the standard definition set by the TCFD which are annual GHG Scope 1 & Scope 2 emissions divided by annual revenues.

Examples of companies excluded due to extremely high carbon intensity are **AGL Energy** (Australian utility) and **Credo Technology** (US Info Tech).

We invest in some of the large oil and gas majors as they are eligible as value stocks and are not excluded on other criteria. However, we generally restrict the weight of these oil majors to be no more than the broad market weight, which is substantially below the typical 3x weight that we assign to most other eligible stocks in our value strategies. For example, whilst the portfolio has a weight of 0.69% in Exxon, the index weight is 0.79%. A 3x weight would be over 2.37%.

In all cases, we are underweight relative to the broad index and are substantially below the weight that these stocks would have in a value-focused benchmark. Our exposure to four oil majors compared to the Energy and Utility sectors is outlined below:

| Company        | GAV1  | GAFV2 | Index3 | Value Index4 |
|----------------|-------|-------|--------|--------------|
| Exxon          | 0.47% | 0.69% | 0.79%  | 1.52%        |
| Chevron        | 0.38% | 0.38% | 0.42%  | 0.83%        |
| Shell          | 0.19% | 0.19% | 0.34%  | 0.65%        |
| BP             | 0.08% | 0.08% | 0.13%  | 0.26%        |
| Energy sector  | 2.06% | 2.30% | 4.11%  | 7.33%        |
| Utility sector | 0.83% | 0.87% | 2.66%  | 4.98%        |

Source: GSI. Data as at 31 March 2025

1. GAV Global Aware Value Fund 2. GAFV Global Aware Focused Value Fund 3. Solactive GBS Dev Large Mid, 4. MSCI Value

## Integrating ESG with a factor-based strategy

GSI is a specialist in factor investing. Since 2018 we have crafted a strategy for integrating sustainability criteria using a combination of factor and ESG scores, maintaining the factor portfolios' risk and return objectives without dilution.

To set our investment universe we use the Solactive GBS Developed Markets Large & Mid Cap Index universe combined with the top-90% of aggregate ranked market weight. We also filter based on total market cap, liquidity, and free float. We apply our responsible investment screens to exclude certain companies (as outlined above), further refining our investable universe.

### Combining ESG and factor scores

Adjusted ESG scores for the investable universe are then combined with their value scores. Thus, a stock with a higher value score and a higher ESG score will receive a higher weight; a stock with a lower value score and a lower ESG score will receive a lower weight; stocks that lie between those two extremes receive more neutral allocations.

The portfolio characteristics are reviewed to ensure that, after ESG risk ratings have been integrated with companies' value and size characteristics, each portfolio retains its target exposures to regions, sectors, and smaller companies.

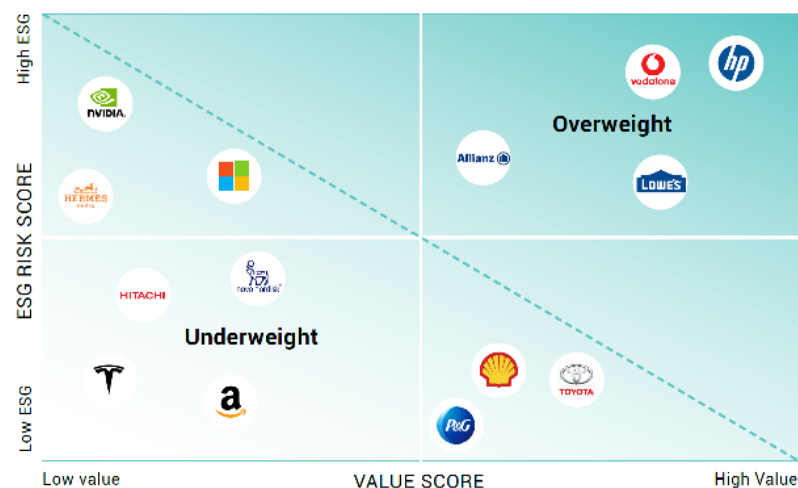
Examples of a target overweight company is **Hewlett Packard** (Technology, US), which has both a high value score and a high ESG score, others include **Vodafone** (Comm, Services, UK) **Lowes Companies** (Cons, Disc, US), and **Allianz** (Financials, Germany).

When a stock has a high value score and a low ESG score, it is not excluded but will generally be underweight its eligible market weight dependent on the combination of its factor score and ESG score. Examples include: **Toyota Motor Corp** (Automobiles, Japan) **Shell** (Oil & Gas, UK); and **Proctor & Gamble** (Cons Staples, US).

Dependent on the fund strategy, companies with a low value score regardless of their ESG score are either excluded or held in an underweight position relative to market weight. Examples are **Microsoft** and **Amazon**, **Tesla**, **Hitachi** and **Nvidia**.

Through considering a company's ESG risk rating alongside other factors like value, profitability, and size allows us to choose sustainable assets with the highest return potential for our investors.

With a climate conscious lens, we have proactively pursued strategies focused on reducing carbon emissions, limiting exposure to fossil fuels, and lowering greenhouse gas intensity in our portfolios.





## Stewardship

GSI's investment stewardship efforts seek to consciously improve governance and corporate practices in a way that we believe may protect and enhance shareholder value. We do this by actively voting and leveraging influence.

### Step 4: Exercise shareholder rights

GSI considers voting and active stewardship to be an integral part of our approach to sustainable investment. We see exercising our ownership rights as part of our fiduciary duty.

Although GSI is a systematic investor, we retain our rights as shareholders to vote, appoint directors, approve remuneration plans, and encourage reporting on a range of environmental and social issues.

We work with Minerva to exercise proxy voting rights on a target list of 200 prioritised stocks held across our funds.

Our voting policy is designed to encourage both better corporate governance and discourage poor management of material ESG considerations.

Proxy voting records further described in **Principle 12**.

## Divesting

GSI generally believes that we better serve our clients by putting pressure on companies to encourage better standards of corporate governance rather than divesting. We may divest on ethical grounds human rights violations, environmental degradation, or unethical business practices.

When a company's activities or practices are fundamentally at odds with our sustainability objectives, or are involved in a high degree of controversy, begin to receive a significant source of revenues from an excluded business (e.g. tobacco, thermal coal etc.), or in any way fall foul of our screens and scoring, we will exclude it from further investment, review our holdings, and, if considered appropriate, divest all holdings in the company.

For example: **SLB** (formerly Schlumberger) remains under review due to its continued exposure to Russia, which presents reputational and ESG risks. As of 2024, the company maintained approximately \$600 million in net assets in the region, despite widespread international sanctions and investor pressure. While SLB has paused new investments, its ongoing operations and contractual activity raise concerns.

In line with our escalation and divestment framework, SLB has been flagged for further assessment. Should additional information confirm material misalignment, we will consider exclusion and divestment.

We rebalance our portfolios when companies are reclassified and no longer comply with our ESG and factor criteria.

Escalations further described in **Principle 11**.

### Step 5: Influence through advocacy

Our stewardship activity extends beyond portfolio management, using collective influence to shape corporate behaviour, raise standards, and support effective policy.



In 2024, we continued our participation in investor coalitions including the Institutional Investors Group on Climate Change (IIGCC), Climate Action 100+ (CA100+), and ShareAction, contributing to working groups such as the Proxy Voting Working Group and the UK Stewardship Code Review.

Through these platforms, we engaged on systemic issues including banks' climate policies, chemical sector decarbonisation, and fair work practices, with companies such as **Sainsbury's**, **HSBC**, **Air Liquide**, **Linde**, and **Amazon**.

We also contributed to policy and disclosure discussions via industry meetings on the Sustainability Disclosure Requirements (SDR) and with ESG rating agencies, advocating for greater transparency and consistency across the investment landscape.

## Monitoring

ESG scores, sustainability metrics, product involvement, and controversy data are sourced from a combination of specialist external providers, including Sustainalytics, StyleAnalytics, Bloomberg, and Minerva, alongside GSI's own internal research. We also receive controversy alerts from GemCap, who reviews our exclusion list.

Sustainalytics is currently participating in the ESG Data and Ratings Working Group, which is developing a voluntary Code of Conduct to improve transparency around methodologies, data sources, and governance practices. We welcome this initiative and support efforts to strengthen clarity and accountability in ESG ratings.

ESG data is a critical input to our investment and stewardship processes, and we regularly evaluate both the coverage and quality of our current providers while exploring alternative sources to ensure our decisions are grounded in timely, reliable, and relevant information

Monitoring service providers further described in **Principle 8**.

## Outcome

Throughout the reporting period, we have continued to integrate ESG criteria across our factor driven equity funds, maintaining expected financial performance while embedding a clear sustainability tilt.

Our stewardship programme, screening framework, and exclusion policies remain firmly in place. Portfolio exposure to fossil fuels and GHG-intensive companies has remained materially lower than broad market benchmarks, consistent with previous years. While certain exclusions may be reviewed in future, no portfolio changes were made during this period.

Although our funds no longer include the word "sustainable," this is a change in name only, our investment philosophy, process and commitment to promoting environmental and social characteristics remain intact even without adopting a formal sustainability label. The funds remain classified as Article 8 under SFDR. The outcome is clearer fund positioning for clients and distributors while preserving our stewardship activity, engagement priorities, reporting standards and long-term ESG objectives.

“

We continue to apply the same disciplined, research-led approach our clients have always trusted - with the same team, same values, and the same long-term focus.

Bernd Hanke - Managing Partner and Co-CIO



A scenic landscape photograph showing a wide river winding through a lush green valley. The sun is high in the sky, creating a bright glare on the water and illuminating the surrounding hills and fields. The perspective is from a high vantage point, looking down into the valley.

SECTION 2

# Investment approach

## Principle 8: Monitoring managers and service providers

*Signatories monitor and hold to account managers and/or service providers.*



GSI leverages a host of external third-party service providers to enable our ESG capabilities. These consist of ESG data and research providers, proxy advisory firms, compliance, and regulatory advisors. Examples of our service providers include Sustainalytics (a Morningstar company), FactSet, StyleAnalytics (part of InvestmentMetrics now Confluence), Minerva Analytics (a Solactive company), and Cosegic (formerly Compliancy).

Refer to **Principle 2** for detailed explanation of our service providers.

As an asset manager constantly dealing with sensitive data and information, we have a robust review policy for external service providers. This includes assessing the potential impact on data accuracy, data privacy, confidentiality, and security.

## Sustainalytics

In the context of stewardship and monitoring, the key service provider to GSI is Sustainalytics, a specialist provider of ESG data and research. Sustainalytics was chosen as the provider of ESG research due to their risk approach to ESG scoring and the depth and breadth of their coverage.



Sustainalytics provide higher coverage in small and micro-cap which ensures extensive ESG coverage across our wide investable universe of stocks.

Sustainalytics provide ESG scores on more than 16,000 companies globally, which are evaluated within global industry peer groups. In addition, Sustainalytics tracks and categorizes ESG related controversial incidents on more than 10,000 companies globally. We use both sets of data when we develop our internal ESG score.

### Sustainalytics key benefits

- Company profiles updated annually with the corporate reporting cycle
- Research analysts leverage AI powered smart technologies to enable them to monitor more than 60,000 media sources, and up to one million news articles daily
- Analysis by a team of over 800 ESG research analysts supported by artificial intelligence-powered descriptive and predictive analytic capabilities
- Robust quality control mechanisms with peer reviews by senior analysts and company feedback mechanisms



Sustainalytics maintains a global team of ESG research analysts – previously cited as over 800 analysts. These professionals are supported by AI-powered descriptive and predictive analytics, which help assess material ESG issues and controversies.

Sustainalytics data sets include various raw metrics such as greenhouse gas emissions, total potential emissions, coal involvement, revenues earned from alcohol production, revenues earned from tobacco production, and more, attributed to the issuer.

Additionally, GSI receives controversy-related metrics such as child labour controversy scores, business activity information such as involvement in the production of cluster munitions, sustainability-focused industry codes, and other related measures.

Sustainalytics deliver updates to their data sets on a monthly basis. Style Analytics also update their data monthly and FactSet data is updated daily. GSI recognises that ESG research and data are evolving at a rapid pace.

In 2024, we reviewed our use of Sustainalytics' ESG Risk Ratings in light of several notable improvements to their methodology and analytical capabilities. These enhancements reflect the growing complexity of sustainability risks and the need for more dynamic, forward-looking assessments:

- **Corporate governance methodology upgrade:** In May 2024, Sustainalytics introduced significant enhancements to its corporate governance methodology, reflecting the growing importance of governance in ESG risk management.
- **Material ESG risk measures strengthened:** Sustainalytics is rolling out stronger measures for assessing material ESG risks, making the ratings more dynamic and forward-looking.
- **Expanded coverage and granularity:** Their ESG Risk Ratings now cover over 16,000 companies globally, with a two-dimensional lens assessing both exposure and management of ESG risks. Controversies and external shocks are weighted more heavily to reflect real-time risk.

## Data monitoring & due diligence

GSI maintains a structured framework for assessing the quality of services provided by third-party vendors. This includes initial due diligence, periodic risk assessments, ongoing monitoring, and evaluation against relevant regulatory standards and codes of conduct. For data providers, our oversight focuses on accuracy first and then timeliness and consistency of deliverables. The investment team conducts regular

validations, including cross-provider comparisons, trend analysis, and reasonableness checks, to ensure data integrity before integration into our investment process. Any anomalies are escalated promptly and tracked until resolution. We maintain active dialogue with service providers to ensure issues are addressed swiftly and transparently.



### CACEIS: Integration oversight and document assurance

In June 2024, CACEIS completed the full integration of RBC Investor Services' European operations. This move strengthened CACEIS's ability to offer end-to-end servicing across custody, fund administration, and depositary functions.

Following the merger, we undertook a targeted review of service continuity and data reliability. This included enhanced scrutiny of EMT, KIID, and EET outputs to ensure all data including ESG disclosures, particularly for Article 8 funds without a formal label, were accurate and aligned with our stewardship positioning. We identified and resolved versioning and transmission inconsistencies and introduced additional document review procedures. These measures were important given our distribution model where documentation accuracy is critical.

### Morningstar: Performance data reconciliation

In 2024, we identified a discrepancy in total return figures for distributing share classes on Morningstar, where income distributions had been omitted. Working closely with Morningstar and CACEIS, we traced the issue to a data feed misalignment and undertook a full reconciliation. Historical performance figures were corrected, and new validation checks were implemented to ensure future accuracy. This episode reinforced the importance of proactive monitoring and robust escalation pathways in maintaining trust and transparency with investors.

For data providers, such as StyleAnalytics, our due diligence monitoring is constant, we are reviewing on-time deliverables, accuracy and the quality of the service on a regular basis. At times, we identify issues with the data we receive.

In June 2023, our own manual checks revealed that StyleAnalytics had inaccurately specified the level of revenue involvement in shale oil or gas for four US and two Canadian companies. Upon identifying this error, we advised StyleAnalytics, and promptly applied exclusions and divested from the stocks.

For other service providers, like Minerva, Vident and Cosegic, we regularly monitor performance against the set standards and evaluate whether they have met our needs, reviewing service level agreements (SLAs), key performance indicators (KPIs), and other relevant metrics. For example, Vident best execution is tracked daily.

We are generally happy with the services provided. If errors or problems were to arise, we start by discussing the issues, setting clear expectations for improvement, and establishing a timeline for corrective action.

If there is a service failure that puts our reputation or security at risk, or if they consistently fail to meet the expected criteria, we will explore options to move providers. Replacement vendors are assessed on technical capabilities, security protocols, track records, and compliance with relevant regulations and suitability.



## Review of proxy voting platform

We commenced using Minerva in April 2022. We have an agreed process to review the capacity, competency, and robustness of its policies and procedures. As part of this agreement, Minerva provides regular audit and reporting and assessment as described below:

### Audit structure

**Yearly:** Annual proxy season review, including:

- % of votes cast versus target engagement list
- Number of votes cast against advisor policy recommendations, with rationale where applicable
- Unexecuted vote entitlements – instances where GSI intended to vote but execution did not occur due to timing, administrative, or custodial constraints

**Monthly:** vote audit reports available either online or in spreadsheet formats.

**Quarterly:** spreadsheet or a downloadable web page with a summary page and underlying data on two KPIs:

- % of votes submitted to Minerva by the voting deadline for the active priority holdings
- % of actual votes (meeting events) executed by the voting deadline by Minerva for the priority and non-priority holdings as a percentage of GSI's total vote entitlement for all relevant holdings



### Review meetings

In addition, we have agreed to two review meetings annually:

1. **Audit** – assess the processes and procedures they followed when making proxy voting recommendations based on our custom Global Proxy Voting Policy. At this annual review, agreed KPIs and any material changes in the services, operations, staffing or processes will be examined.
2. **Policy review** - refresh our voting policy guidelines and bring any new issues or stewardship focus into play. One advantage of Minerva's service is that we have the ability to review, amend, and upgrade our custom policy at any time.

### Voting audit

We maintain a strong and collaborative relationship with Minerva, whose responsiveness, transparency, and policy expertise continue to support our stewardship objectives. However, our 2024 review identified several areas requiring closer scrutiny to ensure our voting activity remains aligned with our principles and accurately represented in reporting.

### Data integrity

We identified recurring anomalies in vote data provided. These issues risk undermining the accuracy of our stewardship disclosures and internal audit trails. We are working with Minerva to improve data validation protocols and ensure clean, auditable records across all vote files.

### Timing of target list update

An audit of the number of meetings compared to target identified an unintended consequence from renewing our voting list in Q1 each year. While this timing aligns the list with post-year-end holdings and stewardship priorities, some AGMs may take place in January before the updated list is finalised. To mitigate this, we be revisiting the timing of the annual update for 2026 to manage any holdings with January AGM. This process helps maintain robust oversight and ensures our voting activity accurately reflects our engagement intentions.

### Voting contrary to policy

As part of our regular review of voting practices, we monitor votes contrary to policy. Due to normal proxy voting procedures, even best endeavours leave a few exceptions. In 2024 99.91% of all votes were cast in line with policy. This is often as a consequence of template changes and vote intention timing mismatch.

Of the three votes against policy, one was withdrawn due to other commitments, and the other occurred at the AGMs of HSBC (Resolution 1) and Vinci S.A. (Resolution 5). In both cases, the votes related to the adoption of financial statements and the reappointment of auditors (PricewaterhouseCoopers).

Minerva noted that during peak season re-calculations are frequent and sometimes occur after the voting deadline for certain clients, which applied to the three votes in question.

The Minerva voting team recalculate our template guidance when certain default guidelines are updated. However, in these cases GSI had already confirmed our voting intentions

The voting team currently do not inform clients when template recommendations have been updated. Currently, there is no way to determine if a client's vote recommendations are changed by a re-vote. Our account managers are liaising with the Voting team look at ways of improving this process. We will monitor and anticipate procedural improvements moving forward.

Changes to Proxy Voting Policy is references in Principle 5.

## Outcome

In 2024, across all key service providers, we maintained active oversight, resolved anomalies swiftly, and reinforced expectations around timeliness, accuracy, and transparency.

This included enhancements to our voting data interrogation and validation processes, strengthening our audit trail and escalation protocols. We closely monitored the integration of CACEIS following its merger with RBC Investor Services, introducing additional document assurance checks to safeguard disclosures and reporting. We also worked with Morningstar to resolve a data feed misalignment affecting total return figures for distributing share classes, implementing steps to prevent recurrence.

Issues identified during the year were tracked to resolution and, where necessary, escalated through direct engagement. Including a visit to the Dublin offices of CACEIS and GemCap by our Compliance Manager and Stewardship Lead in 2025.

We continue to maintain a strong and collaborative relationship with GemCap, our ManCo, underpinned by a shared commitment to getting things right. Strong relationships with our vendors have been fostered over the years so that, despite our scale, they are responsive to our requests when there is an issue with service levels or data quality.





SECTION 3

# Engagement

## Principle 9: Engagement

*Signatories engage with issuers to maintain or enhance the value of assets.*



## Engagement approach

GSI approaches engagement through voting, escalation, and coalition activism and grounded in the principles of managing long-term risks and opportunities, with due regard to client concerns for the economy, the planet and society.

During 2024, the tone around engagement expectations changed, with a clear shift toward greater accountability and measurable outcomes.

We have embraced the Responsible Investment Standards & Expectations (RISE) framework promoted by ShareAction. This framework supports a more structured and accountable approach to stewardship, particularly suited to managers with focused resources. At its core are four pillars of responsible investment accountability:

- **Stewardship:** including voting, engagement, and escalation
- **Policy Advocacy:** alignment with sustainability goals
- **Product Governance:** ensuring products reflect responsible investment principles
- **Transparency:** clear reporting and disclosure of actions and outcomes

GSI drives its engagement by voting to influence company practices and collaborating with industry peers, guided by a commitment to client priorities, sustainable outcomes, and the broader social and environmental context. This established position continues to align with, and in many respects anticipates, the FRC's evolving focus on transparency, independence, and demonstrable impact in stewardship outcomes.

Our approach to ESG, engagement and stewardship continues to evolve in response to emerging risks, regulatory developments, and stakeholder expectations. We consider a broad range of ESG factors that may not materially affect short-term financial performance but are critical to long-term corporate resilience and value creation. These include climate change, human rights, labour practices, diversity and inclusion, and supply chain management.

Our engagement policies are designed to complement the transition to a low-carbon economy, encourage companies to adopt validated, science-based targets aligned with the Paris Agreement, and promote transparent reporting on environmental impact across the value chain, including Scope 1, 2, and 3 emissions. In 2024, we opposed anti-ESG proposals and supported resolutions promoting transparency, accountability, and climate action.

We champion change through policy advocacy, working with industry groups such as the Net Zero Voting Group and IIGCC. Our independence from political and commercial pressure ensures our advocacy remains principled and aligned with long-term value creation.

## Size and influence

Our engagement strategy is designed to maximise impact within the realities of our size, investment style, and resource base. As a specialist manager following a disciplined value approach, we recognise the inherent challenges of integrating stewardship considerations into such strategies

As a smaller asset manager, we deliberately choose not to pursue direct company engagement or board-level interventions. Instead, we focus on what we can do best: leveraging collaborative engagement and targeted voting to drive meaningful change.

We are active owners, principled and pragmatic in how we exercise influence. Rather than pursuing volume, we concentrate on a smaller number of key themes and channels, ensuring our efforts deliver tangible outcomes.

## Client alignment

Our client base primarily consists of advised clients who are long-term investors. As stewards of their assets, we recognise the substantial responsibility entrusted to us to ensure we uphold their trust and meet their long-term investment objectives.

We work to ensure our stewardship reflects what matters most to our clients, aligning our engagement efforts with their principles and investment goals. Clients have clearly expressed the importance of engagement that fosters positive outcomes for people and the planet.

We intentionally engage in discussions with our clients to gain deeper insights into their stewardship priorities and use this information to tailor our efforts. Thanks to our strong relationships and direct access to clients, we have a good understanding their needs.

## Asset classes and geographies

GSI is a manager of global developed markets equity funds.

We exercise our voting rights consistently across all geographies in which we invest. In 2024, we voted in 18 markets, maintaining our policy of applying a unified voting framework while respecting jurisdictional nuances. Our voting decisions are guided by long-term value creation and stewardship principles, not regional differentiation.

We prioritise engagement in the UK and Europe, where regulatory expectations and collaborative networks enable more targeted and effective stewardship. In 2024, our thematic focus included European chemicals, utilities, and industrial gas companies facing heightened

scrutiny under the Corporate Sustainability Reporting Directive (CSRD) and evolving biodiversity disclosure frameworks. We continue to work closely with UK-based coalitions such as ShareAction, and NZEI.

Research from the London School of Economics (Hastreiter, 2024) suggests that investor coalitions are most effective when they include influential or local participants. His analysis of Climate Action 100+ found that engagement success was driven by investor proximity and prior knowledge of target companies, particularly in setting medium- and long-term climate targets.

## Methods of engagement

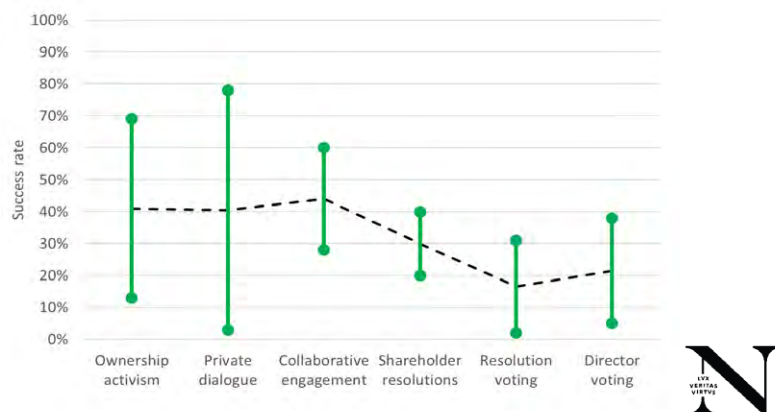
We are systematic investors but active owners.

We have historically preferred to influence company behaviour through strategic voting on important resolutions and the power of our voice in collaborative forums. Concentrating our efforts where our involvement adds value and setting realistic expectations and objectives. We exercise our influence through thoughtful voting, supporting shareholder resolutions aligned with our stewardship priorities, and through collaboration in trusted networks where shared objectives amplify collective impact.

Research confirms engagement tactics exhibit wide variability with director and resolution voting delivering the most consistent outcomes, both of which GSI employs judiciously within our escalation framework. This blend of direct action and selective collaboration ensures our engagement remains authentic and proportionate.

By maintaining ownership of our priorities and escalation decisions, we continue to deliver engagement that is not only principled, but effective.

### What Works on Average?



The above analysis, presented by Dr Kevin Chuah, (Wharton Impact) at the Stewardship and Engagement Leadership Programme, in Oxford in June 2024. His research supports the view that consistent, outcome-oriented engagement methods often achieve greater reliability without overstating investor influence.

### Engage collectively

We collaborate with like-minded investors on sustainability to amplify our impact on companies' behaviour through investor coalitions, networks, working groups and other ways as outlined below:

#### Investor coalitions:

Engagement in coalitions such as the Chemicals Decarbonisation Working Group at ShareAction has been ongoing for several years. As part of Chemicals Decarbonisation initiative, we were able to join together with other asset owners in direct conversations with chemical companies like Linde and Air Liquide.

GSI has been a member since the group started in 2021. We are now one of 42 investor members worth more than £9.1 trillion assets under management engaging with working group. Our involvement is explained in **Principle 10**. We are actively participating in investor calls, increasing the diversity of owners voicing concern to the companies concerned of the issues of decarbonising the chemical industry, including scope 3 target setting and transitioning away from feedstocks.

#### Investor networks:

Extending our leverage through memberships of networks like the Institutional Investors Group on Climate Change (IIGCC) to collaborate with other investors on large-scale ESG issues and engage in collective action.

#### Company engagement:

Engage with companies through groups like the IIGCC Bank Engagement and Research Initiative (BERI), we are a contributing investor for the **ING** engagement, alongside Federated Hermes, Robeco and others.

We have also been involved in ongoing company engagement with **Sainsbury's** via ShareAction for many years.



Joint Engagement and Co-filing:

In 2024, we expanded our engagement footprint by actively engaging in the US for the first time, building on momentum from UK-led advocacy with Amazon.

This marked a change in our approach to global engagement. Following our support for the UK campaign led by CCLA and GMB Union, focused on freedom of association at Amazon's Coventry fulfilment centre, we joined forces with SHARE (Shareholder Association for Research and Education) and the Catherine Donnelly Foundation to co-file a shareholder resolution at Amazon's US AGM. The proposal called for an independent assessment of Amazon's adherence to international labour standards, including its commitments under the UN Guiding Principles and ILO Core Conventions.

Our participation was not symbolic: GSI was named on formal correspondence to the company and voted in favour of key resolutions addressing workforce rights and working conditions. This transatlantic engagement reflects our belief that local leadership and credible coalitions are essential to driving meaningful change. By aligning with regional advocates who understand the cultural, legal, and operational context, we can amplify our stewardship voice and support systemic improvements in corporate behaviour.

We continue to explore similar joint opportunities where we can add credible value with our involvement.

Joint engagement campaigns are pursued when opportunities arise. We were willing to support ShareAction's forthcoming resolution on Scope 3 emission reduction with Yara, unfortunately adding this to our voting list was constrained by a timing issue.

Source: Voting Matters 2023, ShareAction

Support shareholder resolutions

We are active supporters of shareholder resolutions that align with our investment criteria and values. This collective action can be crucial in promoting changes at companies.

Several shareholder proposals addressed regenerative agriculture, deep-sea mining, biodiversity impact, and deforestation-free supply chains. These proposals revealed gaps in corporate strategy and disclosure.

At our annual policy review, we expanded our stewardship policies on nature and biodiversity in recognition of the growing materiality of nature-related risks.

Our support signalled a clear expectation for improved oversight and transparent reporting on nature-related issues.

Nature and Biodiversity Shareholder Proposals 2024

| Company           | Proposal                                                                                                           | GSI Vote | For %  |
|-------------------|--------------------------------------------------------------------------------------------------------------------|----------|--------|
| General Mills Inc | To request that the board reports to disclosure of regenerative agriculture practices within supply chain          | For      | 27.59% |
| General Motors Co | To request the board to prepare a report to shareholders on use of deep-sea mined minerals                         | For      | 12.48% |
| Home Depot Inc    | To approve a shareholder proposal regarding biodiversity impact and dependence assessment                          | For      | 15.69% |
| Tesla Inc         | To approve a shareholder resolution regarding committing to a moratorium on sourcing minerals from deep sea mining | For      | 7.48%  |
| Tyson Foods Inc   | Shareholder proposal regarding deforestation-free supply chains                                                    | For      | 3.29%  |

Source: Minerva

## Key themes

In 2024, our engagement approach evolved from broad thematic priorities, like decarbonisation, to a more sector-specific focus, consistent with our systematic, factor-driven investment approach. We directed attention to areas of material exposure within our portfolios, most notably financials and chemicals, where engagement can best address long-term value risks.

Given our overweight exposure to financials, we placed greater emphasis on banks, addressing governance, lending standards, and disclosure on financed emissions and were involved in investor groups with HSBC and ING, and joined the IIGCC's BERI.

We also continued engagement within the chemicals sector, (Linde is currently the highest greenhouse gas emitter in our holdings.) Through collaborative initiatives such as ShareAction and NZEI working groups, we supported collective investor dialogue to encourage credible transition planning and improved transparency.

We also deepened our focus on freedom of association as a material issue at the intersection of social and governance factors. This included supporting shareholder proposals that called for improved labour rights

disclosures and engaging with companies flagged for weak protections around collective bargaining. Our voting guidelines now explicitly reference freedom of association as a stewardship priority, recognising its role in long-term workforce stability, ethical supply chains, and reputational resilience.

Recognising the importance of policy advocacy, we also contributed to the Stewardship Code Review Working Group to ensure the perspective of smaller, evidence-based managers is represented. These activities reflect our approach to more active, targeted engagement – where we allocate additional resources to initiatives that align with our stewardship priorities and portfolio exposures.

## Research and education

### Research

GSI is underpinned by academic research. As part of the development of our engagement approach, we aim to explore options available to a systematic manager that are consistent with our investment approach and applicable to our scale and size.

We have followed the research of Kevin Chuah, Assistant Professor at Wharton Impact (previously NorthEastern University) and Trustee of ShareAction, for some time.

His research supports the idea that our engagement efforts are not simply one-off dialogues but part of a broader system: our engagements feed into company behaviour, peer effects, sector standards and may influence future investor expectations.

It reinforces our decision to participate in collective initiatives (sector-specific coalitions, policy working groups). The system view emphasises the value of networks, stakeholder reactions, and adaptation, so our joining of initiatives like the BERI and working with ShareAction aligns well with the research emphasis on interdependence and collective action.

It reinforces our principle of ongoing stewardship and escalation rather than tick-box engagement. We should track how target companies evolve, monitor how our engagement feeds through peers and sectors, and recognise that outcomes may materialise over multiple years. Like in Sainsbury's engagement.

It underlines the importance of sector-focus (as we have) since firms in the same sector may influence each other, face similar stakeholder pressures, and share visibility.

From a practical point of view, the research suggests our stewardship resources should recognise the broader “ecosystem” of engagement: we need to consider intermediaries (proxy advisors, regulators, NGOs), peer firms, media dynamics, so our advocacy work remains relevant.

Chuah et al. (2023), [Tailor-to-Target: Configuring Collaborative Shareholder Engagements on Climate Change](#). Published in Management Science, this paper explores how investor coalitions can be strategically configured for effective climate-related shareholder engagement.

Chuah, DesJardine, Goranova & Henisz (2024), [Shareholder Activism Research: A System-Level View](#). Published in Academy of Management Annals, this review offers a interdisciplinary framework for understanding shareholder activism as a dynamic system.

### Education

In 2024, Kate Hudson, Stewardship Lead at GSI, participated in the Stewardship and Engagement Leadership Programme (SELP), an executive education course jointly delivered by the Oxford Sustainable Finance Group and ShareAction. The programme brought together stewardship leaders from across the global investment community to strengthen the skills, networks, and tools necessary for effective engagement.

The course explored what makes engagement successful through academic research, case studies, and practical negotiation exercises. Sessions examined the state of engagement, escalation frameworks, stakeholder collaboration, and impact measurement, drawing on real-world examples such as collaborative investor initiatives. Participants also engaged directly with regulators and stewardship experts, including the former Director of Stewardship at the FRC and representatives from the FCA, to understand the evolving regulatory landscape.

For GSI, the SELP programme reinforced several aspects of our engagement approach:

- The importance of clear escalation pathways and transparency when reporting outcomes;
- The value of collaboration with other investors, civil society, and policymakers to achieve systemic impact;
- The need to measure and communicate impact in alignment with beneficiaries’ long-term interests.

The insights gained directly informed how GSI prioritises, conducts, and evaluates engagement activities, ensuring that our stewardship practices remain informed by current research and leading market standards.

“

“Making the right calls requires judgement, especially in stewardship, where decisions about escalation, collaboration, and voting are rarely black and white. Collective action is essential: no single investor can shift entrenched norms alone. Stewardship demands that we think systemically, act proportionately, and stay grounded in long-term outcomes. It is both a privilege and a responsibility and today’s choices shape tomorrow’s economy, society, and environment.”

**Simon Rawson, Director ShareAction**



## Outcome

In 2024, GSI's engagement efforts were targeted, collaborative, and grounded in stewardship priorities (and resource conscious).

We focused where we could add value, through strategic voting, coalition-led initiatives, and targeted outreach on material ESG issues. Our involvement in the European chemicals sector and climate coalitions helped shift conversations, but we're clear-eyed about the limits of our access and scale. Direct engagement remains challenging, and we continue to explore credible alternatives that match our investment style.

We made progress on social and governance themes, including freedom of association, by supporting shareholder proposals and encouraging companies to align with international labour standards. These efforts are part of a broader push to embed workforce rights into our stewardship priorities.

Client feedback and voting outcomes suggest our approach is gaining traction, but we're not complacent. We plan to sharpen our engagement strategy further, building on academic insight, refining escalation routes, and extending our influence through well-aligned partnerships. The goal isn't reach for reach's sake, it's to act where it counts, stay accountable, and keep improving.





SECTION 3

# Engagement

## Principle 10: Collaboration

*Signatories, where necessary,  
participate in collaborative  
engagement to influence issuers*



## Collaborative approach

Collaborative action enhances our ability to drive positive change and uphold responsible practices, ultimately shaping a more sustainable future.

Being a relatively small manager, our clients are best served when we leverage our rights and influence collectively with others. As defined by the PRI, 'stewardship refers to deliberate deployment of rights and influence (beyond capital allocation) to protect and advance the interests of those clients and beneficiaries.'

The power of crowds is evident in stewardship, where collective efforts yield greater impact. The effectiveness of the impact is often influenced by the number and diversity of participating members. GSI has benefited from joining in groups where our involvement has been welcomed, valued, and contributes to desired outcomes.

At the heart of our approach are our three pillars of effective stewardship:

### COLLABORATE

GSI amplify our influence over companies through collective engagements with industry coalitions, incl: Share Action Chemicals Decarbonisation Investor Group - **Air Liquide & Linde**; Banks Engagement - **HSBC & ING**; CA100+ **A.P. Moeller Maersk**; & Goodwork Partnership - **Sainsbury's**.

### LEARN

GSI participates in industry working groups that improve our knowledge and influence on a range of ESG issues, including decarbonisation strategies, corporate transition plans, and workforce-related concerns. This includes involvement in **IIGCC Proxy Voting** and **BERI** and **Stewardship Code Working Groups**.

### ADVOCATE

Through voting at company AGMs, pre-declaring votes, and engaging through written correspondence, GSI advocates for better corporate practices and encourages alignment with long-term sustainability goals. This includes supporting shareholder initiatives with **Amazon Inc.** in US via **SHARE**

ShareAction»



## Working collectively

We are strong advocates for collective engagement collaborations for the following reasons:

- **Amplified impact:** working together enables investors to pool resources and expertise significantly amplifying their collective influence.
- **Access to resources and specialised insights:** access to expert insights and resources, including research and networks enhances the capacity to engage effectively.
- **Shared learning:** Collaborative engagement facilitates the sharing of best practices.

Our collaborative activities include coalitions, networks, working groups and other initiatives, as outlined in the following pages, in alignment with the objectives of the Stewardship Code.



Catherine Howarth, CEO of ShareAction, beautifully captures the spirit of collaboration in stewardship:

"ShareAction's best work is invariably undertaken with others. Once again this year, we're using shareholder resolutions to press some of the largest companies in the world to operate more sustainably. This can't happen without first building long-term relationships with investors who own shares in the companies we're challenging."

Catherine Howarth, CEO, ShareAction



## Investor coalitions

We are willing to act collectively with other shareholders where it:

- will be more successful than acting individually
- is considered consistent with the Firm's objectives
- is in the best interests of the Firm's client
- is in compliance with the law and regulation

We are conscious of antitrust regulations and undue and/or unfair pressure exerted on companies as a result of collective engagements and lobby groups.

## ShareAction

We began working with ShareAction in 2021 as the first step in our stewardship strategy journey.

ShareAction do not discriminate on size or prestige. From the outset, GSI was given the same seat at the table as any other asset manager. This inclusive approach has allowed us to contribute meaningfully to collaborative campaigns, policy consultations, and AGM engagements, reinforcing our belief that effective stewardship is defined by commitment and clarity, not scale.

As an independent charity and expert in responsible investment, ShareAction provides a values-led platform for strategic amplification of our stewardship reach.

We will only join initiatives for companies included in our voting target list. We do not believe we can authentically lobby and promote better governance and behaviour when we can't action our influence by voting at the AGM.

We currently are members of the core coalitions at ShareAction including:

- **Banking Hub**
- **Good Work Coalition**
  - Living Wage and Insecure Work
  - Investors Promoting Racial Equity
- **ShareAction Climate Hub**
  - Chemicals Decarbonisation Working Group

## Chemicals Decarbonisation Working Group

We have been active members of the Chemical Decarbonisation Working Group for the past four years, contributing to its mission of accelerating climate action across the sector.

Over the past year, under ShareAction's strategic guidance, the group has significantly stepped up its engagement, with key developments include:

- Coordinated investor engagement activity with eight of Europe's largest chemical companies.
- Coordinated a collaborative response to the Science Based Targets initiative's consultation on guidance for the chemical sector.
- Responded to the European Commission's consultation on the methodology to determine the greenhouse gas emissions savings of low-carbon fuels.

The chemical sector contributes nearly 6% of global greenhouse gas emissions, yet few companies have robust net-zero plans in place. Most chemical production remains heavily reliant on fossil-based feedstocks and energy, locking in emissions for decades to come. With the world on track to breach the 1.5°C threshold within six years, decarbonising the

sector is essential to avoid catastrophic climate impacts. Given that chemicals are embedded in nearly every industrial supply chain, from agriculture to pharmaceuticals, their transition will have far-reaching effects across the global economy.

Over previous years, the focus of escalation was on chemical company LyondellBassell. The progress achieved, the collaborative tone of our engagements and the company's climate ambitions compared to its peers, there was no escalation of matters with the firm during the 2024 proxy season.

### Industrial gas companies

The Coalitions focus is now on the industrial gas sector. Dominated by Linde, Air Liquide, and Air Products, this sector is among the world's most energy-intensive. Despite their critical role in supplying gases for healthcare, semiconductors, and steel, these companies remain heavily reliant on fossil fuels.

ShareAction urges investors to push for deep, rapid cuts to scope 2 emissions and robust electrification plans to align the sector with net-zero goals.

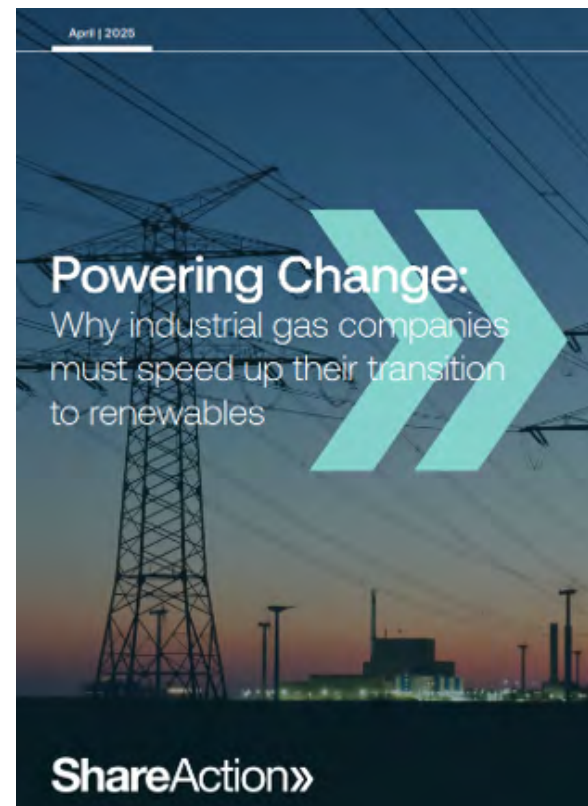
We do not own AirProducts so have been involved only in collaborative initiatives with Linde and Air Liquide.

The asks are:

- Electrify steam-driven assets: Disclose the location and emissions of steam-powered air separation units (ASUs) and commit to full electrification by 2030.
- Set granular renewable energy targets: Match 100% of electricity use with renewables generated on the same grid and within the same hour, with clear intermediate milestones.
- Triple renewable energy procurement: Align with the COP28 tripling goal by 2030, using Air Liquide's 2022 baseline (52%) as a benchmark for peers.
- Ensure additionality and transparency: Procure renewables that add new capacity to the grid, prioritising PPAs and on-site generation over unbundled certificates.
- Invest in flexibility and advocate for reform: Develop strategies for energy storage and ASU flexibility and engage with regulators to expand procurement options in constrained markets.



ShareAction»





## Case study

# Engagement with Air Liquide S.A. Decarbonisation in the chemicals sector



Air Liquide is one of the world's largest industrial gas producers, with significant exposure to fossil-based hydrogen and electricity-intensive operations, accounting for 28% of the industrial gases market in 2023<sup>1</sup>. Air Liquide is the third largest corporate electricity consumer reporting to CDP, with an annual consumption greater than Denmark in 2023. Headquartered in Paris, it has 67,800 employees and operates in 72 countries. Air Liquide's main competitors are Linde and Air Products.

The company has three main business segments. Their core segment, Gas & Services (95% of total group revenue), sells hydrogen, nitrogen, oxygen, and other gases to a range of sectors.

As a member of ShareAction's Chemicals Decarbonisation Working Group, we have engaged with the company over three years to improve its alignment with the Paris Agreement and address material climate risks.

While Air Liquide has engaged openly with the coalition in the last two years, the company has made little progress on the coalition's key asks, such as setting a near-term scope 3 target and targets on renewable energy and feedstocks. In March 2024, Air Liquide committed to net zero emissions across its entire value chain by 2050. The company has not yet set a near-term scope 3 target.

### Engagement Focus

Our engagement has centred on five priority areas:

- **Scope 3 emissions:** Air Liquide has committed to net zero by 2050 but lacks a near-term scope 3 target. Its current target covers just 0.6% of its scope 3 footprint.
- **Renewable energy procurement:** Despite high scope 2 emissions from coal-dependent grids, the company has not set a proportional renewable energy target for new assets.
- **Hydrogen strategy:** Air Liquide's 3 GW electrolysis target falls short of NZE-aligned market share. The company is also expanding fossil-based hydrogen capacity in the US.
- **ASU electrification:** While 95% of air separation units (ASUs) are electrified, only 50% of remaining steam-powered ASUs are targeted for electrification by 2035.
- **Lobbying transparency:** Air Liquide has lobbied to weaken renewable hydrogen standards in both the EU and US, raising concerns about policy alignment.



## Case study: Air Liquide

### Escalation strategy

Despite open dialogue, progress on key asks has been limited. In line with our escalation framework, we have the following plan for 2024:

- Requested a CEO-level meeting to reinforce the strategic importance of climate alignment
- Communicated expectations for a comprehensive scope 3 target in the 2025 Sustainability Report
- Considered supporting a public investor statement at the 2025 AGM if targets are not forthcoming
- Reserved the option to file a shareholder resolution in 2026, subject to capacity and jurisdictional thresholds

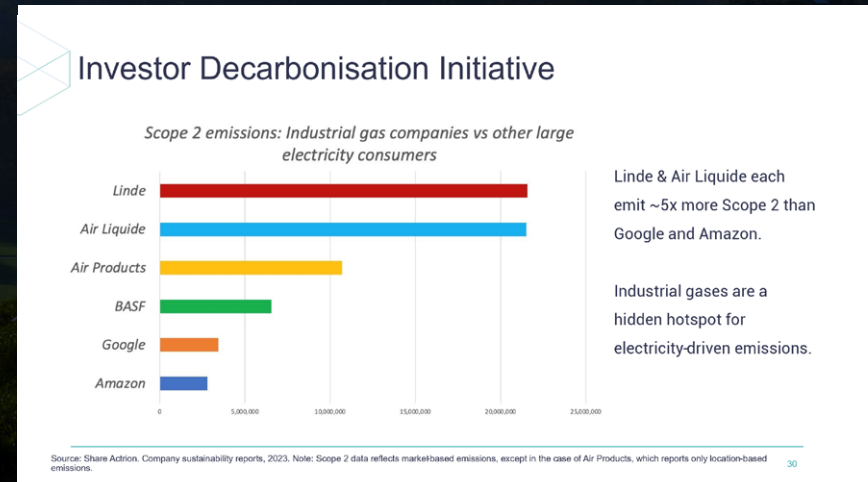
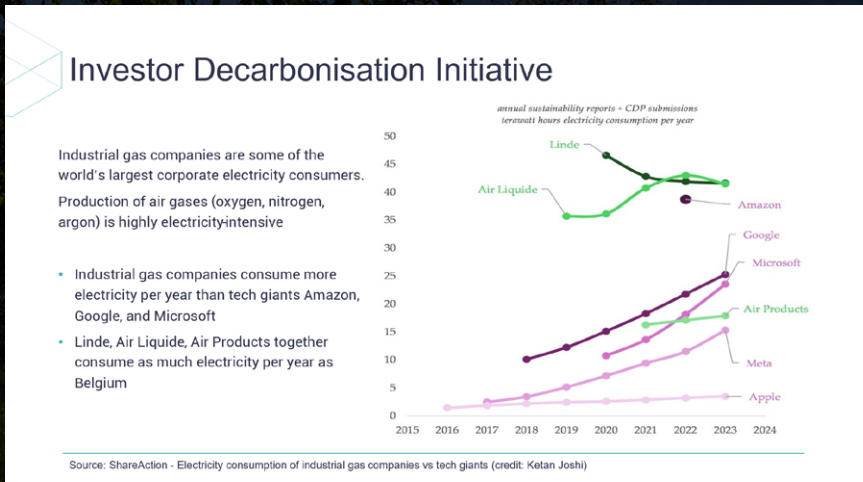
### Outcome and next steps

Air Liquide has acknowledged investor concerns but has yet to commit to near-term targets across key areas. With the support of ShareAction we will continue to monitor disclosures, press for improved transparency, and collaborate with other investors to maintain pressure. This engagement reflects our commitment to active ownership, systemic risk mitigation, and proportionate escalation.

### Progress against escalation plan:

Following the November 2024 meeting, there was a clear escalation pathway

- **Feb 2025:** A co-signed investor letter – support 28 Investors AUM: \$6.5tn prepared in February 2025, urging stronger climate targets and transparent energy procurement
- **May 2025:** Shareholder question at the 2025 AGM – Support 15 investors AUM: €733bn calling for clear renewable energy targets and lobbying disclosures.
- **Oct 2025:** Webinar: Air Liquide in South Africa and RE100 – Discussion on the importance of Air Liquide using its political influence to advocate for the reforms needed to increase corporate investment in renewables in South Africa.



## Good Work Coalition

GSI joined this initiative to support 'Collective action to drive up standards in the workplace'. We have worked with ShareAction on a campaign with Sainsbury on Real Living wage consistently since 2022, and commenced working on the ethnicity pay gap in 2024.

Refer Principle 11 Case Study page Sainsbury's

There is growing evidence that the corporate financial performance of companies that look after their employees will outperform those that don't. ShareAction's Good Work Investor coalition aims to engage companies to push for better working practices.

### Ethnicity Pay Gap group

GSI has been an active member of the Good Work Coalition's Ethnicity Pay Gap (EPG) group. Following the success of the coalition's campaign, corporate engagement paused in

March 2025. ShareAction has now shifted focus to influencing the passage of the Equality (Race & Disability) Bill through Parliament, to ensure robust and meaningful company disclosures.

As part of the Bill, mandatory EPG reporting will apply to companies with over 250 employees from March 2025.

Collaborative impact to date:

- Engagement with 31 companies
- EPG reporting increased from 6 to 16 among target companies, with improvements in data quality
- FTSE100 companies reporting EPGs rose from 15 in 2022 to 38 in 2024

This group has played a significant role in elevating the issue on company agendas and demonstrating the case for mandatory reporting

### Industry networks

Over the reporting period, GSI has been involved in industry networks and groups where industry participants work together to review the potential impact of proposed regulations, best practices in voting and engagement, client preferences and policy and regulatory changes. These include: IIGCC, CISI, SRI, Transparency Task Force, Investment Network, and others.

### Investor-led initiatives

We continue to leverage networks through involvement in targeted investor-led initiatives. These enable strategic collaborations on climate transition, lobbying transparency and sector specific risks.

## Institutional Investors Group on Climate Change

The IIGCC provides access to expert insights and resources, including research, data sources, case studies, policy guidance and working groups and networks. This expertise covers areas of focus like banks and nature and biodiversity, in addition to the Climate and Net Zero Engagement Initiatives.

### Working groups

The IIGCC has over 25 active working groups, on corporate, investor strategies and policy advisory. These are a unique feature of IIGCC, which we appreciate for their collaborative potential and specialised focus.

We are members of following groups:

- Net Zero Working Group
- Proxy Voting Working Group
- Banks Engagement Research Initiative
- Stewardship Code Review

The usefulness of the Proxy Voting Group has diminished for GSI, and we have requested to now join the Climate Governance working group. This group aims to improve how selected companies disclose and manage climate governance.

### Stewardship Code Working Group

The IIGCC's Stewardship Code Working Group, was convened to develop a collective investor response to the Financial Reporting Council's (FRC) consultation on the UK Stewardship Code. The working group brought together asset managers and owners across the UK and EU to assess how the Code can better support long-term value creation, systemic stewardship, and climate alignment.

#### Key themes under review included:

- Whether the Code enables meaningful investor-issuer engagement that improves issuer performance and prospects
- The extent to which the Code creates reporting burdens for signatories and issuers
- Risks of unintended consequences, such as short-termism in targets or issuer outlooks
- How the Code can evolve to support the net zero transition and real-world decarbonisation
- Opportunities to embed system-level stewardship (portfolio, economy, and policy-level engagement)
- Lessons from the UK Code that could inform EU stewardship regulation and best practice

#### Outputs included:

- A formal response to the FRC's public consultation (summer 2025)
- An IIGCC policy paper on enhancing stewardship in the EU (Q4 2025), aligned with the Net Zero Investment Framework and stewardship workstreams.

As one of the smallest asset manager signatories to the Code, our participation ensured that the working group reflected a broader spectrum of stewardship experience, helping shape priorities that are proportionate, outcome-focused, and inclusive of smaller, values-driven firms.

### Proxy Voting Working Group

The Proxy Voting Working Group focuses on improving the alignment between voting policies and material ESG risks, particularly climate. However, persistent gaps and conflicts of the US proxy advisors exist which make its effectiveness for GSI limited, as our UK based proxy advisor, Minerva Analytics, already proactively integrate science-based targets, transition metrics, and sector-specific climate risks into voting recommendations.

The working group has raised concerns that proxy advisors are failing to reflect material climate risks in their voting recommendations

ISS's 2025 benchmark policy proposals, released in November 2024, again omitted climate considerations, despite investor pressure. This disconnect between material risks and voting guidance undermines stewardship outcomes.

Similarly, while Glass Lewis has begun tracking ESG metrics related to biodiversity, just transition, and human rights, these have not been integrated into its voting policy framework, nor reflected in its annual survey. In contrast, we have not observed these issues with Minerva.

Membership was useful to benchmark ourselves and ensure our voting policies are fit for purpose.



## Climate Action 100+

Climate Action 100+ (CA100+) currently brings together over 700 investors representing more than \$68 trillion in assets under management, engaging 171 of the world's largest corporate greenhouse gas emitters to drive progress toward net zero emissions by 2050. The initiative works by assigning lead investors to engage specific companies on net zero alignment, governance, and disclosure. We are working on the AP Moller-Maersk campaign.

While CA100+ remains the largest investor-led climate engagement initiative, recent departures reflect growing concerns about its structure and impact.

Research from the Grantham Institute finds no causal evidence that CA100+ has led to improved climate disclosure or reduced emissions, though it has influenced companies to set more ambitious long-term targets.\*

For GSI, cross-referencing the CA100+ focus list with our voting policy ensures consistency between engagement and proxy decisions. But we remain mindful that real-world outcomes depend on more than just participation.

Our involvement is strategic and selective, focused on initiatives where collaborative pressure can translate into measurable progress.

## Outcome

GSI remains a committed and active participant in investor coalitions, recognising that collaborative engagement is a powerful mechanism for driving change, maintaining accountability, and staying aligned to strategic ambitions and stewardship priorities

Despite growing industry pressure to dilute the impact of collective action, we strongly disagree with this trend. We believe that working in coalitions enhances transparency, strengthens stewardship outcomes, and ensures our voice is heard on issues that matter to clients and beneficiaries.

As is evidenced by the case studies of Sainsbury and Air Liquide, our involvement in the Chemicals Decarbonisation Investor Coalition and the Good Work Coalition over many years, has delivered measurable progress. We have supported engagements that led to increased adoption of science-based targets and increase pay for UK workers and policy change on Ethnicity Pay Gaps. These collaborations allow GSI to authentically act as better stewards of our investors capital.

\* Can Investor Coalitions Drive Corporate Climate Action.  
Nikolaus Hastreiter London School of Economics August 2025





SECTION 3

# Engagement

## Principle 11: Escalation

*Signatories, where necessary, escalate stewardship activities to influence issuers.*



## Escalation approach

Escalation is a core component of our stewardship strategy, used to protect long-term value and promote responsible business conduct and hold companies accountable when engagement alone is insufficient. We have a targeted and proportionate approach and escalate in line with policy and consideration of our asset size and company resources.

Our approach is grounded in our Global Proxy Voting Policy and applied consistently across all portfolios, with sensitivity to jurisdictional context. We escalate when companies fail to respond to engagement, demonstrate poor governance, or fall short on material sustainability issues.

Engagement efforts are focused on priority holdings, however escalations are considered on a case-by-case basis, particularly where material risks, systemic issues, or UNGC-related controversies warrant further action. In 2024, we added Linde to our voting list to enable continued participation in the expanded chemicals decarbonisation campaign coordinated by ShareAction. We also joined two bank-related collaborations: participating in the Banking Engagement and Research Initiative (BERI), joining the investor group with ING and ShareAction Banks Initiative, with HSBC.

## RISE Framework

In 2024, we undertook a comprehensive review of our escalation framework following our participation in the Oxford Stewardship and Engagement Leadership Programme. This included mapping our current 7 Step escalation practices to ShareAction's [Responsible Investment Standards & Expectations \(RISE\) Framework](#).

The review confirmed strong alignment and prompted refinements to our escalation protocols, voting rationale disclosures, and collaborative engagement strategy.

As a result, we moved our escalation approach to align with the RISE Framework, which encourages asset managers to act decisively when companies fail to respond to investor concerns.

At the core of RISE are four pillars of responsible investment accountability:

- **Stewardship:** including voting, engagement, and escalation
- **Policy Advocacy:** alignment with sustainability goals
- **Product Governance:** ensuring products reflect responsible investment principles
- **Transparency:** clear reporting and disclosure of actions and outcomes

## Escalation tools

Central to RISE are five escalation mechanisms. We have refined GSI's seven-step framework so each step maps to one or more of these mechanisms.

The five mechanisms are:

1. Voting against management - Maps to GSI 1 - 4
2. Filing or co-filing shareholder resolutions - Maps to GSI 6
3. Collaborative investor action - Maps to GSI 6
4. Public statements or media engagement - Maps to GSI 5
5. Divestment or reduction in holdings - Maps to GSI 7



## PRINCIPLE 11: ESCALATION

The table below maps our GSI framework to the RISE 5.

| STEP                      | ACTION                                                                                                 |
|---------------------------|--------------------------------------------------------------------------------------------------------|
| 1. Identify (Rise 1)      | Prioritise engagement targets, including companies flagged by CA100+, NZEI, Nature 100, and G-SIBs.    |
| 2. Priorities (Rise 1)    | Focus engagement by theme or sector — e.g. financials via IIGCC Banks Team.                            |
| 3. Monitor (Rise 1)       | Track governance failures, controversies, and disclosure gaps using Minerva, Sustainalytics, Bloomberg |
| 4. Vote (Rise 1)          | Escalate through voting against management, directors, or key proposals.                               |
| 5. Communicate (Rise 4)   | Pre-declare votes, or issue letters to investor relations teams.                                       |
| 6. Influence (Rise 2 & 3) | Collaborate with investor coalitions (e.g. ShareAction, IIGCC) to amplify impact.                      |
| 7. Divest (Rise 5)        | Consider underweighting or exclusion where governance concerns persist.                                |

### 1. Voting against management (directors, reports, policies)

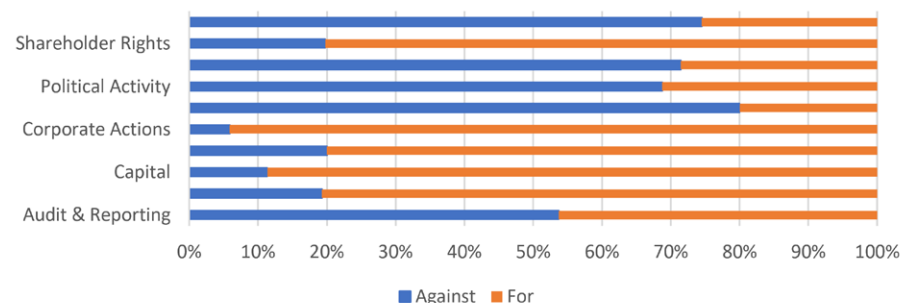
We use our voting rights as a means of expressing concern over corporate governance and fulfilling our fiduciary duty. GSI voted against management recommendation on 31% of all resolutions. We voted against management on 72% of shareholder proposals.

Due to an uncertain geopolitical and economic environment, there has been a return to a focus on the G in ESG in shareholder voting and company disclosure and practice. Taken together, audit and reporting, board, and remuneration resolutions, accounted for 90% of all GSI dissenting votes.

GSI opposed board-related resolutions more than any other category, accounting for almost half (44.85%), 396/883 of all dissenting votes, followed by remuneration 28.5% and audit and reporting 16.5%.

When there is evidence of poor governance practices at a portfolio company, GSI generally believes that we optimally serve our clients by using stewardship activities such as voting against management to encourage better standards of corporate governance.

Votes against management by category (All proposals)



### Board elections and independence



49%  
For Shareholder  
Proposed Board  
Resolutions  
28 / 57



58%  
Against  
Director  
Discharge  
59 / 101



16%  
Against  
Director  
Elect  
307 / 1924



31  
Director  
Elect  
Withheld

Votes against non-executive directors are used to escalate concerns around board composition, particularly where independence falls short of recommended local market good practice.

Boards should include an appropriate combination of executive and non-executive directors, with at least 50% demonstrably independent members. Escalation may also apply in cases involving committee-specific issues, such as weak audit committee oversight of audit fees, limited progress on gender diversity within nomination committees, and persistent concerns including overboarding and poor attendance.

In certain instances, withholding a vote is used to signal dissatisfaction with a director's performance or governance-related concerns.

Table: Escalation through Director votes – Board composition and governance

| COMPANY                            | COUNTRY | DIRECTOR          | DISSENT | OUTCOME | GSI VOTE | COMMENTS                                                                                                                                                                                                      |
|------------------------------------|---------|-------------------|---------|---------|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Mitsubishi UFJ Financial Group Inc | Japan   | Hironori Kamezawa | 34.74%  | Passed  | Against  | Executive director sits on both the Nomination and Remuneration Committees, with insufficient disclosure on pay and severance, and no Say on Pay resolution to support accountability. Previous high dissent. |
| TotalEnergies                      | France  | Patrick Pouyanne  | 26.22%  | Passed  | Against  | Combined CEO-Chair role without a lead independent director breaches French governance norms and undermines board independence in a controlled shareholder structure.                                         |
| Broadcom                           | USA     | Harry You         | 21.5%   | Passed  | Against  | Long tenure and multiple board roles raise concerns over independence and effective challenge, particularly given limited board refreshment.                                                                  |

## Case study: Alphabet Inc. Board independence and leadership oversight

Alphabet's 2024 AGM underscored the tension between legacy leadership and modern governance expectations. The votes against Hennessy, Doerr, and Shriram signal a broader push for board accountability, independence, and refreshment even in founder-led technology companies.

Under frameworks, such as the UK Stewardship Code, SFDR, and PRI, boards are expected to demonstrate renewal, diversity, and challenge. At Alphabet, extended director tenures and material relationships raise concerns over effective oversight and board independence, particularly given the company's dual-class share structure.

### Voting activity

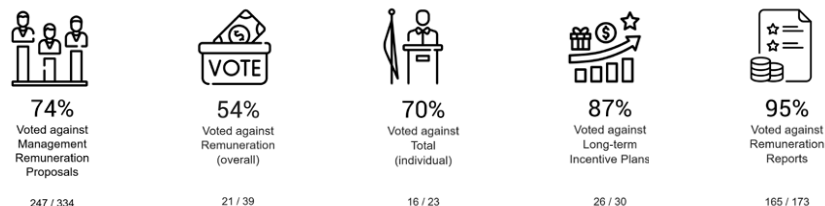
- » John Hennessy as non-independent Board Chair without a designated Lead Independent Director, drew notable investor dissent, over 2.1 billion votes against his re-election (~17% dissent), significantly above Alphabet's board average.
- » Doerr and Shriram also faced elevated opposition (~13%), reflecting investor unease with board composition and oversight.

**Independence:** Their long-standing ties to Alphabet's founders and early-stage investments, including co-investments and related-party transactions, challenges their classification as independent.

Alphabet's board composition remains below best-practice expectations for independent representation. The Council of Institutional Investors recommends two-thirds independence.

**Escalation outcome:** GSI voted against the re-appointment of John Hennessy, L. John Doerr, and K. Ram Shriram, each serving over 15 years.

## Fair remuneration



In 2024 we voted on 364 resolutions relating to remuneration, 30 of which were Shareholder Resolutions.

We voted against management on 64% of these.

Votes against remuneration resolutions are used to escalate concerns where executive pay structures lack transparency, rely heavily on qualitative performance objectives, or fail to incorporate material ESG performance criteria. We encourage the use of high-quality, objective, and measurable metrics that align executive incentives with long-term value creation.

Escalation may also apply where incentive plans include discretionary elements without sufficient justification, or where disclosure around performance targets and outcomes is inadequate.

### 'Say on Pay'

North American remuneration policies typically contain many practices viewed as unacceptable in other markets, such as in the European region. This divergence in practice resulted in GSI opposing 100% of remuneration reports for North American companies.

Table: Voting on 'Say on Pay' - advisory votes to approve executive compensation.

| COMPANY                          | DISSENT | OUTCOME  | GSI VOTE | ISSUES                                                                                                                                                      |
|----------------------------------|---------|----------|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Salesforce Inc                   | 54.83%  | Defeated | Against  | Methodology for awarding discretionary equity lacked performance linkage; disclosure of targets was limited and pay ratios raised proportionality concerns. |
| Norfolk Southern                 | 73.17%  | Defeated | Against  | Executive pay structure lacked clarity and performance alignment; concerns over accountability and ESG integration contributed to strong dissent.           |
| 3M Company                       | 55.03%  | Defeated | Against  | Pay decisions appeared misaligned with performance outcomes; limited transparency and governance concerns drove shareholder opposition.                     |
| General Motors Co                | 42.27%  | Passed   | Against  | Absence of clear performance thresholds and limited transparency around incentive metrics weakened alignment with shareholder interests.                    |
| BlackRock Inc                    | 41.38%  | Passed   | Against  | Bonus determination relied on opaque criteria with insufficient justification, contributing to concerns over fairness and pay equity.                       |
| American International Group Inc | 35.54%  | Passed   | Against  | Remuneration structure leaned heavily on qualitative assessments with low stretch in targets and inadequate disclosure.                                     |

### ESG criteria in executive pay

In 2024, we amended our voting policy to escalate remuneration resolutions where ESG performance criteria were absent or insufficiently embedded in incentive structures, including opposing pay packages that lacked measurable sustainability targets or failed to link long-term value creation with environmental and social outcomes. This reflects growing expectations under the UK Stewardship Code and SFDR for executive pay to align with responsible business conduct and material ESG risk

Table: Voting on 'Say on Pay' - advisory votes to approve executive compensation.

| Company          | Market      | GSI Vote | Dissent %            | Rationale Summary                                                                                             |
|------------------|-------------|----------|----------------------|---------------------------------------------------------------------------------------------------------------|
| Nestlé SA        | Switzerland | Against  | 15.2%                | ESG metrics embedded in strategic scorecards lacked standalone targets or measurable weighting.               |
| Volkswagen AG    | Germany     | Against  | 0.52%                | Incentive plans relied heavily on qualitative KPIs with limited ESG integration and poor disclosure.          |
| AstraZeneca plc  | UK          | Against  | 22.1% (Resolution 7) | Remuneration policy increased incentive opportunity without clear ESG linkage; qualitative metrics dominated. |
| Sony Group Corp. | Japan       | Against  | 1.0%                 | ESG references were vague, and performance thresholds were not disclosed, undermining credibility.            |
| TotalEnergies SE | France      | Against  | 19.0%                | Weak ESG linkage in pay structure and governance concerns around CEO-Chair duality.                           |



## 2. Filing or co-filing shareholder resolutions

We use shareholder proposals as a form of escalation. Shareholder resolutions provide a formal mechanism to express concern, influence corporate decision-making, and hold management accountable, particularly where engagement has failed to yield sufficient progress.

In most situations, we are supporting Shareholder Resolutions by voting in favour. For example, In 2024, GSI supported 100% of sustainability-related shareholder resolutions outside North America, demonstrating a consistent, conviction-led approach to stewardship across global markets. Of the 20 shareholder proposals assessed beyond the US, half addressed environmental and social issues, including climate risk, emissions disclosure, and workforce rights. GSI voted in favour of all sustainability proposals, reflecting our willingness to challenge management when proposals advanced material ESG outcomes.

### Co-filing resolutions

GSI co-filed a shareholder resolution at Amazon Inc. (US) in 2024 focused on Freedom of Association after limited progress through prior engagement. The decision to get involved in the co-filing opportunity built on an earlier collaboration with CCLA, UNI Global Union and other UK investors concerning Amazon's Coventry fulfilment centre, where concerns were raised about union access and worker representation.

In May 2024 GSI joined this UK-based coalition, urging Amazon to cease restrictive practices at Coventry. We lent our support to the investor letter requesting the appointment of an independent third party to assess human rights policies in UK fulfilment centres and to commit to addressing any areas of non-conformance.

Despite strong turnout, the GMB Union's recognition ballot at Coventry narrowly failed, with 49.5% voting in favour (28 votes short of a majority). Site reports included mandatory anti-union seminars and QR codes in communal areas encouraging workers to opt out of union membership. Had the ballot succeeded, it would have been the first instance of union recognition at Amazon in the UK.

Building on this, we were introduced to SHARE (Shareholder Association for Research and Education) and invited to support a second shareholder resolution at Amazon Inc., submitted for the following year's AGM. The resolution was coordinated by SHARE on behalf of the Catherine Donnelly Foundation and other institutional investors, including GSI.



The proposal again sought greater transparency on how the company's practices align with its stated commitment to Freedom of Association. This followed strong shareholder backing (31.81%) for a similar 2024 proposal, reflecting growing investor concern over labour rights.

Although the 2025 proposal was excluded from Amazon's proxy materials via a "no-action" process, we continue to believe that companies should align with international standards. Over the past year, in votes at Amazon, Tesla, and Starbucks, investors have signalled this expectation. We will continue to participate in engagements where appropriate to advance these principles.

### 3. Collaborative investor action

We continue to participate in collaborative engagement to improve corporate behaviour and influence policy change.

This is explained in detail in **Principle 10**.

It is a key escalation tool, allowing us to amplify our voice, share resources, and push for change on issues where collective pressure is more likely to drive meaningful outcomes.

This approach is mirrored in our multi-year engagement with Sainsbury's, where collaboration has been central to driving progress. Over three years, we have worked alongside other investors, utilising many different escalation methods. This is a great example of how sustained, collective pressure can lead to tangible improvements in corporate behaviour.



Sainsbury's

### Case study: Sainsbury's Real Living Wage engagement escalation

GSI has been an active member of the ShareAction Good Work Coalition since 2022, engaging Sainsbury's on the real Living Wage.

#### 2022

- » March: Co-filed shareholder resolution calling for Living Wage accreditation - 17% support; 19,000 staff received a pay uplift.

#### 2023

- » June: Signed investor letter urging further progress.
- » July: Raised AGM question on pays practices.
- » November: Coalition meeting with CEO Simon Roberts.
- » December: Signed follow-up investor letter.

#### 2024

- » March: Bilateral meeting with senior executives.
- » July: AGM question submitted.
- » November: Signed investor letter signalling intent to escalate in 2025 proxy season - Sainsbury's agreed to meet again.

#### 2022

- » January: Sainsbury's announced a sector-leading 5% pay increase, reintroducing the Real Living Wage rate from August.
- » June: ShareAction confirmed no resolution filed, but shareholders would question the board at the AGM on pay transparency and Living Wage commitments.

These developments reinforce the case for continued investor engagement and escalation where progress stalls.

## 4. Public statements or media engagement

We take a measured approach to public communication. While we are generally reserved about media engagement, we permit our name to appear on public statements or campaigns we support, helping to amplify collective investor influence while maintaining a balanced external profile.

We may signal our voting intentions or positions to company management in advance, either through formal letters or by pre-declaring votes, to ensure companies understand the rationale behind our decisions.

GSI also supports inclusion in collaborative communication efforts, such as press releases coordinated by groups like ShareAction, when we are part of an investor working group or co-file a resolution.

We prefer to actively contribute to the sector through conferences and targeted knowledge sharing, e.g., we present at ESG and stewardship conferences, speak on panels, host roundtables, and circulate thought leadership within our professional networks. These activities let us shape debate, share best practice, and influence peers without pursuing broad media exposure.

## 5. Divestment or reduction in holdings (as a last resort)

Certain behaviours are likely to result in escalation, including sustained poor governance practices, inadequate disclosure, unwillingness to engage with shareholders, and evidence of contravention to the United Nations Global Compact (UNGC).

The escalation strategy used will vary depending on the facts and circumstances of each case.

We apply our strategy consistently across both our funds.

The option to underweight, exclude, or divest from a company is open to our Investment Committee. We escalate to align with values and principles of responsible business conduct and sustainable benefits for the economy, the environment, and society. Materiality issues, product involvement and controversies data from Sustainalytics is actively monitored.

The Investment Committee has the option to divest from a security when we have significant corporate governance concerns.

Divestments in 2024 include:

| Date       | ISIN         | Company                          | Industry                                               |
|------------|--------------|----------------------------------|--------------------------------------------------------|
| 22/05/2024 | AT0000606306 | Raiffeisen Bank International AG | Financials - Banking with continued exposure to Russia |
| 04/07/2024 | JP3481800005 | Daikin Industries, LTD           | Controversial Weapons                                  |
| 01/10/2024 | AN8068571086 | SLB                              | Energy - continued exposure to Russia                  |
| 18/12/2024 | US1271903049 | CACI International Inc Class A   | Military Contracts                                     |



### Product involvement

We will divest from any issuer that has product involvement in areas defined by the Sustainable Development Goals (SDGs) at a level of 10% of company revenues or more. In 2024, 78 companies were excluded on that basis which is 3.82% of our benchmark.

In July 2024, we excluded a further two companies from our portfolios for Product Involvement breaches: Orica Limited (Thermal Coal, Australia) and Eastman Chemical Co. (Tobacco, US).

### Violations of the United Nations Global Compact (UNGC)

We exclude companies due to non-compliance with the United Nations Global Compact (UNGC) principles, typically related to breaches of human rights, labour standards, environmental protection, and anti-corruption measures.

We monitor controversies and third-party watchlists on an ongoing basis, ensuring timely identification of potential breaches. This process informs our exclusion decisions

and reflects our commitment to maintaining alignment with the UNGC principles.

Over the past 12 months the number of exclusions due to UNGC violations remained at 4 (consistent with 2023), however several companies either dropped out of our investment universe or became compliant (some remain on the Sustainalytics Watchlist), and we excluded others.

| Product Area             | Product Involvement                    | GSI Policy     | No. of Stocks in Benchmark | % Weight in Benchmark | No. of Stocks in Portfolio | % Weight in Portfolio |
|--------------------------|----------------------------------------|----------------|----------------------------|-----------------------|----------------------------|-----------------------|
| Business Practices       | Fur and Leather                        | Exclude        | 0                          | 0.00                  | 0                          | 0.0                   |
|                          | Gambling                               | Exclude        | 13                         | 0.28                  | 0                          | 0.0                   |
|                          | Predatory Lending                      | Exclude        | 0                          | 0.00                  | 0                          | 0.0                   |
|                          | Whale Meat                             | Exclude        | 0                          | 0.00                  | 0                          | 0.0                   |
| Defense and Military     | Controversial Weapons                  | Exclude        | 0                          | 0.00                  | 0                          | 0.0                   |
|                          | Military Contracts                     | Exclude        | 27                         | 1.78                  | 0                          | 0.0                   |
|                          | Riot Control                           | Exclude        | 0                          | 0.00                  | 0                          | 0.0                   |
|                          | Small Arms                             | Exclude        | 0                          | 0.00                  | 0                          | 0.0                   |
| Energy                   | Arctic Energy                          | Exclude        | 0                          | 0.00                  | 0                          | 0.0                   |
|                          | Oil Sands                              | Exclude        | 4                          | 0.20                  | 0                          | 0.0                   |
|                          | Shale Energy                           | Exclude        | 0                          | 0.00                  | 0                          | 0.0                   |
|                          | Thermal Coal                           | Exclude        | 22                         | 0.77                  | 0                          | 0.0                   |
| Environment              | GM Crops                               | Exclude        | 2                          | 0.09                  | 0                          | 0.0                   |
|                          | Palm Oil                               | Exclude        | 2                          | 0.02                  | 0                          | 0.0                   |
|                          | Pesticides                             | Exclude        | 5                          | 0.18                  | 0                          | 0.0                   |
| Health & Wellbeing       | Adult Entertainment                    | Exclude        | 0                          | 0.00                  | 0                          | 0.0                   |
|                          | Cannabis                               | Exclude        | 0                          | 0.00                  | 0                          | 0.0                   |
|                          | Tobacco                                | Exclude        | 5                          | 0.59                  | 0                          | 0.0                   |
| <b>Total Exclusions</b>  | <b>Product Involvement</b>             |                | <b>78</b>                  | <b>3.82</b>           | <b>0</b>                   | <b>0.0</b>            |
| <b>UN Global Compact</b> | <b>UN Global Compact Non-Compliant</b> | <b>Exclude</b> | <b>4</b>                   | <b>0.72</b>           | <b>0</b>                   | <b>0.0</b>            |

Source: GSI LLP. Product involvement is defined at the 10% level of company revenues or more. The information shown is as of 31 Dec 2024

## Outcome

The aim of our stewardship approach is always to encourage positive change and protect and create value for our clients over the long-term.

During 2024 we focused our resources on a targeted voting list and collective engagements, which delivered tangible results. These included, higher rates of votes against management on poor governance issues, selective divestments where breaches met our thresholds, and greater participation in smaller, outcome-driven campaigns where our involvement can add value.

We also refined our voting policy and escalation framework, drawing on industry guidance and practitioner insight to strengthen our use of sector specific engagement and more deliberate signalling through voting and public statements. We also began pre-declaring votes in selected cases and using tailored letters to reinforce our positions.

Next steps are to refine our monitoring and escalation process: improving how watchlist and controversy data inform priorities, developing clearer escalation pathways for key sectors, and reporting outcomes more transparently. We aim to introduce a concise annual escalation summary highlighting key actions (votes against management, escalations, divestments for material breaches, and UNGC-related exits) alongside short notes on the practical impact of those decisions.





#### SECTION 4

# Exercising rights and responsibilities

## Principle 12: Exercising rights and responsibilities

*Signatories actively exercise their rights and responsibilities.*



Stewardship and proxy voting

Exercising ownership rights is integral to fulfilling our fiduciary duty and delivering long-term value for clients. GSI's stewardship approach includes a robust proxy voting framework, applied consistently across all portfolios.

Our decisions are guided by our Global Proxy Voting Policy, which sets approved guidelines for supporting, opposing, or assessing proposals on a case-by-case basis. Votes are executed via Minerva's platform, with recommendations provided by our investment team. Where proposals fall outside the scope of our guidelines, a thorough assessment is undertaken to determine the appropriate vote.

We subscribe to research and execution services from Minerva, and complement this with insights from Sustainalytics, Solactive, and other sources. This multi-source approach enhances our understanding of the issues surrounding each resolution and supports informed decision-making.

Our voting outcomes are a direct reflection of our policy in practice. The framework serves not only as a structure for good governance, but also as a clear expression of our commitment to responsible investing and stewardship accountability.

Importantly, GSI remains free from the conflicts of interest that can arise within large, multinational asset managers. We are not influenced by a US parent, and our independence enables us to apply our voting policy without external pressure. This is particularly relevant in light of [ShareAction's Voting Matters 2024 report](#), which highlights a concerning trend: support for environmental and social shareholder resolutions has

dropped to an all-time low, with only 1.4% of proposals receiving majority backing—down from 21% in 2021. The report attributes this decline in part to political scrutiny and backlash against ESG investing among US-based managers.\*

This approach reinforces our commitment to transparency, independence, and responsible ownership - key principles of the UK Stewardship Code.

Proxy voting policy changes are further described in Principle 8.

Diversified number of holdings

GSI's investment strategies hold a broad array of stocks primarily listed on major exchanges in developed markets. Investment positions are carefully weighted to achieve diversification levels that consistently exceed those of market-weighted indices, both at the individual stock and sector levels. This disciplined approach results in broader, more effective diversification than standard benchmarks.

|                                    | GAV | GAFV | Benchmark |
|------------------------------------|-----|------|-----------|
| Number of Stocks                   | 992 | 629  | 1430      |
| Effective Number of Stocks (HHI) * | 133 | 178  | 89        |

\*The Herfindahl-Hirschman Index (HHI) measures concentration in a portfolio. It's calculated by squaring the weight of each stock in the portfolio and adding them up. If a portfolio is evenly spread across many stocks, the HHI is low.

\* Source: ShareAction, Voting Matters 2024

Voting guidelines

GSI aims to vote on all proxy proposals, amendments, and resolutions at general meetings of companies on a list of selected 'targeted' companies. Our preference is to vote 'For' or 'Against' for a resolution. However, should we have concerns, or where there is a lack of information to determine the best direction of our vote, we may occasionally decide to 'Abstain' or "Withhold" our vote.

Target voting list

Given the broad number of holdings and additional costs associated with voting proxies, we have determined that it is not in the best economic interests of our clients to vote on all proxies.

We use a 'Target Voting List' that captures approximately 200 names. The list covers 68% of the market value of the Global Aware Value Fund and 70% of the Global Aware Focused Value Fund.

In 2024, we voted on 191 of the 200 companies on our target list. During the assessment of the 2024 proxy season, we reviewed the reasons behind this shortfall. A combination of factors contributed, including instructions not being received for certain ballots on ProxyEdge and other proxy service platforms, as well as the timing of our target list review in early March 2024.

This meant that companies with AGMs held prior to the update were missed. Whilst some of these factors are outside of our control, we have now introduced measures to reduce the likelihood of this reoccurring where we can.

\* Source: Minerva Analytics 2023

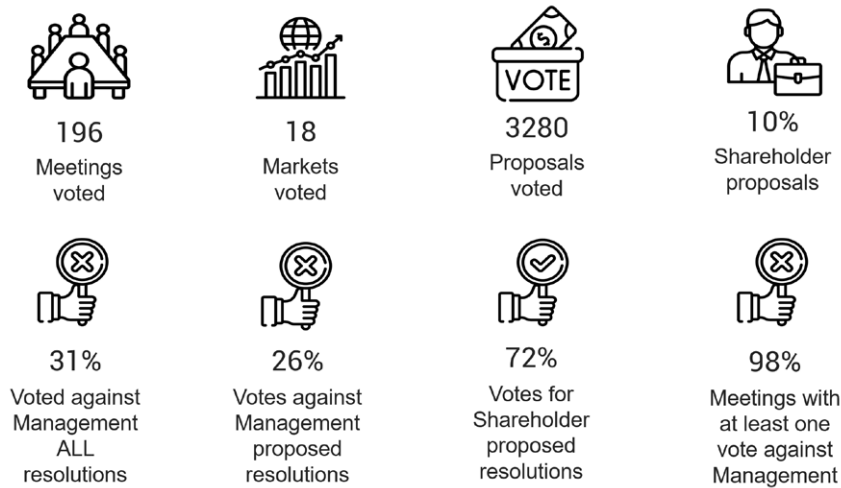
Voting statistics

For the period January 2024 to 31 December 2024 GSI cast votes for 196 shareholder meetings on 3,280 resolutions across 18 markets. This is consistent with our previous year when we voted at 198 shareholder meetings and 3,628 resolutions.

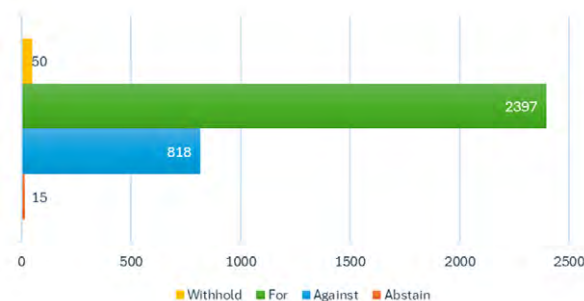
The majority of resolutions voted in 2024 were proposed by management, with 10.06% of the resolutions voted by GSI filed by shareholders.

Shareholder proposals are more common in North America and less of a feature in European markets. Of the 330 shareholder proposals, 310 were filed in North America, with 11 in Europe, 7 in Japan and two in the UK.

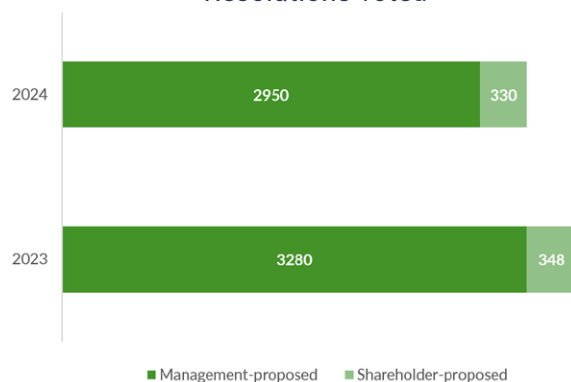
Voting activity\*



## How we voted in 2024



## Resolutions voted



## Dissent rate

We define "dissent" to be where a vote is cast contrary to the management recommendation. Hence, where the management recommendation is to vote in favour, dissent is measured as the sum of against votes plus abstentions.

The dissent rate on management proposed resolutions has stayed stable from 2023 with the difference explained by the difference in dissent rate on shareholder proposals. A different dissent rate on shareholder proposals may be expected year-on-year given a change in volume and focus of shareholder proposals. One growing trend is the filing of 'anti-ESG' shareholder proposals that see to roll-back efforts on environmental and social issues



| ALL RESOLUTIONS BY CATEGORY | ABSTAIN   | AGAINST    | FOR       | WITHHOLD    | TOTAL       |
|-----------------------------|-----------|------------|-----------|-------------|-------------|
| Audit and Reporting         |           | 138        | 8         | 127         | 273         |
| Board                       |           | 354        | 42        | 1714        | 2110        |
| Capital                     |           | 22         |           | 162         | 184         |
| Charitable Activity         |           | 3          |           | 1           | 4           |
| Corporate actions           | 1         |            |           | 14          | 15          |
| Other                       |           | 4          |           |             | 4           |
| Political Activity          |           | 4          |           | 30          | 34          |
| Remuneration                | 14        | 238        |           | 113         | 365         |
| Shareholder Rights          |           | 5          |           | 86          | 91          |
| Sustainability              |           | 50         |           | 150         | 200         |
| <b>TOTAL</b>                | <b>15</b> | <b>818</b> | <b>50</b> | <b>2397</b> | <b>3280</b> |

- We voted against management on 30.91% of all resolutions in 2024, rate slightly below the 2023 dissent rate of 31.56%.
- In over 97% of meetings there was at least one vote against management (in 190 out of 196 meetings).
- GSI opposed board-related resolutions more than any other category. Almost half (44.85%) 396/883 of all dissenting votes were within this category, followed by remuneration 28.5% and audit & reporting (16.5%). Board dissent was 12% of all votes cast.



Voting around the globe

GSI only manages funds invested in global developed market equities. In 2024 we voted proxies across 18 markets.

We are committed to voting at all meetings held by companies on our target list (currently 200) including shareholder proposals irrespective of the region. Our voting policy recognises the different jurisdictions and adapts accordingly.

Our assets are invested across regions based on market weights and therefore a large percentage of the funds' assets are in North America. Two out of every 3 proposals voted were for resolutions for North American companies.

| REGION                | RESOLUTIONS VOTED PER REGION | % OF ALL RESOLUTIONS | RESOLUTIONS VOTED AGAINST MANAGEMENT | % OF REGIONAL VOTES | SHAREHOLDER RESOLUTIONS PER REGION |
|-----------------------|------------------------------|----------------------|--------------------------------------|---------------------|------------------------------------|
| North America         | 2,010                        | 61.2%                | 704                                  | 25%                 | 310                                |
| UK                    | 283                          | 8.6%                 | 42                                   | 15%                 | 2                                  |
| Europe ex UK          | 693                          | 21.1%                | 190                                  | 31%                 | 11                                 |
| Japan                 | 221                          | 6.7%                 | 68                                   | 28%                 | 7                                  |
| Asia Pacific Ex Japan | 73                           | 2.2%                 | 10                                   | 13%                 | 0                                  |
| TOTAL                 | 3280                         | -                    | 1014                                 | -                   | 330                                |

Source: Minerva Analytics 2023

Voting decisions are made irrespective of geography; we engage consistently across all meetings. Our voting policy recognises jurisdictional differences and adapts accordingly.

As our fund strategies are globally invested in proportion to market weights, a significant share is held in North America. As a result, over 60% of all votes cast in 2024 in that region.

The companies on which votes were cast are listed across the following jurisdictions:

- United Kingdom and Ireland
- Europe: Denmark, Finland, France, Germany, Italy, Netherlands, Spain, Switzerland
- North America: Bermuda, Canada, United States of America
- Asia ex Japan: Australia, Hong Kong, Singapore

We average over 20% dissent across the 5 regions.

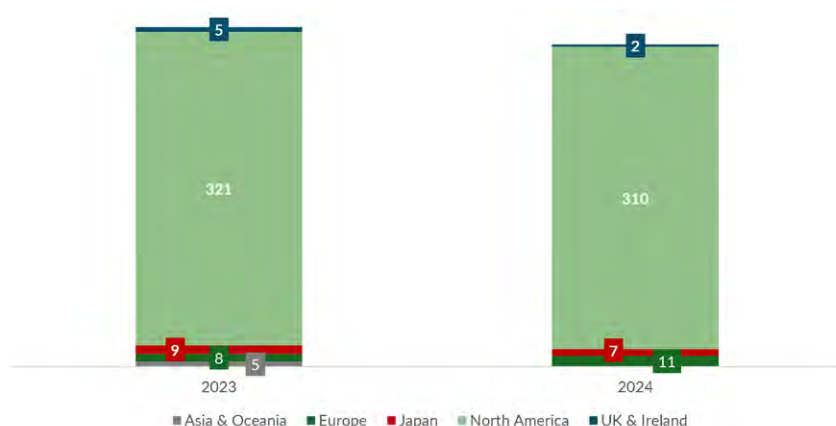
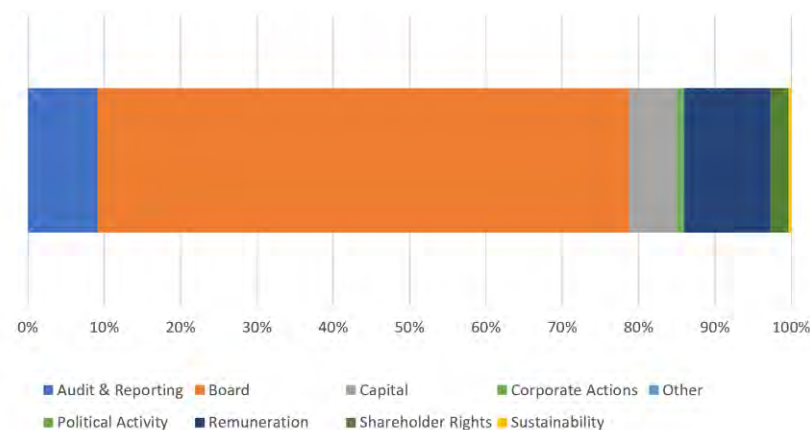
Shareholder resolutions per region

Shareholder proposals are a more prominent feature of the US market as compared with Europe and the UK. Of the 330 Shareholder proposals voted by GSI, 94% (310) were in North America, predominantly the US.

The remaining, 20 shareholder proposals were filed across the UK (2), Europe (11), and Japan (7). Of these, half focused on Board-related matters, while the other half addressed sustainability issues. Refer to Principle 11 for analysis of these votes.

Shareholder resolutions are far more prevalent in the US due to a regulatory framework that enables investors to file proposals more easily. The other jurisdictions see fewer shareholder proposals due to more restrictive filing thresholds, limited legal rights for minority shareholders, and a cultural preference.

Shareholder Proposals by region


Management proposals by category in 2024  
(90% of voted proposals)


## Resolutions by type

### Management proposed resolutions

Corporate governance is important to investors because it defines the system of checks and balances between the directors of the company and its owners. Good governance is the first step to effective risk management and sustainable long-term returns.

We are looking for companies to demonstrate sound governance and through our voting we challenge board composition, independence and diversity to ensure companies are positioned to provide effective oversight of material long-term financial and sustainability risks and opportunities.

Of all the proposals voted, 90% (2950) were management proposals - we voted with management on 73.66% (on 2173) proposals. The majority of these were board related 2054 (70%), as expected. Of those board-related proposals, 94% (1924) were concerning director re-election.

Management-proposed



## Management Resolutions votes per category

| MANAGEMENT PROPOSALS BY CATEGORY | ABSTAIN   | AGAINST    | FOR         | WITHHOLD  | TOTAL       |
|----------------------------------|-----------|------------|-------------|-----------|-------------|
| Audit and Reporting              |           | 137        | 124         | 8         | <b>269</b>  |
| Board                            |           | 336        | 1687        | 31        | <b>2054</b> |
| Capital                          |           | 21         | 164         |           | <b>185</b>  |
| Corporate actions                |           |            | 15          |           | <b>15</b>   |
| Other                            |           | 4          | 1           |           | <b>5</b>    |
| Political Activity               |           | 1          | 7           |           | <b>8</b>    |
| Remuneration                     | 14        | 233        | 87          |           | <b>334</b>  |
| Shareholder Rights               |           | 1          | 68          |           | <b>69</b>   |
| Sustainability                   |           | 4          | 7           |           | <b>11</b>   |
| <b>TOTAL</b>                     | <b>14</b> | <b>737</b> | <b>2160</b> | <b>39</b> | <b>2950</b> |

## Remuneration

Remuneration matters accounted for 19% (693 votes) of all resolutions over the year. We supported 30% (210 votes) of those remuneration votes.

Of these, 175 resolutions were to approve the remuneration reports, wherein we cast our vote against management in over 95% of cases, with 167 votes against the resolution.

We abstained on 234 'Say on Pay' votes as explained later in the report.

This is consistent with our commitment to holding companies accountable. We believe remuneration policies should be transparent and aligned with the company's purpose and linked to the successful delivery of the company's long-term strategy.

## Management resolutions: sustainability

Of the 2950 Management proposals we voted on in 2024, only 11 related to sustainability, highlighting how infrequently management brings forward sustainability issues for shareholder approval.

## Sustainability reporting - 6 proposals

There were votes on six proposals concerning sustainability reporting across five Swiss companies, **ABB Ltd**, **Nestlé SA**, **Novartis AG**, **Swiss Re Ltd**, and **Chubb Ltd** (Swiss-registered) as well as **Spanish bank Banco Bilbao Vizcaya Argentaria SA**.

We supported five of these. The vote against was at **Nestlé SA**, where the company had not publicly disclosed its tax policy outlining its approach to planning and negotiating tax matters. This year, GSI's voting template was updated to include specific references to tax disclosure, and the absence of such transparency prompted a vote against management.

## Environmental practices - 5 proposals

In 2024, there were five 'Say on Climate' votes, including **Shell**, **TotalEnergies**, **Canadian National Railway**, **BHP Ltd**, and **National Grid**. These sought shareholder approval of climate action plans or progress reports. We voted against three of these proposals, as the companies had not explicitly committed to aligning capital expenditure with the Paris Agreement goals or demonstrated that their emissions reduction targets were science-based. **TotalEnergies** and **Shell**, however, met our disclosure criteria at the time, and we therefore supported management in line with our policy.



## Management resolutions: sustainability

| COMPANY                           |    | RES<br>NUM | RESOLUTION                                                   | MG'T<br>REC | ACTUAL<br>VOTE | DISSENT<br>% |
|-----------------------------------|----|------------|--------------------------------------------------------------|-------------|----------------|--------------|
| Shell plc                         | GB | 22         | To approve the Energy Transition Strategy                    | For         | For            | 26.72%       |
| TotalEnergies SE                  | FR | 14         | To approve the Sustainability & Climate Progress Report 2024 | For         | For            | 25.39%       |
| Canadian National Railway Company | CA | 6          | To approve the climate action plan                           | For         | Against        | 2.49%        |
| National Grid                     | GB | 17         | To approve the Climate Transition Plan                       | For         | Against        | 5.87%        |
| BHP Ltd                           | AU | 13         | To approve the Climate Transition Action Plan                | For         | Against        | 9.70%        |

Details on examples where we voted for and against these resolutions:

#### BHP Limited – AGM Res 13: To approve the Climate Transition Action Plan - AGAINST

BHP set its medium-term target percentage reduction of operational GHG emissions by applying the same rate of reduction as the rate of reduction to global GHG emissions required to meet the Paris Agreement goal, it notes that in terms of Scope 3 emissions targets, it is not possible to set and verify a suite of targets that the SBTi would validate at this stage due to significant technological uncertainty and challenges remaining for the decarbonisation of steelmaking, particularly in the developing world.

The Company has not demonstrated that its emissions reduction targets are science-based (i.e., through certification from the Science Based Target Initiative). The Company has also not disclosed absolute short-term (2023-2028) Scope 1 and 2 emission reduction targets.

#### TotalEnergies – Res 14: To approve the Sustainability & Climate Progress Report – FOR

We voted with management to accept the climate policy because the Company has demonstrated a strong commitment to transparency and accountability, with detailed disclosures on GHG emissions across all scopes, alignment with TCFD guidelines and the Paris Agreement, and a clear decarbonisation strategy that includes sustainability objectives in executive compensation.

Climate Transition Plan commits to net zero by 2050, aims to reduce Scope 1 and 2 emissions by 40% by 2030 (vs. 2015), and plans to invest \$5 billion annually in low-carbon energy by 2030. The plan also includes growth in its integrated power business and a shift in hydrocarbon production toward lower-emission LNG.

While not perfect, the strategy provides concrete near-term targets, establishes a basis for accountability and future improvement, and outlines a structured, investable pathway toward decarbonisation, while maintaining energy system stability and shareholder value.

#### Refining our approach: 'Say on Climate' votes

#### Shell – AGM Res 22: To approve the Energy Transition Strategy - FOR

Our voting action in the Shell 2024 AGM highlights how our voting policies must evolve with changing corporate and market realities

We supported Shell's Energy Transition Strategy as it outlined a pathway to net-zero emissions by 2050, including medium- and long-term targets. However, we also voted for a shareholder proposal urging stronger Scope 3 targets aligned with the Paris Agreement, recognising that greater ambition would enhance the credibility of the plan.

In 2024, Shell revised its strategy—scaling back its 2030 carbon intensity target and removing its 2035 goal. Over 20% of shareholders opposed the updated plan, while 19% supported a resolution from Follow This seeking Paris-aligned Scope 3 targets. Despite this dissent, the revised plan passed with 78% approval, reflecting a divide between mainstream investors prioritising energy security and climate-focused investors concerned by the reduced ambition.

Following these developments, we are reviewing our approach to 'Say on Climate' resolutions to ensure greater alignment between stated expectations and voting outcomes. Planned updates include assessing:

- Whether companies have weakened previous climate commitments
- The presence of credible interim Scope 3 targets
- The coverage of Scope 3 emissions in net-zero pledges

We are working with our proxy advisor to integrate these refinements, ensuring future votes more clearly reflect our expectations for credible and consistent transition plans.

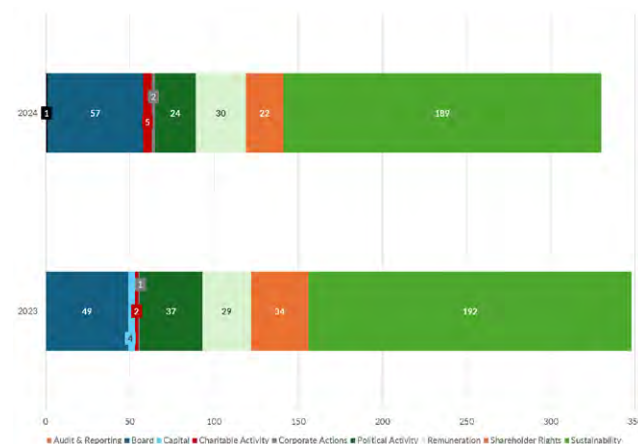
### Shareholder proposed resolutions

GSI values the right of shareholders to submit proposals to company general meetings. We will vote in favour of shareholder proposals that promote good corporate 'actors' while enhancing long-term shareholder value, sustainability, and good governance. We will vote against shareholder proposals that are misaligned with these principles and proposals that, in our assessment, are considered duplicative of existing company disclosure, practice and policy, or are too prescriptive and seek to micromanage the company.

We voted on 310 in the North America region, where, in the absence of a corporate governance code, active shareholders make use of shareholder resolutions as a tool to try to change environmental, social and governance practices at companies

In the 2024 proxy season, there was a marked increase in shareholder proposals that sought to challenge or roll back corporate sustainability commitments, often referred to as 'anti-ESG' proposals. While framed as promoting neutrality or shareholder rights, many of these proposals were inconsistent with long-term value creation, risk oversight, or the company's stated strategy.

Shareholder Proposals by Resolution Category



Our level of support for Shareholder proposals is considered quite 'high' compared to our industry peers (64% UK average). Overall support for shareholder resolutions hit a new low in 2024, falling from its peak in 2021. The increased rhetoric and legislation around ESG are a cause of reduced support for pro-ESG proposals, due to investors being more cautious with their votes.

### Vote for shareholder proposals

Of all the Shareholder Resolutions voted, 57% (189) were sustainability proposals. We supported 76.7% of these (145 proposals), voting against management where we believed the proposal would strengthen accountability, transparency, or long-term resilience.

Shareholder Resolutions by category 2024

| SHAREHOLDER PROPOSALS BY CATEGORY | AGAINST   | FOR        | WITHHOLD  | TOTAL      |
|-----------------------------------|-----------|------------|-----------|------------|
| Audit and Reporting               | 1         |            |           | 1          |
| Board                             | 18        | 28         | 11        | 57         |
| Charitable Activity               | 4         | 1          |           | 5          |
| Corporate actions*                | 2         |            |           | 2          |
| Political Activity                | 3         | 21         |           | 24         |
| Remuneration                      | 5         | 25         |           | 30         |
| Shareholder Rights                | 5         | 17         |           | 22         |
| Sustainability                    | 44        | 145        |           | 189        |
| <b>TOTAL</b>                      | <b>82</b> | <b>237</b> | <b>11</b> | <b>330</b> |

Note: we abstained on one Corporate Action shareholder resolution

Of the 237 shareholder proposals voted we supported, only four were successfully passed. These included a proposal at **NVIDIA Corp** to amend governing documents and remove supermajority voting provisions, which passed with over 90% shareholder support. At Tesla Inc, two governance-related proposals. reducing director terms to one year and implementing simple majority voting, were approved despite board opposition, each receiving majority support. We also supported a proposal at Regeneron Pharmaceuticals Inc to adopt simple majority voting requirements, which passed on a non-binding basis. These outcomes reflect growing shareholder momentum for governance reforms that enhance accountability and decision-making transparency.

We voted against or withheld out vote on 'Anti ESG' proposals where they conflicted with our voting principles. We withheld our vote on 11 ballots on Director Elect resolutions including those at Starbucks AGM Proposed by SOG investment group as part of their activism to push for unionisation of employees.

### Shareholder resolutions: sustainability

In 2024, we voted on 69 shareholder resolutions across 43 companies, relating to Environmental Practices, supporting 92% of them (64 out of 69). This reflects our strong commitment to environmental sustainability.

Of the 43 companies, seven operate in oil and gas extraction, refining, pipeline infrastructure, or coal-fired utilities, and had shareholder resolutions relating to environmental practices. These included Shell, Chevron, and ExxonMobil.

| SHAREHOLDER PROPOSALS BY SUSTAINABILITY CATEGORY | AGAINST   | FOR        | TOTAL      |
|--------------------------------------------------|-----------|------------|------------|
| Animal Welfare                                   | 0         | 6          | 6          |
| Environmental Practices                          | 5         | 64         | 69         |
| Ethical Business Practices                       | 1         | 8          | 9          |
| Human Rights & Workforce                         | 34        | 65         | 99         |
| Other ESG                                        | 4         | 2          | 6          |
| Sustainability Reporting                         | 0         | 1          | 1          |
| <b>TOTAL</b>                                     | <b>44</b> | <b>145</b> | <b>189</b> |

We voted in favour of all except 2, Berkshire Hathaway (Resolution 6) and Chevron (Resolution 4). Both were 'Shadow proposals with a political spin'.



A shadow proposal with a political spin refers to an alternative or opposing proposal presented in a political or corporate context, often designed to challenge or critique the main proposal while drawing attention to specific political or social issues.

How we voted for shareholder proposals refer to **Principle 11**

### Vote against shareholder proposals

A vote against a shareholder proposal may be cast if the proposal asks for a report to be produced on this issue and the company already provides timely and comprehensive disclosure on the issue or if the resolution is misaligned with good governance.

During 2024, we opposed 26.34% of shareholder resolutions, marking a significant increase from 19.54% in 2023.

We voted against 82, with the majority of these “against” votes were on sustainability-related resolutions (44), and of these, proposals related to human rights and the workforce (34).

We voted against or withheld out vote on ‘Anti ESG’ proposals where they conflicted with our voting principles. We withheld our vote on 11 ballots on Director Elect resolutions including those at Starbucks AGM Proposed by SOG investment group as part of their activism to push for unionisation of employees.

### Shareholder Sponsored sustainability resolutions

| COMPANY            |    | RES NUM | SHAREHOLDER RESOLUTION                                                                                                                                                                      | ACTUAL VOTE | DISSENT % |
|--------------------|----|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-----------|
| Berkshire Hathaway | US | 2       | To request that the Board report to shareholders on the reduction of GHG emissions                                                                                                          | For         | 21.87     |
| Berkshire Hathaway | US | 3       | To request that the Board report to shareholders on GHG emissions data by scope                                                                                                             | For         | 18.66     |
| Berkshire Hathaway | US | 6       | To request that the Board report to shareholders on findings of the Energy Policy Research Foundation                                                                                       | Against     | 1.93      |
| Chevron Corp       | US | 4       | To request the Board report on voluntary carbon reduction risks                                                                                                                             | Against     | 2.70      |
| Chevron Corp       | US | 5       | To request the Board report on the plastic demand scenario                                                                                                                                  | For         | 8.65      |
| Dow                | US | 5       | To request that the Board approve the single-use plastic reports                                                                                                                            | For         | 27.29     |
| Enbridge Inc       | CA | 4       | To request that the Board report on governance systems considering false statements and misrepresentations on climate benefits and impacts                                                  | For         | 4.37      |
| Enbridge Inc       | CA | 5       | To request that the Board disclose annually all material scope 3 emissions                                                                                                                  | For         | 28.30     |
| Exxon Mobil Corp   | US | 6       | To request the Board report on plastic production under the SCS Scenario                                                                                                                    | For         | 21.75     |
| Exxon Mobil Corp   | US | 7       | To request the Board report on social impact                                                                                                                                                | For         | 8.57      |
| Phillips 66        | US | 4       | To request that the Board request a report on the impact of the system change scenario on the chemicals business                                                                            | For         | 12.68     |
| Shell plc          | GB | 23      | An advisory vote, to align its medium-term emissions reduction targets covering the greenhouse gas emissions of the use of its energy products with the goal of the Paris Climate Agreement | For         | 21.06     |

“The lack of support around environmental and social proposals does not indicate that mainstream investors are merely yielding to external pressures or losing interest in these areas. Rather, it can be attributed to many of such proposals continuing to be overly prescriptive, costly to implement, lacking in economic value, and not company-specific,”

Umesh Chandra Tiwari, Executive Director of ESGAUGE

## Voting Policy Updates 2024

Enhanced expectations on board gender diversity, including raising the global base-line expectation from at least one female director to at least 20% female board representation

Adoption of Pre-Emption Group Guidelines on share issue authorities

Strengthened discussion around the use of ESG performance criteria in executive pay

Expectation for inclusion of time-based sunset provisions for dual-class structures

Improved policy language on expectations on climate disclosures

Disclosure expectations on natural capital and deforestation added to high-level policy

New section on responsible tax added to the policy

## Key voting actions driven by policy revisions

In 2024, GSI voted against seven nomination committee chairs. This followed our actions in 2023, when we voted against four nomination committee chairs. The level of board gender diversity is a contributing factor.

GSI votes against share issue authorities decreased from 59 in 2023 to 17 in 2024 in part due to the changed dilution threshold applied.

We continue to vote against remuneration resolutions where ESG considerations are not factored into performance pay. In 2024, we also voted against remuneration where qualitative performance objectives comprised a large portion of an annual bonus plan and/or long-term incentive plan to encourage the use of high-quality, objective and measurable performance criteria.

GSI voted against the re-election of the board chairs at companies with a multiple class structure and no time based sunset provision clause, for the first time in 2024 (**Alphabet and Meta Platforms**).

In 2024, we have continued to be active in voting against climate transition plans where company disclosures do not meet expectations, with votes cast against **BHP Group**, **Canadian National Railway Company** and **National Grid**.

During the 2024 voting season, we supported five shareholder proposals related to nature and biodiversity (incl. **Tesla and General Motors**). Additionally, we supported seven proposals on plastic waste, one proposal on cigarette waste and one proposal on loans granted in support of a circular economy.

We voted against the approval of the resolution to approve the annual report at six companies with a lack of a publicly disclosed tax policy a contributing factor.(incl. **Nestle SA** )

## How we vote

Each year we review and update our voting policy to reflect evolving expectations and responsible stewardship. These updates are not just theoretical; they actively shape our voting decisions.

The table on the previous page has examples from the 2024 voting season that demonstrate how our updated policies translated into action. They provide clear evidence of alignment between our stated expectations and actual voting outcomes, spanning board diversity, ESG-linked remuneration, climate disclosures, and shareholder proposals.

## Abstaining

GSI maintains a clear policy of avoiding abstentions wherever possible and used only where structurally required or procedurally unavoidable. In 2024, we abstained on 15 votes (14 were Say-on-pay). Abstentions were limited and primarily driven by structural constraints in certain markets.

These included:

- Say-on-pay frequency proposals at U.S. companies, where investors must select between annual, biennial, or triennial votes. GSI supported annual frequency and abstained on the alternative options, as required by the resolution format.
- Jurisdictional limitations, where abstention is the only available mechanism to oppose a resolution.
- A case-specific abstention on Resolution 5 at Yum! Brands Inc., concerning capital transactions involving brand spin-offs. This was a management-led strategic decision on which we have no insight.

## Withholding

Our voting policy outlines clear reasons for withholding votes, predominantly relating to board composition, audit practices, and reporting proposals. We may withhold our vote in the following circumstances:

- When opposing a Board candidate in an uncontested election where plurality voting is not applied
- When the reappointment of a statutory auditor exceeds our tenure limits
- When 'Withhold' is the only available option to register dissent, as is often the case in US shareholder meetings where resolutions offer only 'For' or 'Withhold' choices

In 2024, we withheld votes on 50 resolutions (1.5% of votes cast), across 20 North American companies. Eight of these related to the reappointment of auditors at Canadian firms, while the majority (39) concerned the re-election of incumbent directors at firms including **Dell Technologies, Meta Platforms, Enbridge, Caterpillar Inc and Lowes Companies**.

Withholding is sometimes used to register dissatisfaction in a proportionate way. For example, at **Berkshire Hathaway**, we withheld votes for the re-election of seven board members due to limited board refreshment, the absence of an independent chair, and insufficient diversity among long-serving directors.

Withholding is often used as an escalation tool where boards fall short of stewardship expectations, particularly on independence, tenure, and governance structure.



In 2024, withheld votes were used to signal that prior engagement had not led to sufficient change and that stronger accountability was required:

- **Newmont Corp:** Withheld from directors with insufficient climate oversight and lack of responsiveness to shareholder engagement
- **Norfolk Southern Corp:** Withheld from multiple directors following governance failures linked to safety oversight and board accountability post-incident
- **Oracle Corp:** Withheld due to long tenure, lack of independent chair, and material relationships with executive leadership
- **Comcast Corp:** Withheld from directors with dual executive roles and insufficient board independence, particularly in audit and compensation oversight

Votes were also withheld on three shareholder-nominated director resolutions at **Starbucks'** AGM, following the formal withdrawal of those nominations by the Strategic Organising Centre, which acknowledged progress in labour negotiations. In this case, withholding was the most proportionate response, as the resolutions were effectively moot.

### Policy on clients directing voting

We do not in principle allow our funds' unitholders to overrule our policy nor do unitholders have an opportunity to vote directly. GSI currently does not delegate authority for voting to any other person or entity but retains complete authority for voting all proxies on behalf of the funds.

### Policy on stock lending

GSI does not lend stock.

### Disclosing our votes

Transparency is a core element of effective stewardship. At GSI, we believe that being aware of our responsibilities, aligning our actions with our stated principles, and holding ourselves accountable through disclosure are essential to maintaining the trust of clients and stakeholders.

Semi-annual voting records, all sustainability-related policies, and historical Stewardship Code reports are available on our website. We also publish detailed voting data, including rationales for key or high-dissent votes, along with summaries of our engagement activity in our annual Stewardship Code, and we intend to make this information available more frequently on our website.

The GSI website update was delayed ensuring consistency following the renaming and restructuring of our funds. The updated site, including all stewardship disclosures, is scheduled to launch in Q1 2026.

### Outcome

Across the industry voting activity reporting has increasingly focused on how voting translates stewardship principles into action. Our own approach reflects this shift: we apply a client aligned voting framework with disciplined policy application and the integration of ESG considerations into voting rationale. The outcomes sit firmly within this landscape, but with a distinctive emphasis on independence and proportionate dissent.

Our voting record demonstrates a high level of scrutiny, particularly on board related matters, where accountability and governance fundamentals remain central to long term value creation.

The use of withhold votes on 50 resolutions illustrates a nuanced escalation strategy, including at high profile companies such as Berkshire Hathaway, Comcast, and Oracle. This reflects our belief that stewardship is a tool for influence rather than opposition, and underlines our commitment to measured accountability.

It is often said, 'Independence enables integrity'. Free from the conflicts of interest that can affect larger global managers, we maintained a principled stance on shareholder proposals, even amid heightened political scrutiny and anti ESG rhetoric. GSI supported 76.7% of sustainability-related shareholder proposals, at a time when support for environmental and social proposals is at an all-time low.

While independent, we remain aligned with the fiduciary standards expected of leading investment houses. Our distinction lies in measured dissent, the strategic use of withhold votes, and sustained support for shareholder led accountability.

Where outcomes fall short of expectations, we adapt. During the year, we refined our approach to 'Say on Climate' votes to ensure clearer alignment between our stated expectations and the voting decisions we take.

We will continue to exercise our rights and responsibilities with integrity, ensuring our stewardship evolves to meet the challenges ahead.

## Appendix:

Please follow these links for the relevant documents referenced in this proposal:

[GSI Voting Activity records per company for H1 2024 \(Jan -June 2024\)](#)

[GSI Voting Activity records per company for H2 2024 \(June – December 2024\)](#)

[GSI Conflicts of Interest Policy](#)

[GSI ESG Voting Guidelines](#)

[GSI Proxy Voting Policy](#)

[GSI Shareholder Engagement Policy](#)

[GSI Responsible Investment Policy](#)

[GSI Investment Managers Full Year Report GAV 2024](#)

[ShareAction 2024 Impact Report](#)

More information can be found on our website [www.gsillp.com](http://www.gsillp.com)



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