

## Shareholder engagement policy - Schroder Aida SAS

Since it was created, Schroder Aida's goal has been to offer its investors long-term investment solutions in the infrastructure sector, solutions that will both provide the returns they seek and fulfil their desire to help build a better future for our society.

This document describes the principles of the voting rights policy relating to the unlisted equity interests held by the funds or companies managed by Schroder Aida. Our shareholder engagement policy is guided by the defence of our investors' interests.

Environmental, social and governance issues are at the core of this policy, and our management company promotes them in its management activities and investment advisory services provided to third parties. We are convinced that the analysis and management of ESG factors, in addition to active financial management, will help us make better investment decisions and reduce the short- and long-term investment risks.

### A. Principles of the shareholder engagement policy

During its investment process, the management company conducts an in-depth analysis of each of the investment opportunities, which gives it a detailed understanding of its characteristics:

- the strategy of the target company/asset,
- the current and target capital structure, where applicable,
- the economic and financial performances,

- the extra-financial performances such as the social, environmental and governance impact,
- the investment's risk profile, which takes into account both the industrial risks of the asset in its market, as well as the market risk itself,
- the exercise of voting rights and other rights attached to the shares.

This analysis, which begins with a dialogue with the target company, is formalised in an investment note submitted to the Investment Committee for decision.

This investment process is also an opportunity to engage in an exchange with the various stakeholders in the project such as the joint shareholders, employees, local authorities, the regulator, etc.

Lastly, any situation identified as a potential conflict of interest will be addressed in keeping with the management company's conflicts of interest policy.

The purpose of the shareholder engagement policy is to implement the principles set out above.

## **B. Framework for exercising voting rights**

Schroder Aida exercises its voting rights in all the companies and funds that it manages and for which it holds voting rights.

The investment teams are responsible for examining, analysing, and even proposing the resolutions discussed at the general meetings of shareholders.

This organisation allows smooth governance based on detailed knowledge of the companies in which Schroder Aida holds voting rights on behalf of the funds or companies it manages.

All resolutions proposed at the general meeting are analysed by the investment team in charge of monitoring the holdings, which can capitalise on the analysis carried out prior to the investment process.

In particular, this analysis focuses on:

- operational and financial performance, risk monitoring,
- the extra-financial performance linked to environmental, social and governance criteria,
- the exercise of voting rights and other rights attached to the shares,
- the quality of dialogue with other shareholders,

- communication with relevant stakeholders,
- the prevention and management of actual or potential conflicts of interest related to their engagement.

Voting rights are exercised in the interests of client holders of units/shares of the companies and funds managed by Schroder Aida, without taking into account its own interests.

Schroder Aida has a procedure to prevent, detect and manage conflicts of interest. In the event of the identification of a potential conflict of interest, the Head of Compliance and Internal Control (RCCI) would be contacted. Where required, in consultation with the investment teams, this potential situation would be managed in accordance with management company's conflicts of interest policy.

Schroder Aida favours attendance at shareholder meetings, at least via conference call. However, Schroder Aida may give proxy with voting instructions to the Chairman or the legal entity in charge of the company's administration and legal matters.

Lastly, Schroder Aida does not have a securities lending activity.

### C. Voting guidelines

The investment teams vote according to the following principles for each type of resolution proposed.

#### **Decisions resulting in an amendment to the articles of association**

Schroder Aida generally endeavours not to take a stake in a company's capital without having a veto on the amendment of its articles of association.

Schroder Aida's vote depends on the consequences of the proposed statutory changes with regard to the interests and rights of the shareholders it represents and their potential impact in terms of ESG.

#### **Approval of the financial statements**

Schroder Aida generally issues a positive vote in favour of the resolutions presented. However, the management company is attentive as to whether the financial information presented to shareholders is transparent, truthful, complete and consistent. Schroder Aida only approves the accounts to the extent that the

statutory auditors have not made any special reservations and that the financial information is sufficient.

### **Allocation of profits**

The dividend distribution policy must be adapted to the company's long-term financial capacity and must ensure a balance between all stakeholders and within the company's social climate.

### **Related party transactions**

The information on the arrangements between the company and its stakeholders, having a material influence, must be available and complete. Related party transactions must be entered into in the interests of all shareholders and under conditions deemed reasonable. Schroder Aida votes on a case-by-case basis with regard to the content and reason for the related party transactions as well as the information provided by the company to justify the interest of the arrangement.

### **Appointment of statutory auditors**

Schroder Aida generally issues a positive vote on the appointment of the auditors. However, Schroder Aida ensures the independence of the statutory auditors and the transparency of their fees.

### **Appointment or renewal of corporate officers and remuneration**

Schroder Aida generally issues a positive vote on the appointment or renewal of corporate officers. However, Schroder Aida may abstain or issue a negative vote if it considers that the appointments are likely to go against the interests of the company and therefore indirectly against those of its shareholders.

Regarding the remuneration policy, Schroder Aida evaluates its transparency and consistency with the company's performance over the long term.

### **Environmental, Social and Governance resolution**

Environmental, social and governance resolutions are not common initiatives proposed by companies, and each company has a different level of maturity regarding these issues. Schroder Aida supports environmental, social and governance resolutions when they remain within the scope of the company's corporate purpose and are part of an approach to combat climate change or protect biodiversity.