

Report on Shareholder Engagement 2023

These principles describe how Simplicity exercises ownership on behalf of the funds to safeguard the common interests of unit holders. During 2023, Simplicity's actions in ownership matters have aimed to increase the long-term risk-adjusted return on each fund's assets and to promote professional, responsible, and sustainable governance of companies in which the funds hold investments.

Throughout the year, the fund managers have monitored relevant issues and the ongoing development of portfolio companies by reviewing information such as financial reports, external analyses, press releases, and media coverage. In cases where the fund company assesses that active shareholder engagement is in the common interest of unit holders, Simplicity will exercise its ownership influence. Information about Simplicity's current shareholder engagement is communicated on the company's website.

Simplicity primarily exercises an active ownership role through dialogues with representatives of portfolio companies. When Simplicity's managers consider a dialogue to be in the interest of unit holders, company representatives are contacted for discussions or clarifications. These discussions may concern issues such as corporate governance, environmental impact, social responsibility, products, services, or specific incidents related to the company's operations. All contacts are made by the fund managers.

Simplicity also has the opportunity to influence companies by participating in general meetings. Participation occurs when it is deemed to be in the interest of unit holders and when there is an opportunity to exert influence. Attendance is based on the assessment of the fund managers, and no proxy advisors are used. As Simplicity has assessed that engagement at general meetings was unjustified based on the common interests of unit holders, or that Simplicity's relative share of votes in portfolio holdings was too small to have an impact, Simplicity did not attend any general meetings during the year.

Simplicity has not participated in any nomination committee work, as Simplicity's relative ownership share in the holdings has been small and no request for participation has arisen.

Shareholder engagement may also take place in collaboration with other shareholders. During the year, Simplicity was a signatory to the Business Benchmark on Farm Animal Welfare (BBFAW), an initiative aimed at improving measurability, animal welfare standards, and transparency within the food industry. Through this collaboration, which involves several international investors, companies in which Simplicity's funds were invested during the year have been contacted.

Shareholder engagement may give rise to conflicts of interest, for example, if a fund manager gains access to insider information. The handling of conflicts of interest and insider information has been managed in accordance with Simplicity's internal rules.