Algebris Investments Voting & Engagement Report

2025



1. Algebris Voting Policy

Algebris Investments ("Algebris" or "we") embraces active ownership, encourages good governance and sustainable corporate practices, which contribute to long-term value creation for our investors. These are the guiding principles we have followed in setting out our policy with respect to the exercise of voting rights related to investments made by Algebris on behalf of our clients and the funds which we manage.

Algebris uses a combination of highly disciplined bottom-up fundamental research informed by top-down understanding of the macro context in which such investments occur and may be influenced. A bottom-up approach involves a fundamental analysis of individual securities, the short- and long-term economic prospects of the underlying company as well as an assessment of the underlying company's intrinsic value.

Where Algebris has invested in the equity of a company, we will engage with the company on a regular basis either via broker conferences, company road shows or separately arranged meetings. The level and frequency of engagement may vary and will be determined by a number of factors, including but not limited to, the type of asset class held and the size of the position that we hold. The engagement will take place on a regular basis with additional engagement if there are any concerns about the company and/or the market in which it operates, including on ESG matters.

In many cases, Algebris seeks to build long-term relationships with the companies we invest in and is able to maintain a dialogue with senior management that is critical within the investment process. Algebris' investment selections undergo exhaustive due diligence, communication with company executives, and a highly disciplined approach to risk control.

Regarding ESG, we incorporate the following principles in our voting process:

Voting decisions are to be made on a case-by-case basis following an assessment of the matter at hand and after taking into consideration its likely effect on the performance of the investments and the relevant separate account mandate or Algebris fund. Algebris also takes into account long-term sustainability considerations of each issuer when deciding to vote.

Any votes cast must be in the best interests of the relevant client, being:

- The separate account holder in the case of votes attaching to an investment made under the relevant investment management agreement; or
- The Algebris fund and the investors therein in the case of votes attaching to an investment made by Algebris

Algebris is a supporter of the Say on Climate Initiative. As part of our commitment to the initiative, Algebris will encourage investee companies to enact Climate Transition Action Plans. Where companies do not do so voluntarily, Algebris will support AGM resolutions (whenever we have sufficient votes) on that topic.

Our **Algebris Investments (Ireland) Voting Policy** can be found on our website here.
Our **Algebris (UK) Limited Voting Policy** can be found on our website here.

Our **Shareholder Engagement Policy** can be found on our website here.

Proxy voting is managed via the ISS Proxy Exchange platform. The Algebris Operations team will receive meeting notifications which are sent to the investment team. Upon instruction from the relevant portfolio manager, the vote is input into the appropriate platforms. The vote will require an approval from a manager in the Operations team. Algebris vote on a meeting-by-meeting basis.

2. Voting Outcomes

In 2025, Algebris exercised its voting rights in 255 meetings and 2,357 proposals (table 1). Our voting activity has increased sizably over the past five years: in 2025 we voted at 94% of all the meetings called at investee companies and 94% of proposals, compared to 47% in 2019.

Our full voting record for the year can be found on our website here.

Algebris voted against the position of the companies' management in 7% of voted proposals. Most of these contrarian votes (52%) related to matters of compensation. We consider the alignment of interests between management and shareholders to be a key element of corporate governance, and we place high scrutiny on remuneration policies and executive compensation. Our decision to vote against management on these issues was mostly based on a determination that the policies under review did not provide enough transparency on performance criteria for short-term variable remuneration, and/or did not establish an appropriate link between pay and performance. Some examples are provided below.

Table 1 Summary Statistics

	2019	2020	2021	2022	2023	2024	2025
Meetings Voted (n)	74	137	126	196	238	257	255
Meetings Voted (%)	47%	90%	91%	98%	99%	99%	94%
Proposals Voted (n)	591	988	1,040	3,159	2,296	2,717	2,357
Proposals Voted (%)	46%	85%	89%	89%	99%	99%	94%
Proposals Voted against Management (%)			4%	8%	8%	8%	7%
Votes against Management, by topic:							
Compensation			49%	49%	41%	41%	52%
Director election			na	14%	19%	13%	15%
Directors related			13%	7%	12%	6%	7%
Capitalization			9%	12%	12%	6%	7%
Routine Business			9%	4%	5%	11%	4%
Reorganization / Mergers			2%	1%	..	2%	1%
Shareholder Resolutions			18%	8%	6%	8%	7%
Other			..	4%	5%	13%	7%
Shareholder Resolution Voted (% of total)			91%	97%	96%	100%	90%
Shareholder Resolution Supported (% of those voted)			76%	70%	55%	65%	58%

Excessive compensation at Stellantis NV

Algebris voted against the proposed remuneration policy, which seemd to deliver excessive pay to the company's former CEO, particularly in light of company performance and when compared to the company's own selected US peers (the package stood at movre than 6 times the ISS peer median). Overall, the remuneration report was accepted – with the rate of dissent standing at 33%.

Discretionary bonuses at Danske Bank AS

Algebris voted against the proposed remuneration policy, because the company was proposing to remove the cap for the discretionary bonuses. Overall, the remuneration report was accepted – with rate of dissent standing at 2.8%.

2.1 Shareholder Resolutions

In 2025, we voted on 161 shareholder resolutions across all funds (90% of all votable resolutions). Out of all resolutions that were voted, 65% were voted in favour. Below, we report selected environmentally or socially themed shareholders resolutions that Algebris voted on during the 2025 proxy voting season – including, for transparency, some we did not support. Our full voting record is available online.

Restrictions on fossil fuel lending at Nordea BankABP

Algebris voted against a resolution asking the bank to not provide any kind of lending or investments to fossil fuel companies that lack a transition plan in line with the Paris Agreement. While normally we would support this type of resolution, we deemed the Board to be correct in arguing that the resolution was unwarranted at this time. The bank already decreased its exposure to the oil and gas sector by more than 75% since 2019, making it one of the smallest sectoral exposures in its portfolio by year end 2024, accounting for approximately 0.1% of total lending. According to third-party data, the bank has an Energy Supply Banking Ratio – i.e. the ratio of lending to clean energy over lending to fossil fuels – of ca. 4. This is almost double the average across all European banks for which this metric is available, confirming the bank is amongst the best performers when it comes to clean energy lending. We will keep monitoring the evolution of these metrics in the future and consider whether support for similar resolutions may be warranted at a later date.

Human Rights resolutions at Microsoft Corporation

Shareholders submitting one resolution requesting the company to assess and report the implications of siting Microsoft cloud datacenters in countries of significant human rights concern, and the company's strategies for mitigating these impacts. Another resolution requested the company to publish a report assessing the effectiveness of Microsoft's human rights due diligence processes in preventing, identifying, and addressing customer misuse of Microsoft artificial intelligence and cloud products or services that violates human rights or international humanitarian law. Algebris supported both resolutions, deeming that both the company and shareholders would benefit from this assessment being conducted and reported upon. Both resolutions were defeated with respectively 73% and 74% of votes casted against.

Clean energy supply financing ratio at Bank of America Corp

Shareholders submitted a resolution asking the bank to calculate and disclose annually its Energy Supply Ratio ("ESR"), defined as its total financing through equity and debt underwriting, and project finance, in low-carbon energy supply relative to that in fossil-fuel energy supply. The Board objected that third parties, such as Bloomberg, have already developed methodologies to calculate energy supply financing ratios for global banks that are readily available and argued that the company does not believe an approach where each individual bank develops its own methodology to calculate and disclose its own ratio will be beneficial for shareholders. As a user of said third party metrics, Algebris did not deem it necessary to support this resolution.

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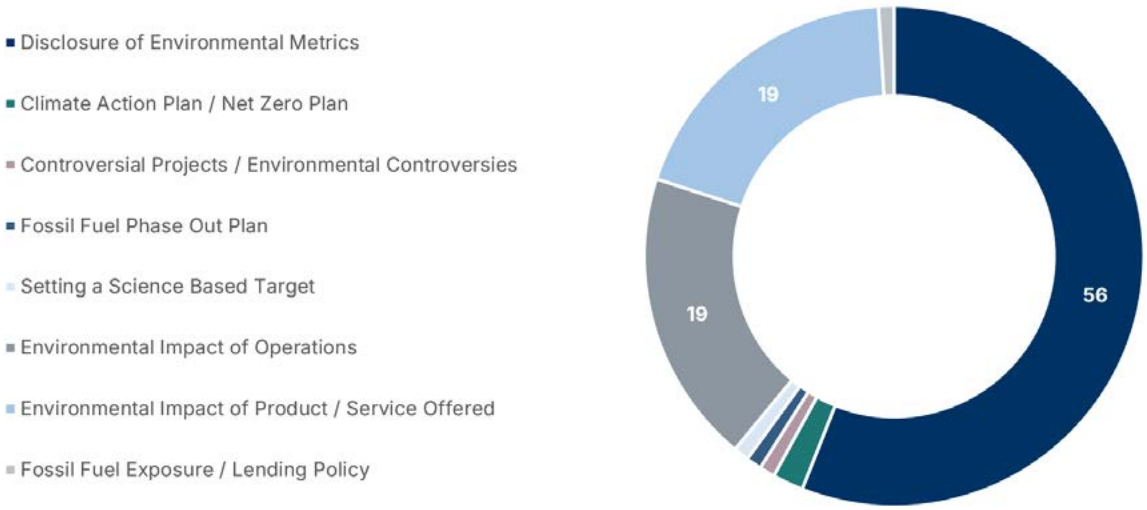
3. Other Engagement Initiatives

We aim to use our role as investors to achieve positive change and hence place high importance on actively engaging with investee companies. We maintain our commitment to stewardship of investee companies throughout the lifecycle of the investment, through ongoing monitoring of ESG credentials and progress. We conduct both individual engagement on specific issues and collective engagement on broader themes.

The goal of our ESG engagement is to positively influence the behaviour of investee companies to improve the long-term sustainability of their business models, either by focusing on broad ESG themes or by addressing company-specific issues. Individual engagement is also a central part of both our UNGC and ESG best-in-class screenings or through our monitoring of ESG controversies.

Algebris investment professionals hold ongoing dialogues with investee companies, typically done in the form of calls and meetings with management, following publication of results or upon presentation of industrial plans. The Algebris ESG team may also be involved in those conversations.

Figure 1 Topics of Climate-related Engagements (2025)



Source: Algebris Investments. Data covering the full year 2025.

In 2025, we carried out engagements – either individually or as part of collective initiatives – with 131 investee companies, focusing in particular on environmental themes (Figure 1). Given our historic focus on investment in financials, we are especially keen on engaging with investee banks, whom we deem to be gatekeepers to the green transition as they decide what sectors to allocate funding to. In our individual engagement with investee banks, we focused on the need to disclose the carbon footprint associated to their loan book – with particular attention paid to financed emissions (Scope 3 Category 15) – as well as on the banks' fossil fuel lending policies and their climate targets.

3.1 Collective ESG Engagement

Algebris recognises the value of collective engagement undertaken together with other investors in pushing for better environmental disclosures globally. Our collective engagement efforts are currently anchored around participation in multiple public transnational initiatives. Some examples are provided below.

Carbon Disclosure Project (CDP) – Non-Disclosure Campaign

CDP is the largest solicitor of direct, reported, primary environmental information worldwide and it holds the largest collection of primary carbon, water, and deforestation information. Algebris actively participates in CDP's Non-disclosure Campaign (NDC) since 2021 – requesting investees to respond to climate change, forests and water security questionnaires developed and managed by CDP. In 2025 Algebris led the NDC engagement on 40 companies (up from 8 in 2022, 12 in 2023 and 34 in 2024). Engagement was successful in 7 – accounting for 16% of the total engagements – in line with the 2024 success rate, despite a stark change in the sentiment around ESG topics and disclosures during 2025.

Net Zero Asset Managers Initiative (NZAM)

Algebris joined NZAM in March 2021, and in March 2022 we disclosed our NZAM AUM target, committing to align 57% of our total AUM (79% of AUM excluding mandates) with the net zero objective by 2050 or sooner. The target will be reviewed periodically – with a view to reaching 100%. Through the pledge, Algebris has committed to drive adoption of science-based emission reduction Targets across all underlying investments in the portfolios and funds that are included in the Firm's Net Zero AUM commitment, by 2040.

In 2024, Algebris published its first Climate Report, aligned with the guidelines of the Task Force on Climaterelated Financial Disclosures (TCFD), where we reported SBT portfolio coverage as of end-2023.

In early 2025, NZAM announced that it would suspend operations, removing the commitment statement and list of signatories from their website, pending a review of how to navigate the more complex political environment. During the suspension period, NZAM removed signatories' target from the initiative's website and halted the tracking of signatory implementation and reporting. Algebris nevertheless reported on our targets voluntarily during the suspension period, via the Carbon Disclosure Project (CDP) questionnaire. The initiative was later reactivated with a revised framework. Algebris remains committed to its membership in NZAM and to the principles advanced by the initiative. As our targets was set in 2021 and NZAM targets are due to be revised every 5 years, Algebris will review our NZAM target in 2026 to establish whether it remains appropriate.

3.2 ESG Engagement with Policymakers

Algebris believes engaging pro-actively with governments, regulators and other relevant bodies on a range of sustainability issues that are important to the firm and to investors. In 2020 and 2021 we addressed letters to EU authorities sharing our concerns on ESG matters. In 2023, Algebris also participated to the consultations opened by the European Commission on EU sustainable finance legislation. In 2024 and prior years, we signed the Global Investor Statement to Governments on the Climate Crisis, promoted by The Investor Agenda, urging governments to take action to limit global temperature rise to 1.5ºC above pre-industrial levels. This initiative was not run in 2025.

Learn more about our voting policy: https://www.algebris.com/esg/policies-and-disclosures/