

Stewardship Policy

Stewardship refers to the use of influence by institutional investors to maximise overall long-term value - including the value of shared economic, social, and environmental assets, on which returns and the interests of clients and beneficiaries depend.

At Active Niche Funds SA (ANF), sustainable investing is a core pillar of our investment strategies. We believe that responsible ownership by investors contributes to the long-term sustainability and success of companies.

This Stewardship Policy, which includes our Engagement Policy and Proxy Voting Policy, sets out the principles and processes we follow to fulfill our stewardship responsibilities. It covers how we engage with companies and exercise our voting rights.

The Policy applies to article 9 SFDR investment funds managed by ANF that make direct equity investment in companies.

Engagement Policy (SRD II)

This policy has been prepared in accordance with the requirements of Directive (EU) 2017/828 and its implementing measures (together, the “Shareholder Rights Directive II”).

Principles

At ANF, our commitment to investee companies goes beyond evaluating ESG criteria — which are fully integrated into our investment theses. We believe that incorporating ESG factors into the investment process leads to better-informed decisions and supports the long-term value creation of our portfolios.

We seek to invest in companies that are sustainable and operated for the long-term benefit of all stakeholders. We believe that improvements in corporate sustainability and governance can enhance the risk-return profile of our investments. Engaging with companies enables us to identify long-term drivers of value and to contribute to their ongoing success.

We aim to be active shareholders where meaningful; encouraging strong and effective governance and high standards of corporate behavior across our investee companies. Ongoing monitoring and direct engagement for data clarification are fundamental to our investment and ESG analysis and decision-making processes.

How we engage

We engage with investee companies in various ways:

- **Direct Engagement:** This includes exchanges with company representatives to discuss how they manage ESG risks and opportunities, as well as how they address adverse impacts and align with long-term sustainability goals.
- **Proxy Voting:** Our proxy voting activities, detailed below, are a key mechanism for exercising shareholder influence.

When controversies arise, we assess their materiality and the adequacy of the company's response, including measures taken to mitigate current and future risks. We may consult external research to support our analysis.

Based on this assessment, we evaluate the potential financial impact on the company and determine an appropriate course of action — which may include increasing, reducing, or divesting our holdings, while considering market liquidity conditions to avoid negatively affecting fund investors.

Proxy Voting

ANF is a specialised small-scale investment fund manager.

We believe that voting rights carry economic value and should be exercised responsibly. Voting provides shareholders with a formal channel to express their views on a wide range of corporate matters and encourages boards to consider and address investor concerns.

Given our size and our commitment to a robust and effective stewardship approach, ANF leverages the services of external proxy voting providers. These partnerships allow us to benefit from their expertise, structured processes, and global scale, thereby enhancing the impact and reach of our voting activities.

Our external partners are well-established global actors, casting votes in over 55 countries. They aim to vote all shares held on behalf of clients consistently, thereby strengthening the collective influence of their positions on investee companies.

In line with our commitment to responsible investment, we have selected external partners whose proxy voting policies align with our own principles. This ensures consistency and coherence in the stewardship process.

Objectives of our engagement and voting policies

- Enhance the long-term value of investee companies
- Promote best practices in corporate governance to ensure sustainability and long-term success

Key ESG voting principles of our external partners

- Board roles and responsibilities
- Shareholder rights
- Capital structure
- Audit and risk oversight

- Remuneration practices
- General corporate governance matters

Activity in 2024

During 2024, our external partners voted at 24 shareholder meetings of our investee companies, on 278 separate resolutions.

They voted against the recommendation of the specific company on 49 of those resolutions, being around 18% of the votes cast.

Typically, resolutions are proposed by company management and relate to business management and corporate governance. In 2024, climate-related shareholder proposals declined, according to our external partners this is mainly due to fewer filings in the Americas amid legal challenges. This said, our external partners continued to support proposals promoting greater disclosure and transparency where this was not already addressed in legislation or regulation, the company was not already doing so, and the proposal was not unduly burdensome or prescriptive.

Pascal Rochat
CEO

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