



Active Ownership Policy

1. General approach

CIAM is an investment management firm that uses equity-based investment strategies to generate returns from its global approach to corporate events. CIAM was co-founded by Catherine Berjal and Anne-Sophie d'Andlau in 2010 and has offices in Paris and London.

CIAM implements high conviction portfolios based on proprietary research, building positions around corporate events. A streamlined process is used to select a limited number of positions presenting the right catalyst and probability of delivering the expected returns and at the same time, with limited downside. CIAM predominantly invests in European mid and large cap companies and is sector agnostic.

CIAM is focused on a careful assessment of risk and particularly on identifying companies with specific ESG issues that have a detrimental impact on the value of their shares. In some cases CIAM may become a more active investor, engaging, whenever possible, through a constructive private dialogue with boards and management teams. However, when progress cannot be or is insufficiently achieved by dialogue, CIAM may take the issue on the public scene by issuing statements, filing shareholders' resolutions, engaging with other stakeholders etc.

Furthermore CIAM has extensive experience of the legal and regulatory processes that govern European M&A and minority shareholder protecting laws and has since 2013 led several activist campaigns around these topics. CIAM's long history of engagement with companies about governance issues fosters its engagement expansion to the Environmental and Social aspects it has recently incorporated into its investment decision and risk management processes. To demonstrate its commitment CIAM became a signatory to the UN Principles of Responsible Investment (UN PRI) in November 2020.

The policy covers all funds managed by CIAM and pertains to companies held in investment portfolios. CIAM engages with the expectation to deepen understanding of the company's business environment, risks and opportunities, initiate responsible behaviors and avert decisions (or lack thereof) that would be detrimental to the companies' long term value.

Engagement is carried out by the investment team, enabling it to continually monitor and reassess the perspectives and ESG risks of the investment. The portfolio concentration and limited number of positions allow for in-depth focus and appropriate time allocation to each investee. Thus, the investment team has the resources needed, including third party tools and analysis, to carry out extensive research and incorporate ESG aspects in their evaluation. The team, led by the CIO has several years of experience in conducting stewardship activities on corporate governance aspects and benefits from continued specialized training at least once a year to ramp up its knowledge on environmental and social aspects.

Active ownership activities are overseen by CIAM's executive partners (the CEO-CIO and the Deputy CEO) with a regular quarterly review of the engagement progress and ESG profile of the investee companies.



Conflicts of interest are managed as per the company's Conflict of Interest Policy, with the expectation of potential conflicts of interest analysis, abstention to act, disclosure and registration via the Chief Compliance Officer.

2. Engagement

CIAM incorporates into its analysis, and aims to whenever necessary actively engage with companies on:

- **Transparency** - we review the reporting and question the transparency of companies we consider for investment. For instance, we examine whether they:
 - Issue a corporate responsibility report
 - Link management's remuneration to corporate responsibility factors, using clear, transparent and auditable KPIs

- **Corporate behavior and leadership** – we review the way each company integrates ESG issues in their value creation process. For example, we question its ability to
 - Absorb systemic shocks and regulatory changes
 - Acknowledge and take into account the low-probability high-impact risks directly posed to the environment, to society, to its workforce etc.
 - Manage arising issues around product quality & safety
 - Adapt the business model to reach and create new markets

- **Environment** – where relevant we review, build on the EU's taxonomy and question companies' views, business plans and commitments on
 - Board level oversight of climate change transition and impact
 - Alignment with the objectives of the Paris Agreement and phasing out of services provided to unsustainable sectors
 - Ability to meet the evolving environmental regulation
 - Setting clear evidence-based carbon reduction targets, clear governance and ownership of the issue
 - Disclosure of GHG emissions
 - Resource intensity usage
 - Etc.

- **Human capital management factors** – we believe value creation and purpose are intertwined with the promotion of
 - Diversity and equality in the workforce, at all levels and specifically at top executive levels
 - Constructive and positive relationship with other stakeholders – employees, unions, customers, suppliers and the community at large
 - Decent labor conditions – minimum wages, types of contracts, employees' health and safety



- **Social capital** – where relevant we engage with companies on their
 - Management of public harm risks around product security and its use of potentially harmful products
 - Employee incentives practices on products that may not be in the best interest of customers

- **Corporate governance – we pay special attention to (among others)**
 - Board independence, skills and diversity
 - Top management roles separation
 - Executive compensation
 - Existence of poison pills
 - Related party transactions

The investment team uses both internal analysis and external providers for initial screening and subsequent monitoring of the investees in order to control the positions size and the need for engagement.

The investment team regularly interacts with investee companies both on financial and non-financial topics. Depending on the level of concern, the interaction between CIAM and the investee company is conducted in-person during on-site visits, on the phone, or through letters. The main contacts are company's executive management and the board. When a specific governance topic of concern is not addressed, CIAM may issue public statements, file shareholder resolutions or vote against resolutions or executive remuneration.

On some occasions, when CIAM believes that a broader base is necessary to influence the management's behavior, it calls upon other significant shareholders to collaborate on specific ESG issues. CIAM may also, depending on the significance and nature of the concern, get involved with regulators or start litigation.

A document, summarizing the engagement steps undertaken with companies approached on specific ESG issues is available to investors and prospective clients; it is updated annually.

3. Voting

CIAM has a detailed voting policy, laying out the factors taken into account when making voting decisions and voting intentions on specific ESG issues.

A dedicated person - the Head of Corporate Governance - is in charge of properly gathering information on meetings announcements, information on draft resolutions, ensuring proper exercise of voting rights and follow-up to establish a detailed record of the votes exercised. The CIAM's executive partners meet at the end of each season of general meetings to review the report on CIAM's votes.

To form its bespoke opinion on ESG issues, CIAM uses both internal research and proxy voting advisors such as ISS, Glass Lewis and Proxinvest. Where significant issues are highlighted by



third party providers or internal resources, the research and time-allocation is expanded and a regular findings review is performed by the executive team of CIAM. In some cases, CIAMs executive team may discuss the concerns that are deemed of particular interest, directly with board members of the investee company. Additionally they may also reach out to other investors prior to the investee's general meeting. The final voting decision on sensitive issues is taken by the CEO-CIO.

As per its voting policy, provided proper information by the custodian, CIAM exercises its voting rights for all equities that have a voting right, with the exception of positions that are in the process of being closed out.

In order to fully exercise its rights, if securities are loaned, they are repatriated according to the constraints of local or technical legislation. For meetings deemed sensitive, the securities are repatriated systematically.

Depending on CIAM's engagement prior to the general meeting, CIAM may vote in person by attending AGMs or by proxy.

ESG resolutions introduced by other shareholders are carefully examined and voted on, depending on the perceived impact. CIAM may also reach out to the lead shareholder for additional comments and clarification.

As a follow-up to its engagement, CIAM may file or co-file resolutions on ESG issues. When co-filing, the roles and active involvement of each co-filer are agreed beforehand on legalities, supporting documents preparations and communications.

Voting records are kept in an internal record, updated by the Head of Corporate Governance and CIAM makes them available to any shareholder or potential client of the funds who so requests.