

### Annual Report

Engagement and stewardship form an integral part of the investment process at Boussard & Gavaudan Investment Management, Boussard & Gavaudan America LLC and Boussard & Gavaudan Gestion (together “the Group” or “BG”). As such, BG is committed to complying with SRD II and is supportive of the directive’s goal of encouraging long-term engagement and stewardship.

Under SRD II, in scope firms are required to develop, implement, and publicly disclose an Engagement Policy describing how the firm integrates engagement and stewardship into their investment process. BG first published its Engagement Policy in 2020 which it reviews annually with the latest update published in 2022. The policy can be found on the Group’s website: [https://www.boussard-gavaudan.com/files/upload/Regulatory-disclosure/Engagement\\_Policy\\_2022\\_FINAL.pdf](https://www.boussard-gavaudan.com/files/upload/Regulatory-disclosure/Engagement_Policy_2022_FINAL.pdf)

This report provides information on how the Group implemented its Engagement policy from 1<sup>st</sup> January 2024 to 31<sup>st</sup> December 2024.

BG is cognizant that it does not have the level of resources of larger asset management firms. With this in mind, the Group applies a focussed and pragmatic approach dedicating its attention to the areas where it believes it can most effectively add value for its clients. In 2022 the Group became a signatory to the revised UK Stewardship Code further cementing the Group’s commitment to active ownership and engagement.

BG’s team of experienced and dedicated sector specialists are well suited to maintaining strong relationships with investee company management. The combination of experience with the Group’s long established active management style has enabled the investment team to build an effective approach to engaging with investee companies across sectors and geographies, with a strong track record of implementing successful methods of escalation.

## Voting

Delegated voting services continue to be popular in the asset management industry, whereby a third party makes recommendations on how an asset manager should vote and effects voting on shares held by an investment manager. This enables investment managers to vote on all shares held without having to dedicate much time or resources to the voting process. While BG recognises the value provided by these services in the application of a broad and systematic approach to voting, the Group has decided to implement a more targeted and focussed approach.

In accordance with the Group's Voting Policy (Annex 2 - [https://www.boussard-gavaudan.com/files/upload/ESG and Responsible Investment Policy v17 FINAL.pdf](https://www.boussard-gavaudan.com/files/upload/ESG_and_Responsible_Investment_Policy_v17_FINAL.pdf)), BG commits to vote on

companies in which it has a material interest in doing so for the benefit of its investors, namely:

- When the position represents 0.25% or more of the Group's assets under management and the Group holds 0.25% or more of the investee company's voting rights; or,
- when the Group holds 1.00% or more of the investee company's voting rights.

### Summary Voting Record 2024:

Meetings eligible to vote at	127
Resolutions eligible to vote on	1202
% of resolutions voted on for which eligible	99.4%
% voted with management	88.5%
% voted against management	8.2%
% abstained	3.3%
% of meetings voted at for which at least one vote was against management	23.6%

### Example significant voting case studies:

Company name	UNITED STATES STEEL CORPORATION
Date of vote	04/2024
% holding at the date of meeting	1.5%
Summary of the resolution	Election of Directors (Majority Voting)
Vote	Against Management
Rationale	Board is composed of less than 25% of women
Outcome of the vote	Adopted

## Engagement

In its role as asset manager, BG recognises that it has a fiduciary duty to act in the best interest of its clients over both short and long-term horizons. This duty includes undertaking responsible stewardship of client assets in a way that should add value for clients through time.

Engagement with investee companies forms part of the initial due diligence conducted by analysts on potential investments and is also part of the firm's ongoing monitoring and oversight of investments. BG engages with investee companies in different ways which enables BG's analysts to tailor engagement with the investee company according to the situation. Engagement is an integral part of BG's investment strategy, enabling the Group to steer investee company management to unlock the shareholder value identified by BG's analysts.

During 2024, BG's analysts engaged with investee companies on 6 occasions across a variety of topics, a summary table of which is provided below.

Theme	# Engagements
Environment - Climate change	1
Environment - Natural resource use/impact (e.g. water, biodiversity)	0
Environment - Pollution, Waste	1
Social - Conduct, culture and ethics (e.g. tax, anti-bribery, lobbying)	0
Social - Human and labour rights (e.g. supply chain rights, community relations)	0
Social - Human capital management (e.g. inclusion & diversity, employee terms, safety)	0
Social - Inequality	0
Social - Public health	0
Governance - Board effectiveness - Diversity	0
Governance - Board effectiveness - Independence or Oversight	0
Governance - Board effectiveness - Other	0
Governance - Leadership - Chair/CEO	0
Governance - Remuneration	0
Governance - Shareholder rights	3
Strategy, Financial and Reporting - Capital allocation	0
Strategy, Financial and Reporting - Reporting (e.g. audit, accounting, sustainability reporting)	0
Strategy, Financial and Reporting - Financial performance	0
Strategy, Financial and Reporting - Strategy/purpose	0
Strategy, Financial and Reporting - Risk management (e.g. operational risks, cyber/information security, product risks)	1
Other	0

Example case studies of engagement during 2024 are provided below:

	Engagement theme	Rationale	Engagement	Outcomes and next steps
Firm-level - Theme engagement case study 1	Environment - Pollution, Waste	Reduce carbon footprint following transatlantic merger	Meeting with CEO to encourage carbon footprint reduction and efficiency gains following merger.	Ongoing conversation, the company seems open to the suggested course of action.
Firm-level - Theme engagement case study 2	Governance - Shareholder rights	Resolve governance issue from the effective but informal control of the largest minority shareholder	Continuous conversations with company to push for break up.	Successful outcome: company announced spin off in 4 entities.
Firm-level - Theme engagement case study 3	Strategy, Financial and Reporting - Risk management (e.g. operational risks, cyber/information security, product risks)	Improve responses to local ESG regulations.	Meeting with Chairman to encourage the separation of US and EU assets in order to answer better local regulations separately.	Ongoing conversation, the company seems open to the suggested course of action.

Firm-level - Theme engagement case study 4	Environment - Pollution, Waste	Major diversified waste management company is under-developing its hazardous waste disposal activity due to the diversified nature of their business.	Meetings with CFO and Investor Relations to encourage selling their hazardous waste disposal activity to a specialist so that it could be better developed.	Ongoing conversation, the company seems open to the suggested course of action.
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BG targets international best practice and follows the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosure (TCFD). Within this framework, BG will be engaging with companies, in collaboration with other supporters, to seek additional disclosures from issuers.

For more information, please contact [bg.compliance@bgam-fr.com](mailto:bg.compliance@bgam-fr.com) or visit our website [www.boussard-gavaudan.com](http://www.boussard-gavaudan.com)

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