

J. STERN & Co.

Engagement Activity Summary 2021

Our Engagement Strategy

Our stewardship activities are an integral part of how we manage assets for our clients. We have a fiduciary duty to preserve and enhance the value of assets entrusted to us by our clients and, as active asset managers, we act as stewards of our clients' capital. As we hold investments in companies for the long-term, we regard the process of stewardship as a natural and essential part of our investment approach.

Stewardship goes above and beyond just investment. At J. Stern & Co. we have a distinct approach whereby Stewardship and ESG considerations are integrated across our business.

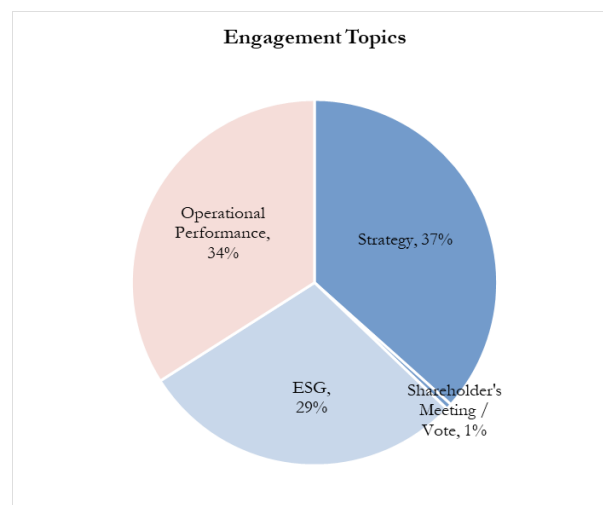
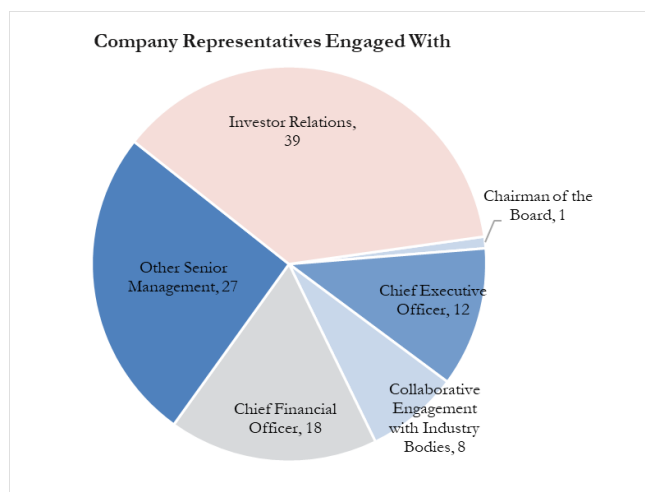
We monitor our clients' investments through comprehensive and continuous research, which includes maintaining a dialogue with management. Areas with potential to impact the value of investments held by our clients, whether positively or negatively, include corporate strategy, capital allocation policy and capital structure, remuneration and incentive structures, M&A activity, governance, and sensible disclosure and environmental or social issues.

We believe that engagement with issuers does maintain and enhance the value of the assets that we are stewards of on behalf of our clients. In engaging, we seek to support decisions that we consider positive for the value of our clients' investments, and at the same time, to ensure that investee companies are conscious of risk factors, including social and environmental risks that may detract from that value.

This engagement serves to confirm and support the investment thesis and establish a good ongoing channel of communication with companies to ensure that the strategy is being executed with the appropriate level of risk whilst monitoring effective control of the board and relevant subcommittees. We believe that such engagement provides us with a clear indication of the quality of the management and the board and consequently the investee company's ability to deliver its key goals and anticipated operational performance.

Our approach is consistent with emerging best practice codes including the UN Principles for Responsible Investing, and the EU Shareholders Directive II. We are signatories to the UN PRI.

Engagement Activity Jan 1st, 2021 – Dec 31st, 2021



In 2021, we engaged with our investee companies on 105 occasions to discuss topics pertaining to their capital structure, strategy, operational performance, D&I, and Shareholder's meeting/vote and ESG matters.

In over half of engagement outreaches, we had the opportunity to discuss these matters directly with C-suite executives and/or senior management.

Examples of Engagement

Sika – In 2021, we had multiple meetings with the company, including with the Chief Executive Officer, Chief Technology Officer, Chief Sustainability Officer, and Chairman of the Board. These meetings included in-depth conversations about the company's sustainability strategy. We noted progress on the comprehensiveness of reporting and disclosure and pushed for further improvements in areas such as management and board-level diversity. We discussed the importance of sustainability in the company's R&D approach and Sika's role as an ESG enabler within the construction industry. The company is well-positioned to benefit from the transition to a low-carbon economy and is developing solutions, such as low carbon cement, to help end users decarbonize their operations.

Activision – We have had several conversations with the company over the past years to discuss their ESG strategy. We have notably pressed for the publication of data on greenhouse gas emissions. In 2021, we held several conversations with the company to discuss their approach to diversity and inclusion following the emergence of significant failings in that area and corresponding legal and regulatory challenges. We provided detailed input regarding what measures and disclosures we would wish to see as investors. We were pleased to see that as a first step the company announced a set of D&I policies that aligned with our recommendations. We continue to monitor closely what action the company is taking to improve its performance in that area.

American Tower – We engaged with the company on multiple occasions over the year to discuss their sustainability strategy and their investments in renewable energy and energy efficiency. As part of our work, we observed that the company had updated its GHG accounting methodology which led to a significant decrease in its stated carbon intensity. We discussed this with the Head of Sustainability and senior management to understand the

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reasons behind the change. We gained assurance that the new methodology was indeed aligned with the GHG Protocol and represented progress towards harmonizing reporting across its global operations. We advised the company to seek third part assurance of its reporting.

Givaudan – We held meetings with several members of Givaudan’s senior management, including the CEO and the Head of Sustainability. In our discussions with the Head of Sustainability we touched on the long-term impacts of climate change on the company’s supply chain and its ability to procure raw materials. We discussed mitigation and adaptation strategies, including for example the development of alternative, biotechnology-based input materials. We also provided our input on the importance of greater disclosure at the supply chain level to help investors more fully assess sustainability impacts.

Collaborative Engagement

In 2021, we significantly expanded our collaborative engagement efforts.

We support **ShareAction**, a UK-based charity dedicated to promoting responsible investment and have joined their Healthy Markets initiative which seeks to uphold standards of healthy nutrition among Food and Beverages manufacturers. As part of this coalition, we co-signed a letter addressed to Nestlé to probe the company on the health profile of its portfolio.

We became members to the **SASB Alliance** to promote harmonized corporate disclosure standards. In 2021, we took part in numerous events providing feedback to issuers on their non-financial disclosures and in conversations regarding what constitutes best practice in such disclosures.

As **UN PRI** signatories, we also joined investor-led initiatives, adding our voice to projects such as the Investor Expectations Statement on Climate Change for Airlines and Aerospace Companies, and the Business Call for a UN Treaty on Plastic Pollution.

In 2022, we look forward to building upon the relationships initiated with our investee companies and will continue monitoring the areas of engagement identified this year. We will also look to continue adding our voice to collaborative engagement initiatives.

Our approach and principles in terms of engagement are detailed in our Stewardship and Engagement Policy document available on our website.