

J. STERN & Co.

Engagement Activity Summary 2024

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.

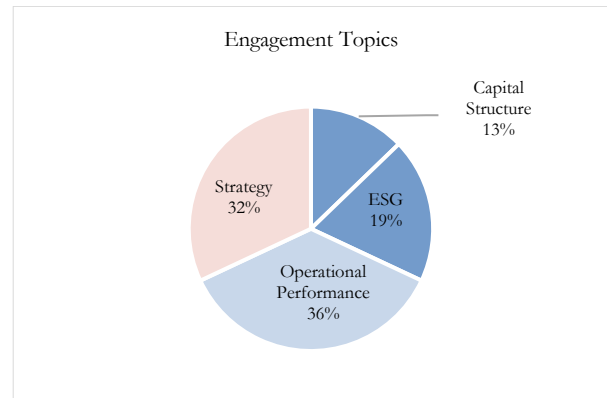
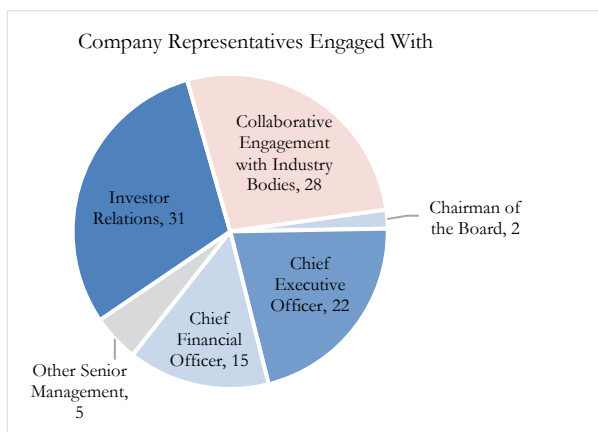
We monitor our clients' investments through comprehensive and continuous research, which includes maintaining a dialogue with management. Areas with potential to impact the value of investments held by our clients, whether positively or negatively, include corporate strategy, capital allocation policy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

We believe that engagement with issuers maintains and enhances the value of the assets that we are stewards of on behalf of our clients. In engaging, we seek to support decisions that we believe enhance 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 our investment thesis and establish a good ongoing channel of communication with companies. It acts as an important mechanism in confirming whether an investee company's stated strategy is being executed with the appropriate level of risk and whether the board and relevant subcommittees are effective in discharging their oversight responsibilities. We believe it deepens our understanding of the quality of the management and the integrity of the board and consequently an investee company's ability to deliver on its key goals.

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 and the 2020 UK Stewardship Code.

Engagement Activity Jan 1st, 2023 – Dec 31st, 2024



In 2024, we engaged with our investee companies and collaborative engagement bodies on 103 occasions to discuss topics pertaining to their capital structure, strategy, operational performance, and ESG matters.

In 43% of the engagement outreaches, we had the opportunity to discuss these matters directly with C-suite executives and/or senior management.

Examples of Engagement

Sika – 2024 marked the end of an era for the company, with Chair of the Board of Directors, Paul Hälgl, stepping down after 12 years at the helm, a period during which he most notably led efforts to defend the company against a hostile takeover attempt by industry peer, Saint-Gobain. Our CIO Chris Rossbach was invited to speak at Sika's AGM in March, thanking Dr Hälgl for his leadership and welcoming incoming Chair, Thierry Vanlancker. We have spent time getting to know Dr Vanlancker the last two years, seeking to understand his vision for the company as incoming Chair and his key priorities from a governance perspective, especially in light of Sika's rapid growth in size over the last decade. We also spent time with CEO, Thomas Hasler, discussing growth opportunities in countries like India, Japan or Saudi Arabia, progress on the integration of recently acquired MBCC, as well as efforts to leverage best practice globally. Of note, we also attended Sika's analyst day in Tokyo, Japan, which showcased some of the company's highest specification building solutions as well as detailing its strategic roadmap for the broader Asia region.

Nestlé - 2024 was a significant year for the company with ongoing business headwinds ultimately leading to the departure of former CEO Mark Schneider. We held multiple meetings with the company over the year, including its new CFO, Anna Manz. We discussed the reasons that led to the change in company leadership and Nestlé's strategic options under new CEO, Laurent Freixe, a 38-year company veteran. We discussed ways to enhance operational efficiencies, revitalise innovation and re-accelerate revenue growth. As part of our ongoing engagement with the IR team, we also noted we are encouraged by progress on improving the nutritional profile of the company's product portfolio and the commitment to increase sales from healthier products by 2030.

Intercontinental Exchange - During 2024 we held numerous meetings with the company's senior management, including the CFO, Warren Gardiner. We were particularly encouraged to note the significant evolution of the company's business model and the increase in the diversification of its revenue sources. We discussed the sustainability of its energy trading exposure and noted that the company has diversified into other forms of

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energy trading, including carbon offsets and credits, providing resilience amidst an evolving environment within the broader energy industry. Importantly, the company has used the significant cash flow from its legacy businesses to diversify into new business areas, including fixed income trading and mortgage processing digitalisation solutions. These discussions helped build our conviction in the investment case leading to the decision to initiate a position in the stock in December 2024.

Tulow Oil - In 2024, we spent some time engaging with Tulow's IR team following the resignation of its CEO, Raul Dhir, and the termination of preliminary merger discussions with Kosmos Energy. We discussed succession planning as well as implications for the company's debt refinancing plan. We also sought reassurances on the company's commitment to its sustainability targets, including its scope 1 & 2 net zero target. We are encouraged that the company has maintained its capex investment plan on decarbonisation projects, and noted progress in reforestation initiatives, that are utilised as carbon offsets.

Collaborative Engagement

In 2024, we continued to build on our collaborative engagement efforts.

We support **ShareAction**, a UK-based charity dedicated to promoting responsible investment. We are a member of the Healthy Markets Initiative which seeks to uphold standards of healthy nutrition among Food and Beverages manufacturers. As part of this coalition, we engaged with a number of US manufacturers, discussing current nutrition disclosure levels, aspirations as regards to improvements in the nutritional profile of their product portfolio as well as associated marketing and lobbying practices. We further co-signed a letter addressed to six US manufacturers calling for the use of internationally recognised nutrient profiling models (NPMs), which would enable investors to compare health metrics of companies across the industry. We are also a member of ShareAction's Long-Term Investors in People's Health Initiative and supported preliminary engagements in its Clean Air Initiative.

We are members of the **IFRS Sustainability Alliance** (formerly known as the SASB Alliance) which seeks to promote harmonized corporate disclosure standards. In 2024, we attended a collection of webinars from IFRS Sustainability Alliance Academic Series, continuing to build our understanding of the evolving disclosure landscape.

As **UN PRI** signatories, we are a member of its investor network working to promote responsible investment practices and a sustainable financial system. In 2024, we were privileged to meet with the organisation's newly appointed Chair of the Board, Conor Kehoe, and Eline Sleurink, Director UK & Switzerland & Head of MENA. We discussed developments across the responsible investing landscape and took the opportunity to join the Wealth Managers Working Group, as forum for broader policy engagement and collaboration.

In 2024, we continued to engage with the **Business Coalition for a Global Plastics Treaty**, convened by the Ellen MacArthur Foundation and WWF. We attended webinars and contributed to signatory surveys throughout the year, ahead of critical negotiation rounds held by UN member nations in Ottawa, Canada, and Busan, South Korea. While negotiations ended without a final agreement, given the lack of consensus on plastics production curbs, we were encouraged by progress on discussions regarding the phase-out of problematic plastic products and chemicals of concern. We will continue to support negotiations in 2025, in the hope of achieving an ambitious legally binding Global Plastics Treaty.

We continued to engage with the **Ceres' Valuing Water Finance Initiative** an investor-led effort to engage with high water footprint companies. During 2024, we co-signed an

investor letter calling for stronger corporate stewardship of water assets across the supply chain. Amidst ever increasing water scarcity and quality issues, protecting these assets is key to both company and stakeholder resilience. We have sought to participate in company specific engagement initiatives seeking to enhance water related disclosures and policies. We have also attended a collection of webinars on best practice for corporate water risk assessment and management, which we already use as part of our ongoing analysis of environmental issues

We are member of the **Global Coalition on Workplace Mental Health** (CCLA) which seeks to highlight workplace mental health as a business consideration. In 2024, the coalition launched the Global 100+ Mental Health Benchmark, a tool that can be used by investors to monitor progress on workplace mental health. We believe the analysis provides an insightful perspective on workplace wellbeing, as well as providing a helpful engagement framework.

In 2025, we look forward to building upon the relationships with our investee companies and will continue monitoring progress on the issues advocated for during this past year. We will also continue to seek appropriate collaborative engagement initiatives to add our voice to and maximise our impact within the investment industry.

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