

**Engagement Policy**  
**CapitalatWork S.A.**  
**CapitalatWork Foyer Group S.A.**

**Update of January 2021**

This procedure describes all key principles and rules to comply with the SRDII regulation, Shareholder Rights Directive II, Directive EU 2017/828

Reviewed and validated by the Executive Committee on 17th December 2020

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## 1. Purpose and scope

The terms 'we' and 'our' in this engagement policy refer to Capitalatwork Foyer Group S.A. and Capitalatwork S.A., collectively referred to as CatW.

This policy describes our approach to shareholder engagement where we invest for our clients as part of our discretionary management services or collective investment services directly in shares of companies with a registered office in an EU member state and whose shares are admitted to trading on an EU regulated market. It has been written in accordance with the requirements of Directive (EU) 2017/828 and its implementing measures (together, the "Shareholder Rights Directive II" or "SRD 2").

CatW acts as investment manager by selecting securities to be invested in. CatW acts on behalf of clients, the final shareholders, who signed an investment management mandate in its favour.

In case of Execution Only contract, this engagement policy is not applicable.

## 2. Introduction

We recognize a responsibility for the stewardship oversight and engagement with those companies and issuers whose securities we manage for our clients as an integral part of our investment process. We carefully monitor and engage with companies held in portfolio both before and during the period of our investment in these companies.

CatW monitors the companies in the shares of which we invest under different angles including strategy, financial and non-financial performance and risk, capital structure, corporate governance and environmental and social impact.

CatW believes that growth and returns can be achieved by implementing sustainable business practices in its own business, as well as in the companies that we invest in. Interactions between business, industry and society are complex and increasingly impacted by technological, regulatory and consumer behaviour changes.

Acting in the best interest of shareholders and protecting shareholders' rights are guiding principles taken into account by CatW in its investment strategy.

## 3. Materiality principle

In recognition of the limited ability of CatW to exercise significant influence on investee companies in those circumstances where its shareholding is not material, CatW will not integrate shareholder engagement in its investment strategy.

This level of materiality is left to the CatW's appreciation depending of the parameters such as the activity sector, the amount of the aggregate shareholding, special events related the investee, etc...

This materiality principle applies to any section of this policy.

## 4. Monitoring and engagement with investee company

### 4.1 Monitoring and engagement

CatW is an active asset manager: it decides to invest in the shares of an investee company once it has gained an in-depth understanding of the company's overall business strategy, risk exposure and share capital structure.

CatW performs a fundamental analysis in-house and engage with investee company by:

- consulting the reports (e.g. quarterly reports, audited annual accounts), financial and non-financial performance information and announcements of the investee companies;
- conducting open source research (e.g. through press, financial journals, academic papers) on the investee companies to perform our analysis;
- monitoring the investee companies through the daily follow up and through financial screenings;
- consulting the reports from external service providers such as Sustainalytics, Morningstar and other selected research providers.

We may establish a dialogue framework (e.g. meetings with the investee company officials, participation in shareholders' events) with the investee companies without having a specific calendar or frequency.

This monitoring aims at aligning investment decisions made with investee companies' strategies and evaluating the alignment between investee companies' strategies and our shareholders' best interest.

### 4.2 Voting Policy

As an active manager, CatW recognizes that the exercise of voting rights is an important aspect of shareholder engagement, in particular if the shareholding is material with regards to the outstanding shares of an investee company.

The Asset Management Department (AMD) of CatW is ultimately responsible for determining whether and how to exercise voting rights. More information in this respect can be found in CatW's Voting Policy. The general rule is that CatW Investment

Managers do not have the intention to exercise its voting rights of the companies it invests in. In exceptional circumstances they may decide to exercise the voting rights and will in such case vote in the best interest of the clients.

#### **4.3 Cooperation with other shareholders**

We recognize that there may be occasions where it will be appropriate to work with other shareholders to effect positive change. Should CatW be willing to act collectively with other investors, this would be considered on a case-by-case basis. Collaboration with other investors must always be conducted in compliance with applicable law and regulations. In all circumstances, we will act in the best interests of the clients ensuring that we treat all clients fairly.

#### **4.4 Manage Conflicts of Interests**

CatW has a Conflicts of Interest policy that apply to its engagement and voting policy which sets out how we manage actual and potential conflicts of interest arising from or affecting our business activities. These are available on our website or on demand.

### **5. Transparency / Disclosure**

CatW will annually disclose how this Engagement Policy has been implemented, including:

- A description of its voting behaviour,
- An explanation of the most significant votes,
- The use of the services of proxy advisors, and
- A description of how CatW has cast votes in the general meetings of companies in which it holds shares on behalf of its clients if applicable.

As required by applicable law, CatW will provide certain of its institutional clients (i.e. insurance companies) with additional disclosures regarding how its investment strategy complies with the arrangements in place with those clients and contributes to the medium to long-term performance of the assets of that institutional investor.

### **6. Review**

This Engagement Policy is reviewed and approved annually and is publicly available on CatW's website.