




Shareholder engagement and voting policy



PREAMBLE

Since its foundation, Mandarine Gestion has been committed to socially responsible investing and solidarity-based financing. The management company launched an SRI fund in 2009 (taking into account the Environmental, Social and Governance (ESG) indicators) and a solidarity fund in 2010. This engagement was subsequently embodied by the signing of the United Nations Principles for Responsible Investment (UN PRI) in 2012.

Dialogue with the companies in which Mandarine Gestion invests is a key element of its fiduciary responsibility. Increasingly, Mandarine Gestion is encouraging companies to establish extra-financial targets to protect them against any potential impact on their financial valuations. The objective of our engagement policy is to enter into constructive dialogue with companies in order to urge them to protect themselves against the non-financial risks that may arise during the course of their activities or to encourage them to seize opportunities. Ultimately, the purpose of shareholder engagement is to take a stand on ESG issues and require targeted companies to improve their practices over time, through a structured approach and long-term monitoring.

ORGANISATION

According to Article R 533-16-I of the Monetary and Financial Code, the shareholder engagement policy mentioned in I of Article L. 533-22 must describe the way in which the following elements in particular are ensured:

- (1) Monitoring strategy, financial and non-financial performance, risks, capital structure, social and environmental impact and corporate governance;
- (2) Dialogue with portfolio companies;
- (3) Exercise of voting rights and other rights attached to shares;
- (4) Cooperation with other shareholders;
- (5) Communication with relevant stakeholders;
- (6) Prevention and management of real or potential conflicts of interest in relation to their commitment.

Mandarine Gestion's two-person ESG team is responsible for analysing the ESG issues for dialogue and engagement with companies. The ESG team then reproduces the content of discussions with targeted companies and any measures taken.

1. Monitoring strategy, financial and non-financial performance, risks, capital structure, social and environmental impact and corporate governance

For investments in listed companies, monitoring involves:

- identifying the ESG issues of companies in the portfolio through constructive dialogue and the use of a proprietary ESG analysis tool;
- encouraging companies to report publicly on their ESG strategy and provide relevant ESG monitoring indicators;
- asking companies affected by serious controversy how they intend to manage these situations and which corrective measures have been implemented.

For investments in unlisted companies, monitoring involves:

- prior to investment by or with target entities, defining relevant information elements and measurable objectives with extra-financial impact;
- Integration, as far as possible, of information and objectives in the contractual documentation of investments, allowing at least annual monitoring;
- Prior dialogue with companies for which decisions will have a significant impact on their capital structure or on their sustainability.

2. Dialogue with portfolio companies

ESG themes are described in our proprietary ESG View analysis model, which identifies dozens of ESG criteria specific to companies' business sectors. The ESG team identifies and highlights ESG issues that can be discussed during a shareholder engagement with companies.

In the course of our shareholder engagement practices we may use various forms of dialogue. In general, the ESG management unit will decide on the most appropriate format on a case-by-case basis. Shareholder engagement can take the form of meetings or conference calls with companies. In the event that direct communication was not possible, exchanges would be made via e-mail.

There are three types of dialogue and engagement strategies with companies held in the portfolio:

- Continuous engagement:

- Identify the ESG issues of companies in the portfolio through constructive dialogue with management teams;
- Encourage companies to report publicly on their strategy of sustainable development supplemented by relevant ESG indicators;
- Support companies in a process of continuous improvement.

- Targeted engagement:

- Asking companies affected by serious controversy how they intend to manage these situations and which corrective measures have been implemented;
- Companies with low ESG ratings that could be sold as part of our investment processes are also included in the targeted engagements;
- Participate in collaborative engagement initiatives (Dialogue Committee and FIR Engagement Policy) is also part of our targeted engagement activities.

- Fossil energy policy commitment (including coal): companies whose exposure to fossil fuels (including coal) exceeds the thresholds defined by Mandarin Gestion's fossil energy policy.

- Engagement by vote:

- Exercising our shareholder rights (proposing and/or voting on resolutions, exchanges prior to general meetings regarding the ESG issues identified, selling or holding positions on a case-by-case basis).

For unlisted companies, shareholder engagement in particular involves:

- Dialogue about the environmental impact of companies financed, a major axis in the selection of investment projects.
- Mandarin Gestion's participation in management bodies alongside managers when the influence of the funds concerned is sensitive and the liquidity conditions of the investment are complex.

3. Exercise of voting rights and other rights attached to shares

a. Preliminary condition

Conscious that corporate governance best practices and consideration of financial, extra-financial and sustainable development issues (social, environmental, etc.) increase both corporate value and shareholder confidence, Mandarin Gestion intends to develop the value of customer investments by exercising the rights and duties conferred upon it by its shareholder status including, inter alia, the right to actively participate in the general meetings of listed companies held in the UCI.

The exercise of voting rights at general meetings is extremely important:

- The Annual General Meeting is in essence the key place for expressing corporate governance policy. The Annual General Meeting, in particular, is where shareholders will be asked to approve the company's operating results and accounts, to validate the strategic choices of past years, to renew their confidence in the directors and finally to decide on the appropriation of profits and losses and dividend payouts;
- The Annual General Meeting is where important decisions are validated: *see takeover bids, merger transactions, share buyback programmes, etc.*
- The decisions made at AGMs usually indicate the development priorities and future direction of corporate strategy, which will contribute to the future financial performance of companies;
- An analysis of the company and the resolutions proposed at AGMs enables us to understand the company better in all its financial and extra-financial aspects (social, environmental, governance, etc.).

b. Organisation and method used to exercise voting rights

i. Team responsible for exercising voting rights

Mandarin Gestion has an Environmental, Social and Governance (ESG) team responsible for analysing and voting on the resolutions in general meetings, along with the management teams. Information on AGMs can be obtained directly from the issuers, the specialised press, custodians, information systems (FactSet, Bloomberg, Proxinvest, Broadridge, etc.) and also the French Asset Management Association (AFG).

A voting committee comprising members of the ESG team, management and the legal department is set up in order to update the voting policy on an annual basis.

Voting rights shall be exercised by correspondence, by proxy or by physically attending the shareholders' general meetings.

ii. Scope for exercising voting rights

Voting rights may be exercised on global equities, with the exception of companies included in microcap portfolios (Mandarine Global Microcap and Mandarine Europe Microcap of the Mandarine Funds SICAV), taking into account constraints such as lack of independent analysis of resolutions and/or accessibility of documents necessary for the voting process.

The definition of Mandarine Gestion's voting rights is defined using a “multi-criteria” approach:

- The most significant capital investments in descending order;
- The top 10 weightings as a percentage of portfolio net assets;
- Companies for which external resolution(s) supported by Mandarine Gestion have been filed.

Mandarine Gestion reserves the right to participate in the AGMs of any issuer regardless of its weighting when it deems that the resolutions submitted to a vote are important.

c. Principles of Mandarine Gestion's voting policy

i. Equal treatment of shareholders

Mandarine Gestion supports the principle of “one vote per share” and the equitable treatment of shareholders. The management company is therefore, in principle, opposed to various statutory procedures involving unequal treatment of shareholders, such as:

- double voting rights;
- multiple voting rights;
- shares without voting rights;
- preferred shares;
- capping voting rights above a certain threshold of capital held;
- any resolution aimed at limiting the power of shareholders (e.g. when issuing new shares, etc.).

If a text implementing double voting rights were to be adopted, Mandarine Gestion invites the companies to put a provision registering the equal rights status of all shareholders to the vote of the AGM.

ii. Rational management of equity over the long term, responsible distribution and absolute respect for shareholders

Anti-takeover measures:

In the case of a public bid for a company, this bid must be put to a shareholder vote. Each proposal should be subject to an analysis of the conditions specific to the company and its stakeholders. Beyond the creation of value, special attention must be paid by Mandarine Gestion to the future of the company's social and corporate responsibility practices, its involvement in sustainable development and its social project.

Apart from the analysis described above, Mandarine Gestion will refrain from or oppose any permanent or preventive anti-takeover measures insofar as they are contrary to the interests of shareholders and/or if they cannot be considered as a means of negotiating a valuation of the offer (in particular

Breton warrants¹). Finally, since the enactment of the Florange Law² in France and the abolition of the principle of neutrality of the board of directors during a takeover bid, we will be careful to ensure that authorisations to carry out capital transactions contain a statement explicitly excluding their use during a takeover bid.

Capital transactions:

In general, any initiative involving a capital increase, merger, absorption, acquisition or spin-off will be approved if it provides added value for the shareholder and if it incorporates social, environmental and financial performance and involvement in sustainable development.

Capital increase with preferential subscription rights:

Mandarine Gestion considers that the number of shares issued with preferential subscription rights must be limited to the equivalent of 50% of existing shares.

Capital increase without preferential subscription rights:

Issuing shares without preferential subscription rights or a priority subscription period: as the issue of shares without preferential subscription rights can damage shareholder interests without this being justified by the company’s situation, Mandarine Gestion takes a restrictive stance on this issue, but reserves the right to authorise an issue of shares without preferential subscription rights, depending on the company’s situation:

- vote in favour of an authorised maximum of 33% of capital if a priority period is specified;
- vote in favour of a maximum of 10% of capital without a priority subscription period.
 - Convertible bond issues:
- Vote in favour of a ceiling of 10% of capital.
 - Share distribution schemes to employees:
- Mandarine Gestion supports such programmes.

Capital increase without preferential subscription rights - Discount:

In order to facilitate capital increases without preferential subscription rights, Article 3 of Decree no. 2019-1097 of 28 October 2019 authorises an increase in the maximum discount applicable to the weighted average price of the last three meetings from 5% to 10%.

Economically, this discount for the benefit of new “incoming” investors comes at the expense of existing or loyal shareholders because it dilutes their proprietary interests.

The discount has an impact on the capital dilution of existing shareholders, in particular if they cannot participate in the capital increase following the abolition of preferential subscription rights.

Unless analysed on a case-by-case basis, we will vote against capital increases with removal of the preferential subscription right at a discount greater than 5%.

Summary table – Capital increase

Type of Delegation	Raised ceiling	Max. discount	
Capital increase with preferential subscription rights	50% of capital	N/A	Neutrality during public bids
Capital increase without preferential subscription rights with priority period	33.33% of capital	5%	
Capital increase without preferential subscription rights without priority period	10% of capital	5%	
Capital increase as remuneration for a public exchange offer	10% of capital	N/A	

¹ defensive bonds which allow large French companies to offer warrants at low prices to their shareholders to increase their defence capacity in the event of a hostile takeover bid or public exchange offer.

² Law no. 2014-384 of 29 March 2014 aiming to reconquer the real economy

iii. Group resolutions

Mandarine Gestion is against the grouping of several decisions in the same resolution, even if they are of the same nature, which constrain the company to accept or reject all of these decisions.

Mandarine Gestion is particularly opposed to the appointment or renewal of several members of the board in a single resolution.

In the interest of improved legibility, the larger regulated agreements must be separate resolutions, where possible, especially when it comes to agreements concerning executive directors and family holdings.

iv. Amendments to the articles of association

Resolutions leading to a modification of the articles of association shall be assessed on a case-by-case basis and shall be approved unless they negatively affect the interests of minority shareholders.

v. Shareholder resolutions

Resolutions added to the agenda by minority shareholders will be analysed on a case-by-case basis and shall be favourably received if they incorporate social, environmental and financial performance.

vi. Resolutions relating sustainable development issues

As a signatory to the Principles of Responsible Investment (PRI), Mandarine Gestion will pay close attention to companies in which it holds shares assuming risks and to specific issues related to sustainable development. Mandarine Gestion supports resolutions that promote sustainable development.

vii. Climate

Now that companies and investors are taking increasing account of their responsibility to combat global warming, "Say On Climate" resolutions now appear on the agenda of general meetings in order to gather the opinion of the shareholder community.

As a signatory of the Net Zero Asset Manager Alliance initiative, Mandarine Gestion expects companies to be transparent about their management of climate issues and to commit to carbon neutrality and carbon emission reduction targets that are validated by science and aligned with the Paris agreements.

Mandarine Gestion will support resolutions related to climate change or the ecological and energy transition, in particular in the following cases:

- Definition of quantitative objectives for reducing CO2 emissions for the company's activity (scopes 1-2) and/or for its products (scope 3) with a view to carbon neutrality.
- Detailed information on the risks associated with climate change (regulatory, financial or physical risks), their identification and their mitigation.

d. Separation of powers, independence and competence of the Board of Directors (Board of Directors/Supervisory Board)

i. Governance structure

We do not have any preference regarding the company's structure: it can be dual (management and supervisory board) or unitary (board of directors).

Within the framework of a structure for the board of directors, we support a separation of the roles of Chairman and Managing Director. However, in some cases, the multiplication of roles may be justified, according to the countervailing powers put in place by the company:

- A Board that is predominantly independent;
- Presence of an independent senior director;
- Board meetings with the CEO in attendance.

Mandarine Gestion will also pay close attention to stock market and environmental performance from the start of the CEO's mandate.

ii. Composition and diversity of the Board

Mandarine Gestion ascribes great importance to the composition of the board of directors. It should be composed of experienced members with complementary skills and diversity (training, nationality, geography, gender, age).

As such, we consider it preferable that a Board include:

- between 5 and 16 members;
- directors whose mandate does not exceed four years;
- directors who do not serve more than three successive terms (maximum 12 years);
- up to 33% of independent directors or directors with no conflicts of interest (see definition in point (c)) if the company is controlled or, failing that, up to 50% of the composition of the board);
- members with no more than five mandates in listed companies and no more than two mandates in total for executive directors;
- at least one director representing the employees; and at least one director representing the shareholders and/or with shareholder competence;
- one independent senior director in the event that the Chairman and Managing Director roles are combined;
- From a Chairman of the Board who holds no other chairmanship outside his/her group.

The role of the senior director must be formalised in the articles of association or in the internal regulations of the board and shall include various tasks, including those of:

- monitoring and managing conflicts of interest of executive directors and other board members. This will include taking preventive action in the form of raising the awareness of the relevant parties on the existence of facts that give rise to conflicts of interest. Mandarine Gestion considers that there is a benefit to declaring these a priori rather than a posteriori;
- Drafting the agenda for board meetings with the Chairman and adding additional points where necessary;
- Convening the board on an exceptional basis, if required;
- ensuring compliance with governance within the board and special committees;
- accounting for his actions at the general meeting.

Shareholder representativeness and competence on the boards:

- Shareholder representativeness on the board: Shareholders must be represented on the board of directors. In companies with diversified capital, it is recommended that a process be set up for recruiting one or more directors representing minority shareholders.
- Shareholder competence: Mandarine Gestion is also committed to ensuring that the board of directors includes a significant representation of shareholder competence. Beyond the representation of shareholders on the board of directors, the point is to ensure that the board

of directors includes members whose professional background gives them an in-depth knowledge of shareholder issues. These include, for example, investor relations managers, financial directors, investment fund managers or partners in investment or capital allocation structures.

More generally, we consider it important that shareholders be able to vote on each proposed appointment as director individually. They should also have access in the most transparent fashion possible to information (CV, biography, expertise brought to the company, etc.) on each candidate proposed before each meeting.

iii. Board independence

Mandarine Gestion considers it reasonable that the proportion of independent directors should be half of the board members in companies with diversified capital and no controlling shareholders. In controlled companies (i.e. with a reference shareholder holding at least 30% of the voting rights and no other or shareholder holding a greater fraction), the share of independent directors must be at least one third. Exceptions shall be allowed for family-run groups in particular.

To be defined as “free of conflict of interest”, the director (or supervisory board member) must not be in any situation that could lead to a conflict of interest.

In particular, s/he must not:

- be an employee or executive director of the company or any of its affiliates, nor have been so in the last five years;
- be an employee or executive director of a significant shareholder of the company or any of its affiliates;
- be an employee or executive director of a supplier, client, commercial, banking or financial partner of the company or any of its affiliates;
- have been an auditor of the company in the past five years;
- be a member of the board of directors or the supervisory board of the company for more than 12 years;
- be a shareholder of the company holding less than 3% of the share capital.

iv. Information on the functioning and the work of the boards

We consider it necessary that a company provide complete information on the proper functioning of the board to its shareholders: including the attendance of the directors, report on the evaluation, functioning and work of the board.

Significant shortfalls affecting overall performance (financial, corporate, social, environmental, governance, reputation, etc.) may lead to a vote of abstention or even a negative vote for the renewal of one or more directorships.

v. Committees reporting to the Board

Given the complexity and diversity of the board's tasks, and taking into account the various degrees of expertise of the directors on all subject matters, the management company considers it desirable that the board establishes specialised committees. The creation of specialised committees (comprising 3 to 5 members, for example) is a good way to meet these requirements and also to avoid conflicts of interest.

We consider it positive for the company to set up three committees:

- an **audit committee** responsible for examining the company's accounts and in direct relationship with the statutory auditors in order to keep abreast of their programme of work. We will vote against the associated resolutions if the audit committee has clearly failed in its duties towards company shareholders (transparency concerning the auditor's fees, omission of disputed regulated agreements, etc.);
- an **appointment or selection committee** tasked with finding and appointing members to the board of directors and executive directors. We will vote against the associated resolutions if

the appointment committee does not provide sufficient information on the succession of directors or if the composition of the board is unbalanced;

- a **remuneration committee** which ensures that the remuneration of managers and directors is compatible with the interests of the company and its shareholders. The committee defines the (fixed and variable) remuneration, the allocation rules, the recruitment and severance conditions of the managers and their retirement plans. We will vote against resolutions related to the remuneration of executives and directors if there is insufficient information on the remuneration policy for the latter.

New in 2021: Mission of boards

Mandarine Gestion encourages companies, particularly French ones via the Pacte Law, to reflect on their Rationale and to consult all stakeholders, including shareholders, beforehand.

e. Transparency, consistency and fairness of remuneration

i. Remuneration for executive managers

Mandarine Gestion demands greater transparency regarding the amounts and methods of calculating direct and indirect, or deferred, individual remuneration for executives. The remuneration policy must form part of a principle of correlation between the performance of the manager and those of the company, and be discussed at least once a year by the board. Mandarine Gestion recommends that executive directors hold (in risk) a significant number of shares in the company and that the information on holding these shares be provided to shareholders.

The following will be closely analysed:

- the nature of integrated qualitative and quantitative criteria;
- the calculation methods used;
- the objectives set and their levels of achievement.

To the extent that the company's overall performance depends on properly managing relationships with all parties involved, we advocate including extra-financial criteria when calculating the remuneration for executive managers in line with the AFEP MEDEF code (for French listed companies).

The allocation of stock options must provide incentives for and promote loyalty among the company management. Issued without a discount, and defined in advance for certain periods, they must facilitate an effort of transparency regarding the allocation criteria and the number of beneficiaries. Mandarine Gestion will reject stock option plans offering a discount on the share price.

Allocations of bonus shares with the same allocation and transparency criteria as stock options must provide incentives for and promote loyalty among most of the company's employees. They cannot exceed 0.5% of the company capital. Mandarine Gestion also favours the communication of the breakdown of bonus shares distributed to officers and employees.

In total, subscription options and bonus shares may not amount to more than 10% of the share capital (except in the specific case of small and mid caps).

Any resolutions relating to supplementary retirement schemes and other forms of remuneration for retirement entered into by the company must take the following principles into account:

- seniority (at least two years in the company);
- strict progressiveness;
- base limited to 3% of the annual remuneration used as a reference for calculating the pension, per year of seniority;
- Presence of stringent performance criteria.

Equity ratio:

In accordance with the Pacte Law,³ French companies must each year publish in their governance report an equity ratio measuring the difference between the remuneration of each manager and the average and median remuneration of full-time employees.

However, for greater consistency, Mandarine Gestion would like French companies to calculate this equity ratio on the basis of the workforce in France and the workforce worldwide (the Pacte law only introduced an obligation on the listed parent company).

Mandarine Gestion reserves the right to vote against the remuneration of an officer, on a case-by-case basis, if the equity ratio is not published, or if it is trending upward, in view of the social context and in comparison with the area of activity.

ii. Remuneration for non-executive managers

It is also necessary for the company to provide detailed information on the terms and criteria for distributing attendance fees to the directors and as well as explanations on any developments with the amounts allocated.

Mandarine Gestion supports the payment of attendance fees for directors on the board, depending on the standards and practices of the country and the sector. In order to better guarantee the independence of directors, a variable amount shall be allocated on the basis of attendance rather than on the basis of the company's performance.

The board of directors or the supervisory board approves the remuneration for the non-executive chairman of the board in relation to the tasks for which he is responsible. The remuneration for the non-executive chairman of the board must not put said person in a position of conflict of interest. It would be preferable to limit this remuneration to the median remuneration of the chairmen of the board of companies of the same size and in the same sector of activity. Mandarine Gestion does not support the payment of a variable amount to the non-executive chairman of the board.

As regards the health and economic crisis that affected the 2020 financial year, Mandarine Gestion will be attentive to:

- The equitable distribution of efforts between managers, employees and shareholders (principle of consistency and exemplarity)
- Perfect transparency and explanation for any revisions to previously approved policies
- Proportionality of the annual variable remuneration awarded to executives according to the company's recourse to State aid;

f. Transparency and control of financial and extra-financial information

i. Approval of accounts

Mandarine Gestion approves the accounts when the report from the statutory auditors is included in the management report and no reservations have been expressed. The dividend policy is another important element and must be consistent with the evolution of the company's results and debt levels. Regarding dividend payments, the voting decision will be based on the financial situation of the company, the percentage allocated to the distribution, and coverage of the dividends.

ii. Statutory auditors

Appointment and rotation:

³ LAW no. 2019-486 of 22 May 2019 relating to the growth and transformation of companies

In keeping with the European audit reform, there must be a rotation of the statutory auditors every 10 years and of the co-statutory auditors every 24 years. Mandarinine Gestion is unfavourable to appointments when they do not provide the necessary guarantees (experience, skills, term of office exceeding the legal limits). Moreover, we will vote against the appointment of deputy statutory auditors when they are directly or indirectly affiliated with the incumbent statutory auditors who do not satisfy the criteria listed below.

Remuneration:

Mandarine Gestion would like fees paid to the statutory auditors for tasks other than for certifying the accounts (board, etc.) not to exceed 50% of the fees for certification. Otherwise, we will vote against the resolution in question.

iii. Regulated agreements

Mandarine Gestion may be led to vote against resolutions concerning regulated agreements if said resolutions do not reflect the interests of the minority shareholder or if the information available is not sufficient to assess the merit thereof.

g. Conflicts of interest

With regard to the prevention of conflicts of interest, Mandarinine Gestion has undeniable advantages:

- As an independent management company, it is independent of any financial institutions with multiple activities that may cause conflicts of interest and has full autonomy in terms of financial management, its business strategies and its choice of partners and providers;
- The company only operates in one area, in this case collective management on behalf of third parties, and there is no source of conflicts of interest from the coexistence of several competing businesses.

In accordance with Mandarinine Gestion's code of ethics and conflict of interest management procedure, employees are particularly attentive and made aware of compliance with all provisions relating to conflicts of interest.

In particular, they cannot use means implemented by Mandarinine Gestion to perform transactions on their own account. Their financial transactions are also controlled. Employees are required to report their market transactions on a quarterly basis and at least once a year. The management company's Head of Compliance and Internal Control ensures compliance with these provisions on a regular basis.

In this context, the management company feels it has reasonable grounds for believing itself to be free of any conflicts of interest that may affect the free exercise of voting rights.

In any event, the Head of Compliance and Internal Control shall ensure the correct application of Mandarinine Gestion's "voting policy".

h. Reports and communications

i. Overview and report of the exercise of the voting policy

A statistical overview is included in Mandarinine Gestion's annual report. The annual report is prepared within four months of the company's financial year-end, which takes place at the end of December. This report details the number of companies for which the management company has exercised its voting rights in relation to the number of companies in which it holds such rights. It will also specify any cases in which the management company deemed that it could not comply with the principles

contained in its voting policy, as well as any possible cases of conflict of interest. This report is forwarded to the AMF and made available to UCI unitholders requesting it from Mandarine Gestion.

ii. Communications upon request

Mandarine Gestion remains at the disposal of the AMF and any UCI unitholder or shareholder who requests a detailed report. It is also happy to provide information on any resolutions that it voted against or at variance to the principles of its voting policy.

4. Cooperation with other shareholders

Mandarine Gestion reserves the right to participate in shareholder coalitions that collectively put pressure on companies to adopt ESG best practices.

Since 2014, we have participated in collaborative engagement initiatives, such as the FIR Dialogue and Engagement commission (Responsible Investment Forum). After focusing on the tax practices of CAC 40 companies in 2019, the 2020 campaign was focused on ESG questions written for CAC 40 AGMs.

In addition, as a signatory of the UN PRI since 2012, Mandarine Gestion also has the opportunity to participate in numerous shareholder coalitions which are offered regularly. As the climate issue grows, Mandarine Gestion will be able to join coalitions with partner initiatives such as Climate Action 100+.

Since 2021, Mandarine Gestion has been a signatory to the Finance for Biodiversity initiative and is part of the working groups on shareholder engagement and impact measurement related to biodiversity in asset management.

5. Communication with relevant stakeholders

We interact with several stakeholders to conduct the ESG analysis and shareholder engagement of Mandarine Gestion. We interact with the following in particular:

- Local financial management organisations (AFG, AMF, etc.)
- Brokers
- NGOs
- Media
- ESG data providers
- Investors
- Customers
- Our shareholders

6. Prevention and management of real or potential conflicts of interest in relation to their commitment

With regard to the prevention of conflicts of interest, Mandarine Gestion has undeniable advantages:

- As an independent management company, it is independent of any financial institutions with multiple activities that may cause conflicts of interest and has full autonomy in terms of financial management, its business strategies and its choice of partners and providers;
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In this context, the management company feels it has reasonable grounds for believing itself to be free of any conflicts of interest that may affect the free exercise of voting rights.

In any event, the Head of Compliance and Internal Control shall ensure the correct implementation of this document.

REPORTING

The results and tangible benefits of Mandarine Gestion's shareholder engagement initiative are published in an annual document. To consult this document, please refer to our Voting and Shareholder Engagement Report 2021 available on our website at the following address:

<https://www.mandarine-gestion.com/INT/en/responsible-investment>