

NICHE ASSET MANAGEMENT LTD

ENGAGEMENT POLICY AND PROCEDURE

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Purpose and Objectives

The purpose of this Engagement Policy is to outline Niche Asset Management Ltd (“Niche AM” or “NAML”) approach to engaging with investee companies and stakeholders. This policy is designed to foster sustainable, long-term growth in line with our fiduciary duty to clients and shareholders. Our engagement activities are aligned with principles of responsible investment, regulatory standards, and our commitment to addressing environmental, social, and governance (ESG) issues.

Application

This policy applies to all investment activities conducted by NAML. It covers interactions with companies in which we hold investments and other stakeholders, such as clients, regulators, and industry associations.

Policy

NAML adopts a positive, proactive and collaborative engagement strategy, prioritizing direct communication with investee companies. Where necessary, Niche AM will also engage in a reactive fashion following controversies or when it considers direct contact beneficial for addressing sustainability performance and related concerns, and reporting practices – particularly if these exhibit negative trends or deterioration. Overall, engagement is a key part of NAML’s Responsible Investment strategy.

Some of the key issues our engagement programme focuses on, but is not limited to, include:

- Sustainability factors and indicators, including the Principal Adverse Impact (PAI) indicators. Among others, the following topics are especially touched upon: carbon footprint, renewable energy, improving sustainability reporting.
- Promotion of awareness of Sustainable Development Goals (SDGs) as defined by the United Nations.
- Labour, customer, supply chain management and human rights.
- Corporate governance, executive pay, gender diversity and equal opportunities.
- Controversies found in relation to international norms and standards such as the UN Global Compact and the OECD Guidelines, negative news flow or sanctions list updates.

Managing Actual and Potential Conflicts of Interest

NAML is committed to identifying, managing, and disclosing any actual or potential conflicts of interest in our engagement activities. We have established a *Conflict-of-Interest Policy* that outlines procedures to mitigate conflicts, ensuring that our

engagement activities remain aligned with our clients' best interests and our fiduciary obligations. Any conflicts identified are disclosed transparently to clients as required.

Procedure

The goal of Niche AM's engagement efforts and their reporting are to interact with all companies in the mid to long term, fostering a positive impression that encourages greater resource allocation towards sustainability. Our mission is to introduce investors to underrepresented geographies, pioneering the gradual improvement of sustainable business practices in areas where sustainability issues are not yet widely addressed.

NAML aims to actively engage on material sustainability issues with 100% of the investee companies held in the portfolio (above the threshold of 90%).

The starting point for engagement is the ESG analysis. The ESG findings, in fact, are used to set objectives to improve any practices that are deemed weak. The engagement activity therefore takes the form of alerting companies to ESG risks, proposing solutions to ESG challenges and moving towards best practices in managing ESG issues. In addition, engagement also includes the promotion of awareness of the SDG goals where they have not been explicitly supported by the firm.

NAML will diligently record its engagement efforts with investee companies, by way of emails, calls, videocalls, meetings, relevant documentation, and standardised or personalised forms on sustainability created by the Investment Manager.

If a firm which does not meet the minimum ESG criteria shows no progress in willingness to improve sustainable business practices from constructive engagement, Niche AM will divest the associated stocks within 18 months of their addition to the portfolio.

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