

# STEWARDSHIP REPORT

2025

BOUSSARD &  
GAVAUDAN

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## IMPORTANT INFORMATION

Boussard & Gavaudan Investment Management LLP is regulated by the UK Financial Conduct Authority (FRN: 61226) and, in conjunction with its affiliates ("BG" or the "Firm"), adheres to the principles of the UK Stewardship Code 2026 and the Shareholder Rights Directive II as transposed into UK regulation.

This report has been prepared in line with the two-part reporting structure of the UK Stewardship Code 2026. It combines the Firm's Policy and Context Disclosure (Part 1) and its Activities and Outcomes Report for the 2025 reporting period (Part 2) into a single document for the convenience of readers, as permitted by the Financial Reporting Council.

In order to offer full, fair and balanced transparency, the names of companies included in case studies have been redacted. This is to ensure that we can present both positive and negative cases of engagement without it having a detrimental effect on positions which may continue to be held by the funds we manage. Investors are invited to request further information should they require more details on our stewardship activity.

This report should be read in conjunction with our annual Engagement Report and ESG and Responsible Investment Policy published on our website [www.boussard-gavaudan.com](http://www.boussard-gavaudan.com).

Distribution of this document outside the United Kingdom may be restricted by law and persons who request or agree to receive this report are required to inform themselves of, and to comply with, any such restrictions.

This document does not constitute or form part of any offer to issue or sell, or any solicitation of any offer to subscribe or purchase, any investment, nor shall it or the fact of its distribution or communication form the basis of, or be relied on in connection with, any contract therefore.

The value of investments can go down as well as up and you may not recover the amount of your original investment. Past performance should not be taken as a guide to future performance.

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## FOREWORD

Boussard & Gavaudan ('BG') is an alternative investment management group based in London, Paris and New York serving a global client base. Our focus remains on delivering positive outcomes for investors through uncorrelated returns and a strong commitment to responsible investment practices and transparency.

BG is pleased to present this Stewardship Report, prepared in line with the UK Stewardship Code 2026. This report sets out how the Firm has applied the Principles of the Code over the reporting period, describes the activities undertaken across our investment strategies, and explains the outcomes achieved for the funds and clients we serve.

Since its founding, BG has sought strong governance in investee companies and has regularly engaged with management on key issues. As a UNPRI signatory since 2016, BG remains steadfast in its commitment to responsible investment practices.

2025 proved to be one of the most complex periods in recent memory, both for BG and for the broader hedge fund industry. Persistent geopolitical tensions, including the ongoing conflicts in Ukraine and the Middle East, escalating trade frictions, and the broader realignment of global supply chains, weighed on sentiment throughout the year. These were compounded by a shifting monetary policy backdrop, divergent central bank paths across major economies, and renewed concerns around sovereign debt sustainability, all of which contributed to elevated volatility and required disciplined positioning. Against this backdrop, BG's strategies demonstrated

resilience, with active engagement and sector-specific dislocations creating opportunities that supported performance through the year, reaffirming our conviction that proactive stewardship is a meaningful contributor to value creation, particularly in volatile conditions.

As an independent manager, BG continues to welcome the direction of travel on regulatory simplification across the UK and EU, including ongoing work to streamline sustainability disclosure frameworks and reduce duplication across overlapping regimes. A more proportionate regulatory environment allows firms of our size to direct greater resources toward investment activity and client service. At the same time, client expectations around ESG and stewardship reporting have continued to evolve, with a clear shift away from standardised disclosure templates toward more substantive, outcomes-focused engagement reporting. BG has responded by further developing its bespoke reporting capabilities, providing clients with clearer insight into how ESG considerations shape our investment process and how stewardship activity translates into measurable outcomes.

As always, we value your feedback on our disclosures and reports. Should you have questions or suggestions please contact [bgir@bgam-fr.com](mailto:bgir@bgam-fr.com).



A stylized, handwritten signature in blue ink, consisting of several overlapping loops and lines.

**Rubens Serenade**  
Chief Executive Officer

**PART 1**

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# **POLICY & CONTEXT DISCLOSURE**

*Background information on our organisation, governance, resources, policies and processes that underpin our stewardship approach*

**DISCLOSURE A**

## Organisation, Investment Beliefs & Approach to Stewardship

*Describing our organisation, our investment beliefs, the clients and beneficiaries we serve, and how that informs our approach to stewardship.*

### What the Firm Does

Boussard & Gavaudan (the 'Firm') is a European asset management Firm, focused on alternative investment strategies. Our primary purpose is to generate long-term, risk-adjusted returns for our clients, deploying a multi-strategy investment approach which combines robust fundamental analysis with deep expertise in financial instruments.

The Firm invests across asset classes and investments are screened to focus on events, catalysts and arbitrage opportunities. Combining deep analysis with strong risk management and trading expertise is key in delivering idiosyncratic and uncorrelated returns. As such, a large part of the Firm's activity revolves around identifying exposures, selecting assets which appropriately compensate investors and establishing the most efficient strategy to mitigate risks while realising value.

Assessing a company's corporate governance practice and engaging with companies has always been part of BG's investment process. The Firm firmly believes that corporate governance is an important factor in the performance of companies and that the resolution of identified issues can be a powerful catalyst to unlock value. BG's investment strategy based on deep, fundamental, and exhaustive analysis of risks combined with a focus on maintaining market neutrality allows the Firm to participate in complex situations, providing the liquidity necessary for well-functioning markets, while delivering on our clients' investment objectives by generating attractive risk adjusted returns.

In 2020, Boussard & Gavaudan formalised its commitment to maintaining an investment practice that incorporates Environmental, Social, and Governance ("ESG") factors as well as responsible investment considerations to best serve its client's interests. The Firm's ESG and Responsible Investment Policy seeks to ensure the long-term interests of investors continue to be adequately protected by the Firm.

### Culture

Boussard & Gavaudan was founded in 2002 and is 100% owned by its founders and partners. As such, BG has a long-term partnership culture, which is fundamental to the investment approach and is embedded into all aspects of the company. The Firm's culture is supported by thorough screening at the recruitment stage and a Remuneration Policy designed to foster a long-term approach by aligning and incentivising a long-term approach to risk taking.

Remuneration at BG is split between a fixed salary and a variable bonus assessed on an annual basis. The provisions of the Remuneration Policy are designed to discourage excessive short-term risk taking and protect the interests of the Firm's clients. This is achieved by ensuring incentives align the interests of staff with that of its clients.

In determining variable remuneration, consideration is given to the member of staff's adherence to the Firm's policies and procedures, including the Firm's ESG and Responsible Investment Policy. The provisions of the Remuneration Policy result in the interests of staff and partners being inextricably linked to the long-term framework of the Firm which includes consideration of sustainability risks and their integration into the Firm's processes and culture. The Firm believes its Remuneration Policy is conducive to achieving superior long-term returns for its clients whilst maintaining the highest standards of conduct.

Operating from the US, UK and France, the Firm believes that having a diverse mix of skills, perspectives and expertise is a key driver for success. Employees are encouraged to express themselves freely and are rewarded based on merit and the success of the Firm as a whole. BG's culture and alignment of interests contribute to a collaborative decision-making approach which in turn foster individual responsibility and innovation.

The Firm's small size of 55 employees, a simple flat-structure and low turnover, allow the firm to remain dynamic and agile with each of its employees able to make material contributions to the direction of the business.

BG has 19 partners with an average of 27 years of experience in the industry. The five-person Investment Committee average 28 years of industry experience with 21 years at BG. Many within the Investment team have been with the firm for more than 10 years. BG Fund is supported by \$229m of long-term capital from a recently launched Irish feeder fund. In a further alignment of interests through "skin in the game", BG's partners and employees have \$334m invested in BG's funds alongside investors.

## **Supporting stewardship**

BG's investment strategy places particular attention on the identification of risks and the determination of the most efficient strategy for hedging, eliminating or mitigating these risks. The Firm's investment team carefully assess investee companies' potential environmental, social and governance issues and how they could be resolved.

One of the ways risks can be mitigated is through effective stewardship. Engaging with investee companies is a central pillar of BG's non-quantitative equity investment strategies and is a key input in the investment process. Our team of 25 investment professionals, operate a number of different investment strategies with a focus on corporate actions, capital market events and arbitrage. BG's 6

fundamental sector analysts use their extensive knowledge and experience to make investment recommendations to the Firm's Investment Committee.

BG's compensation structure also incentivises the investment team to engage with companies and search for effective solutions to any issues identified. Analyst compensation is linked to the long-term success of their investment ideas, promoting the effective management of risks and ensuring analysts are motivated to vote and engage with company management.

## Implementation

Companies that are facing specific issues and are taking steps to resolve them represent potential investment opportunities, as the resolution of issues is often a strong catalyst for re-rating of the underlying company. For this reason, BG's investment approach does not consist of systematically excluding companies with potential issues and is instead centred around identifying risks and paths that can lead to their resolution or mitigation.

The Investment Committee reviews the investment thesis and weighs up the merits of an investment, assessing the alignment with BG's investment beliefs, the risk reward profile, and the appropriate engagement strategy for the position. As well as conducting its own proprietary research, BG sources investment research from third parties to complement and contrast the views of its analysts while also gaining access to industry specialists.

Engagement with investee companies forms part of the initial due diligence conducted by analysts on potential investments and is also part of the Firm's ongoing monitoring and oversight of investments. BG's analysts interact with investee company management in a variety of settings such as one-on-one meetings, group meetings with other investors or during conferences. Different settings can provide valuable insight into other investors in the company and inform our approach. At times, joining collective action with other shareholders can be a useful way for BG to amplify the effect of its stewardship activity.

## Outcomes

BG's investor base is largely composed of institutional and professional investors and the Firm enjoys a high investor retention rate. The Firm's sales and investor services team regularly have meetings with clients, inviting them to contribute ideas and provide feedback.

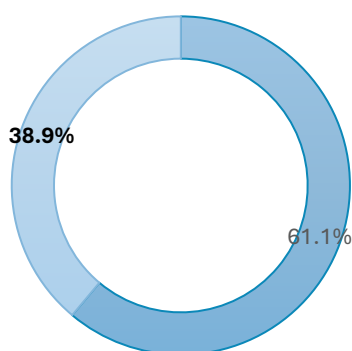
In order to provide investors with transparency on BG's stewardship activity, investors are provided with a quarterly report on ESG and Responsible Investment which includes details of engagement and voting activity during the quarter. This enables investors to query BG's decisions which in turn drives improvement in policy and procedure so the Firm can continue to meet the needs of its clients.

## Clients We Serve

BG is a small-to-medium client-focused asset manager. Given the investment horizon of its products, the Firm is focussed on developing strong and long-lasting partnerships with sophisticated professional and institutional investors. BG’s investor base is largely composed of institutional and professional investors and the Firm enjoys a high investor retention rate.

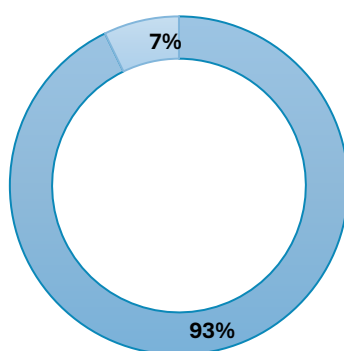
### Breakdown of AUM

AUM by client Type  
(% of AUM)



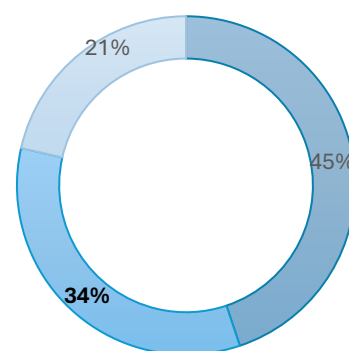
■ Institutional ■ Professional

AUM by Fund Type  
(% of AUM)



■ AIF ■ UCITS

AUM by Country  
(% of AUM)

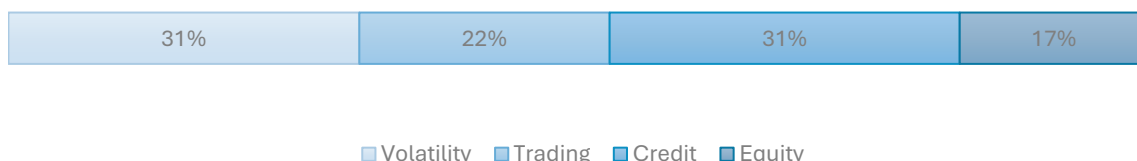


■ EU ■ UK ■ North America

Data as at 31st December 2025.

## Assets Under Management by Strategy

The Firm applies a multi-strategy, multi-asset approach. AUM exposure by strategy type is shown below, reflecting the dynamic allocation of capital across volatility, equity, credit and trading strategies:



■ Volatility ■ Trading ■ Credit ■ Equity

Data as at 31st December 2025.

100% of the Firm’s AUM is managed directly by BG in-house. BG does not invest through external managers and therefore does not report on Principle 5 (selection and oversight of external managers) in Part 2 of this report.

## Investment Beliefs & Stewardship Strategy

Assessing a company's corporate governance practice and engaging with companies has always been part of BG's investment process. The Firm firmly believes that corporate governance is an important factor in the performance of companies and that the resolution of identified issues can be a powerful catalyst to unlock value. BG's investment strategy — based on deep, fundamental, and exhaustive analysis of risks combined with a focus on maintaining market neutrality — allows the Firm to participate in complex situations, providing the liquidity necessary for well-functioning markets, while delivering on our clients' investment objectives by generating attractive risk-adjusted returns.

In 2020, Boussard & Gavaudan formalised its commitment to maintaining an investment practice that incorporates Environmental, Social, and Governance ("ESG") factors as well as responsible investment considerations to best serve its clients' interests. The Firm's ESG and Responsible Investment Policy seeks to ensure the long-term interests of investors continue to be adequately protected by the Firm.

BG's ESG and stewardship strategy is built on three key pillars:

**Integration:** BG considers ESG as part of its investment decision-making process, particularly where issues identified are relevant to the specific investment thesis.

**Engagement:** BG seeks to obtain appropriate disclosure of ESG issues from investee companies and engages with investee companies for which it has identified specific issues or concerns.

**Transparency:** At portfolio level, BG calculates exposure to a variety of ESG metrics and communicates results to investors through quarterly reports.

The three pillars apply across all geographies and cover over 57% of invested assets. Quantitative strategies are only subject to the transparency pillar due to the high number of positions and their shorter holding periods. As at the end of 2025, over 57% of AUM was integrated with BG's ESG policy.



## Responsible Investment Milestones

BG’s approach to responsible investment and stewardship has been built progressively over time. Since its founding BG has sought strong governance in its investee companies. In 2008 the Firm joined the Standards Board for Alternative Investment and it consolidated its commitment in 2016 becoming a signatory to the UN Principles for Responsible Investment.

In 2020 BG became a signatory to the Task Force on Climate related financial disclosures. This came at the same time as BG introduced its first ESG and Responsible Investment Policy which formalised our approach to responsible investment and ESG integration.

In 2021 BG began to offset its carbon footprint through approved schemes and BG became a supporter of the Paris Agreement.

In 2022 BG signed up to the Say on Climate initiative which campaigns for better disclosure and reporting from companies.

Following the introduction of the EU Sustainable Finance Disclosure Regulation in 2021 and subsequent regulatory guidance, since 2022 all of BG’s funds are classified as Article 8 ,promoting environmental or social characteristics.

In 2024, BG was accepted as a signatory of the UK Stewardship Code, committing to produce this annual report in accordance with the Principles of the Code.

BG is keeping a close eye on regulatory developments, including the European Commission’s review of the Sustainable Finance Disclosure Regulation.



**2008**

In 2008 BG first became a signatory of the Standards Board for Alternative Investment

**2016**

In 2016 BG became a signatory to the UN Principles for Responsible Investment



**2020**

In 2020, BG first became a signatory to the Task Force on Climate Related Financial Disclosures



**2021**

BG first began offsetting its carbon footprint through a recognised scheme in 2021



**2022**

BG classified its funds as Article 8 under the Sustainable Finance Disclosure Regulation

**2024**

BG was accepted as a signatory to the UK Stewardship Code in 2024



## DISCLOSURE B

## Governance & Resources

*Describing how our governance structure, resources and technology enable effective stewardship.*

### Governance Structure

Boussard & Gavaudan has a long-term partnership culture which drives all decisions taken at the company, from internal management to investment decisions. Since 2002, the main Partners at the Firm, alongside the founders, Emmanuel Boussard and Emmanuel Gavaudan, have worked closely together building experience and shared values over time. Their collective values, knowledge and experience drive the Firm's goal of achieving the best long-term outcomes for its clients.

Responsible stewardship of assets is one of the ways BG sets out to achieve positive long-term outcomes for its investors. BG supports its Stewardship activity with dedicated front office staff overseeing and collaborating in the day-to-day implementation of the Firm's Proxy Voting and Engagement policies. Oversight is further provided by the Firm's Compliance function and the ESG and Responsible Investment Committee.

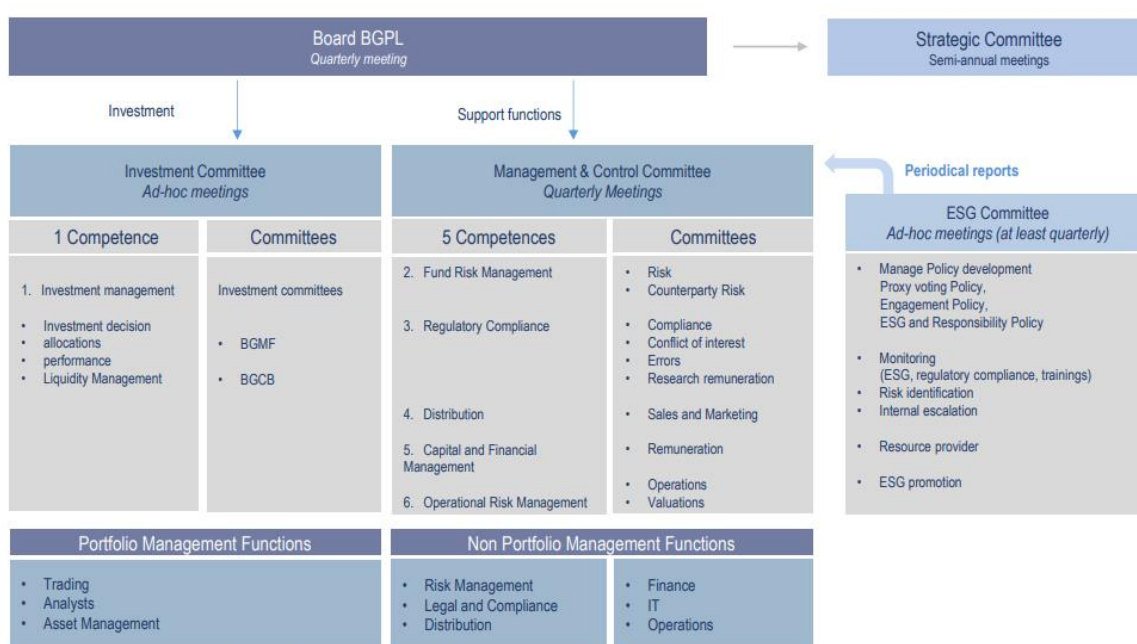
Committees across the Firm are integrated by a diverse team with a wealth of experience in the industry and meet on a frequent basis to ensure a healthy exchange of ideas and to provide adequate oversight. The Firm's small size and flat structure supports effective communication and rapid action, while avoiding and preventing some of the conflicts of interest that can arise at larger entities. As can be seen from the governance structure below, BG operates through a number of committees of which the ESG, Management and Control, Strategic and Investment Committees are all involved to some degree in the monitoring of ESG risks and ensuring stewardship activity is conducted in line with the Firm's policies.

The ESG Committee is integrated by members from across the Firm's main business units and acts as a forum for responsible investment topics whilst also monitoring implementation of the Firm's ESG and Responsible Investment policy. ESG specific data is used as a high-level screen by the Investment Committee during the due diligence process for a potential investment. When the potential investee companies have ESG issues or controversies, identified as high risk by Sustainalytics, the Investment Committee makes sure that they are integrated in the investment case. This can impact the position size and lead to establishing an engagement strategy. The ESG Committee reviews stewardship activity on at least a quarterly basis, providing oversight of the Firm's engagement and voting activity during the period.

BG's size, flat structure, diversity and remuneration culture, incentivise innovative problem solving, realistic risk control and effective stewardship. The Firm is committed to avoiding groupthink and conformism which can lead to negative and dysfunctional outcomes.

The Firm seeks to combat groupthink and conformism by applying the provisions of its Diversity & Inclusion Policy. The main elements of this policy, available on our website, include encouraging equality and diversity across the Firm and ensuring healthy debate and discussion can take place by providing a collegiate environment free of any bullying or discrimination. The Diversity & Inclusion Policy also sets out the Firm’s intent to help all staff reach their full potential by ensuring training and development opportunities are available. BG firmly believes its strength lies in the quality and motivation of its people.

### Boussard & Gavaudan Group - Governance



### Resources

BG seeks continuous improvement of its processes, procedures and outcomes by identifying expertise, tools and resources which can deliver enduring benefits to the Firm’s long-term objectives, including those relating to Stewardship.

To this end BG has contracted the services of Sustainalytics and Bloomberg to provide ESG related data which assists in identifying and informing stewardship activity. In choosing ESG providers, the Firm conducted a thorough review of methodologies used by providers to ensure they aligned with our internal approach to ESG. Datapoints are frequently reviewed and contrasted to ensure they remain accurate.

In recent years, the Firm has built upon its progress in integrating ESG and responsible investment significantly. The Firm’s Management & Control committee, in coordination with the ESG Committee has been driving a training programme to ensure staff can adequately implement new policies and

produce reliable client reporting. BG believes that effective long-term stewardship stems from a skilled and experienced team. To this end, BG uses a third-party e-learning provider to support its own internal training programme.

In 2021, upon the request of senior management and under the supervision of the ESG Committee, the Firm held several dedicated training sessions on ESG. A live training session in Q1 saw a guest speaker and expert in the field deliver an interactive masterclass to staff on ESG in financial services and the integration of ESG into the investment process.

Live training continued in 2022 with the Firm holding a live training session on the Say on Climate initiative. The session explained the initiative and how it impacted BG specifically. In particular, the session covered how BG would engage with companies on climate as well as the reporting that would be produced for investors.

In 2025 the Firm once again rolled out online training modules for staff to complete, providing a more structured and general overview of ESG in asset management and encourages staff to complete training on the UN CC:e-Learn platform.

BG also uses third-party data providers to assist with its integration of ESG and responsible investment. ESG data is used for the on-going monitoring of positions as well as part of the initial due diligence process and thesis formulation. Wherever outlying data points, new items, or potential controversies are identified, the Firm's Risk Committee is notified and reviews the potential impact on shareholder value. Whilst there are currently no defined industry-standard ESG risk-metrics, BG believes using ESG data as an overlay for risk control is a useful addition to its traditional sources of information.

## **The ESG Committee**

BG's ESG Committee is entrusted with ensuring the Firm complies with policies and commitments in relation to ESG and responsible investment. The ESG Committee is also tasked with identifying opportunities and initiatives that could benefit the Firm, its clients, staff and society more widely.

The Committee is integrated by representatives of various teams across the Firm's functions and locations bringing a wealth of experience. Three members of the Committee have passed the CFA Certificate in ESG Investing with others currently undertaking training.

The ESG Committee meets on a quarterly basis to provide oversight of ESG integration and policy. During its meetings the Committee receives updates on upcoming ESG regulation, investor feedback and discussed new initiatives and proposals relating to ESG and responsible investment.

The Committee oversees, amongst other things, the Firm's carbon offsetting program which has been running since 2021 and seeks to offset the Firm's carbon footprint generated from its business activities by financing the planting of trees through verified programmes on an annual basis.

Looking forward to 2026 the Committee is working on corporate social responsibility initiatives, seeking to engage the rest of the Firm in activities that can provide a more direct positive impact on local communities. As of the end of 2025, the Committee is made up of the following members of staff:



**FRANCISCO AMADO-WATERS\***  
Head of UK  
Compliance



**LUQIAN MAYHEW\***  
Head of Investor Ser-  
vices



**KHALID SALIM**  
US Office  
Administrator



**FRANCOIS CORNU**  
Chief Operations  
Officer



**ANASTASIA PETROVIC\***  
Compliance Analyst



**NICOLAS ROUSSELET\***  
Head of Business  
Development

(\*) denotes holders of CFA Certificate in ESG Investing

## Stewardship Resourcing

Engaging with investee companies is a central pillar of BG's non-quantitative equity investment strategies and is a key input in the investment process. Our team of 25 investment professionals operates a number of different investment strategies with a focus on corporate actions, capital market events and arbitrage. BG's 6 fundamental sector analysts use their extensive knowledge and experience to make investment recommendations to the Firm's Investment Committee.

The governance framework enables the Firm's industry specialist analysts to conduct their in-depth company research and advise on effective stewardship activity, and in particular, voting and engagement with the investee company. BG's analysts will typically review company statements, filings, and market data, as well as research from brokers and other sources to have a complete understanding of investee companies and be able to determine whether the company is mispriced. In addition, analysts review companies in the context of data and research provided by third-party specialist ESG providers to identify material risks and opportunities.

In formulating the investment thesis to be proposed to the Investment Committee, analysts will seek to identify specific value catalysts and engagement strategies to realise shareholder value. Their engagement strategies often include direct communication with management on a particular issue and supporting corporate actions or capital restructuring through the exercise of voting rights.

The Firm's analysts and the Investment Committee ensure BG fulfils its long-term stewardship responsibilities by monitoring positions on an ongoing basis, exercising voting rights where relevant and engaging with management where it is in the best long-term interests of investors.

Capital Goods, Health care & Consumer	Financials	Industrials, Chemicals	Global event-driven	Global event-driven	Global event-driven
Goldman Sachs	Goldman Sachs	Astellon Capital	Goldman Sachs	Credit Suisse	Perry Capital
HEC	L.S.E	L.S.E	M.I.T	University of Notre Dame	Duke University
27 years in Industry 22 years at BG	25 years in Industry 22 years at BG	19 years in Industry 6 years at BG	30 years in Industry 6 years at BG	14 years in Industry 6 years at BG	21 years in Industry 5 years at BG

## External Service Providers Supporting Stewardship

BG uses a number of external service providers to supplement its internal stewardship resources. These are reviewed and monitored by the ESG Committee at least annually. The Firm’s oversight of these providers and activities undertaken to hold them to account during 2025 are reported under Principle 6 in Part 2.

Provider	Service	Last Review
<b>Sustainalytics</b>	ESG data and research	2025
<b>Bloomberg</b>	ESG and financial data	2025
<b>Urgewald</b>	Coal exposure data	2025
<b>Refinitiv</b>	Data	2025
<b>Skillcast</b>	Compliance and ESG training	2025
<b>Broadridge (ProxyEdge)</b>	Voting platform (AIFs)	2025

## Systems and Technology

BG maintains a proprietary portfolio management system into which ESG data from Sustainalytics and Bloomberg is imported monthly to calculate ESG metrics at portfolio level. Stress-testing infrastructure runs approximately 50 scenarios nightly, applying variations to equity, volatility, dividends, yield curves and credit prices at Fund, strategy, account and position level. For voting, BG uses Broadridge’s ProxyEdge online platform for its AIFs and Institutional Shareholder Services (ISS) for its UCITS funds, each of which alerts the investment team to upcoming votes and simplifies record-keeping.

The Firm does not currently use AI-driven tools for stewardship decision-making. Voting decisions are taken by the relevant sector analyst on a case-by-case basis, supported by these platforms for execution and record-keeping rather than for voting recommendations.

## Diversity

The Firm operates from offices in London, Paris and New York, employing around 55 staff from a diverse set of backgrounds. BG believes that a diverse team contributes to more varied thinking leading to better decision-making and outcomes.

Boussard & Gavaudan is committed to improving gender representation across the organisation setting itself targets for senior roles and has committed itself to a Diversity and Inclusion Policy, which can be found in Annex 4 of the ESG & Responsible Investment Policy available on the Firm's website.

The Firm's staff are based across the US, UK and France, with a majority of employees based in Paris. The Firm recognises the benefits of a diverse makeup of staff and firmly believes that having a diverse mix of skills, perspectives and expertise is a key driver for success at the Firm.

## Incentives

The Firm reviews performance of its investment team on a regular basis with formal appraisals held annually. Responsible investment forms an integral part of the investment process at the Firm and as a key tool for driving change, voting and engagement activity is an area investment staff are reviewed on. BG's Remuneration Policy ensures staff are incentivised in line with the long-term interests of its investors, dissuading excessive short-term risk taking.

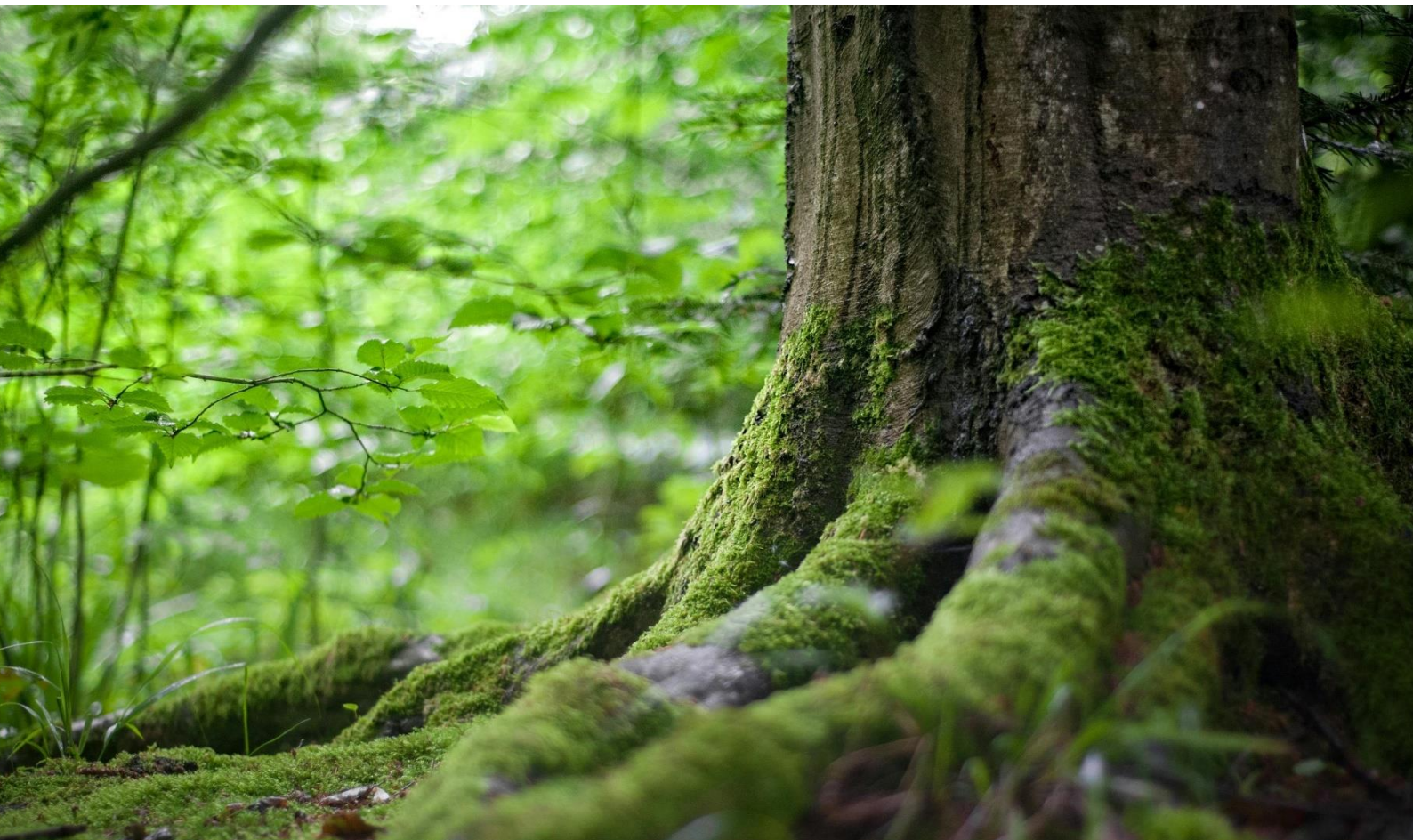
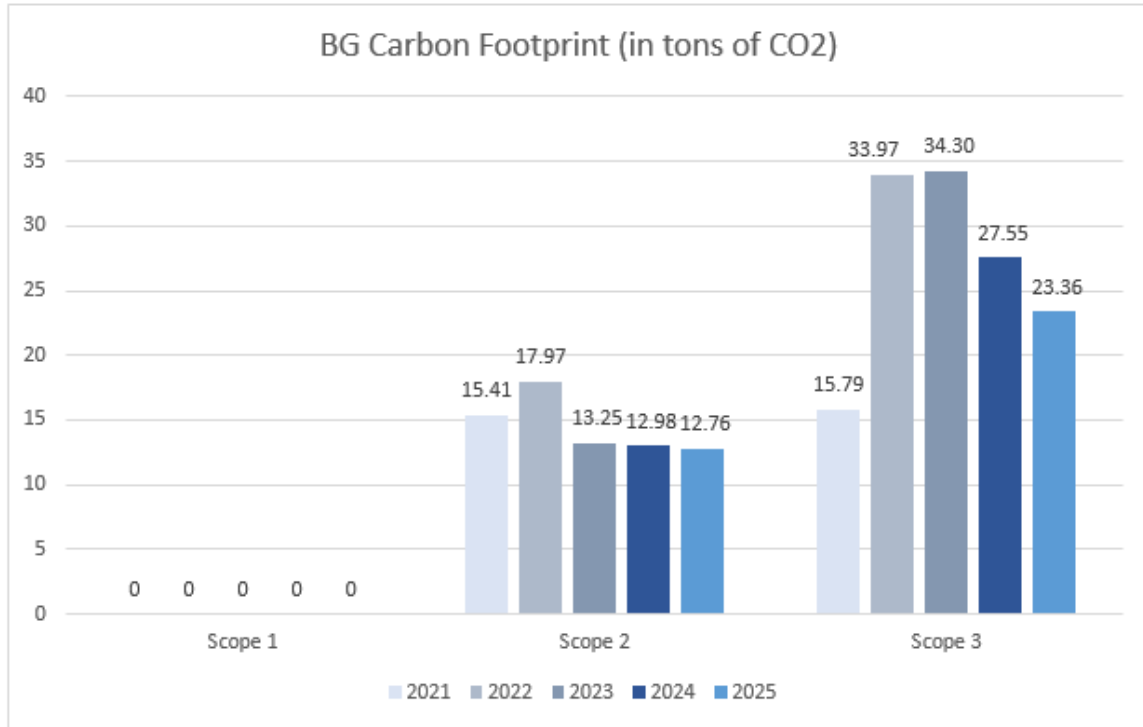
Stewardship activity is a priority for the Firm's Investment Committee and ESG Committee as it often drives the success of the investments made on behalf of clients. The Investment Committee scrutinises investment ideas and reviews voting and engagement activity during the life of an investment, ensuring that stewardship activity is conducted in a way that the long-term economic interest of investors is protected. To this end, the Firm has adopted a Proxy Voting Policy to systematically exercise voting rights in investee companies.

Staff are incentivised to pursue successful long-term outcomes in accordance with the Firm's Remuneration Policy (available at [www.boussard-gavaudan.com](http://www.boussard-gavaudan.com)). The policy requires a significant part of risk-taking staff's variable remuneration to be invested in the Firm's funds through mandatory lock-up requirements. Ownership and investment by management and staff ensures an alignment of interests with clients which ensures stewardship activity is always actively pursued through effective engagement to create long term value for client's, management, and staff.

## Carbon Footprint

Since 2021, BG has measured its carbon footprint annually and offsets its emissions through verified carbon reduction projects in the following year. In line with this approach, BG will offset its 2025 carbon footprint in 2026. Scope 1 emissions continue at 0 given the nature of the activity at the Firm.

The significant increase in BG’s carbon footprint observed in 2022 is primarily attributable to the exceptionally low travel activity in 2021 due to COVID-19 restrictions and the expansion of BG’s New York office. As a result, 2022 provides a more representative baseline for BG’s future carbon footprint, as it reflects the firm’s current level of activity without pandemic-related travel limitations.



## DISCLOSURE C

## Policies, Processes & Review

*Describing our stewardship policies and processes, and how we review them.*

### Stewardship Policies

BG publishes the following policies on its website to enhance transparency. Each of these supports one or more aspects of the Firm's stewardship approach:

- ESG and Responsible Investment Policy
- Proxy Voting Policy (Annex 2 of the ESG & Responsible Investment Policy)
- Coal Policy
- Diversity and Inclusion Policy (Annex 4 of the ESG & Responsible Investment Policy)
- Good Governance Policy
- Remuneration Policy
- Engagement Policy
- Conflicts of Interest Policy
- Personal Account Dealing Policy
- Code of Ethics

All policies are available at [www.boussard-gavaudan.com](http://www.boussard-gavaudan.com) or by request to [bgir@bgam-fr.com](mailto:bgir@bgam-fr.com)

### Proxy Voting

The Firm is conscious of the current widespread use in the industry of external proxy voting providers that enable firms to exercise all voting rights by following the recommendations of the external provider. While the Firm appreciates the desire to exercise all voting rights, the Firm prefers a qualitative approach to proxy voting, rather than a purely quantitative approach.

BG exercises voting rights in the best interest of its investors, using its own judgement to vote on a case-by-case basis where it feels material value can be delivered to its investors. While it could provide the Firm with attractive statistics, the Firm does not believe outsourcing voting decisions to be able to vote on all positions assures the best long-term interests of its investors. Instead, at BG, the relevant sector analyst will carefully study voting options and exercise voting rights using their own judgement to realise value and protect the long-term interest of investors. While this approach cannot be scaled to vote on all positions, particularly given the quantitative or multi-strategy nature of BG's funds, it does deliver a more discerning approach tailored specifically to the needs of BG's investors.

## Proxy Voting Policy — Key Points

### Proxy Voting Policy — Key Points

The Firm will typically exercise voting rights:

- When the position represents 0.25% or more of the Firm's assets under management and the Firm holds 0.25% or more of the investee company's voting rights; or,
- When the Firm holds 1.00% or more of the investee company's voting rights.

The Firm will from time-to-time exercise voting rights for positions that do not meet the above criteria where the Investment Committee feels it will deliver value to investors. In practice, BG has voted on over 90% of eligible resolutions since 2023, regardless of materiality.

The Firm generally votes proxy proposals, amendments, consents, or resolutions relating to client securities, including interests in private investment funds, in accordance with the following guidelines:

- The Firm will generally support a current management initiative, if our view of the issuer's management is favourable;
- The Firm will generally vote to change the management structure of an issuer, if it would lead to an increase in shareholder value;
- The Firm will generally vote against management, if there is a clear conflict between the issuer's management and shareholder interest.

## Review and Approval Process

BG maintains a comprehensive Policy Register that serves as a repository for all policies. This register is regularly reviewed to ensure that policies remain accurate, relevant and aligned with industry best practices. All stewardship-related policies are reviewed at least annually. The review is undertaken primarily internally, with the Compliance team coordinating the review process and reporting to the Management and Control Committee. The ESG Committee specifically reviews policies related to environmental, social and governance considerations.

To assess the effectiveness of policies and controls, our Compliance team operates a robust Compliance Monitoring Plan, which periodically evaluates areas of risk within the Firm, including the operation of the Proxy Voting Policy and Engagement Policy.

## Fairness, Balance and Assurance

As an FCA-regulated entity, all reporting and external communications are reviewed to ensure they are "fair, clear and not misleading" by the Firm's Compliance department. In addition, an external consultancy firm conducts a sample review at least annually to ensure communications comply with the latest regulation and standards. Where relevant, BG uses industry-standard reporting to ensure clarity and comparability for investors.

Policies are written in plain language, avoiding jargon and complexity, and are designed to promote transparency. Reporting acknowledges both strengths and challenges, avoiding bias and reflecting a balanced view.

## Training

BG uses a third-party e-learning provider to support its internal training programme. Training has been rolled out on a regular cadence since 2021, including: dedicated live training sessions on ESG integration (2021), the Say on Climate initiative (2022), and structured online training modules on ESG in asset management (2024 and 2025). Further training is planned for 2026.

## Feedback

Reports, data and other materials are frequently sent to investors as part of the Firm's transparency efforts. Investors are encouraged to provide the Firm with feedback and often request tailored reporting which the Firm is pleased to provide. As a small client focused Firm, BG takes great care to continually adapt and improve policies to align with client expectations. Feedback is particularly important to the Firm to ensure our stewardship reporting is fair, clear, objective, well-adjusted and understandable to all our clients.

Requests for tailored reports are reviewed and where appropriate changes may be made to all reporting to ensure that all investors benefit from any potential improvement.

An example of the Firm's continuously evolving approach is BG's Voting Policy, where the ESG Committee integrated an additional test whereby positions representing more than 1% of the investee company's voting rights require active exercise of voting rights. The Committee identified through client feedback that small companies will rarely represent 0.25% of the Firm's AUM. The new test was designed to ensure that where the Firm holds a significant position in a company, even where a materiality threshold is not reached, the Firm will vote on the position. With the revised thresholds, the Firm will now vote at investee company meetings when a position represents 0.25% or more of the Firm's assets under management and the Firm holds 0.25% or more of the investee company's voting rights; or, when the Firm holds 1.00% or more of the investee company's voting rights.

In response to client feedback, in 2023 our material voting threshold became a minimum commitment, with voting rights since then exercised on over 90% of eligible resolutions regardless of materiality.

## Disclosures

The firm endeavours to provide clear and transparent reporting to its investors in accordance with applicable rules. The Firm makes the following annually updated reports available on its website:

Engagement Report in compliance with the Shareholder Rights Directive II.

- Article 29-LEC Report
- Article 10 disclosures under the Sustainable Finance Disclosure Regulation.

- The Firm further publishes the following policies on its website to enhance transparency:
- ESG and Responsible Investment Policy
- Proxy Voting Policy
- Coal Policy
- Diversity and Inclusion Policy
- Good Governance Policy
- Remuneration Policy
- Engagement Policy

For investors that have opted in, an annual ESG report provides detailed metrics and analysis on ESG integration at BG.

## Memberships and Industry Engagement

BG is a member of professional associations and an active participant in industry initiatives, which supports the Firm’s ability to keep abreast of best practice and regulatory developments:

- Standards Board for Alternative Investments (SBAI)
- Alternative Investment Management Association (AIMA)
- UN Principles for Responsible Investment (UNPRI)
- Task Force on Climate-related Financial Disclosures (TCFD)
- Say on Climate initiative
- French Association Française de la Gestion (AFG)



In addition, the Firm encourages its staff to complete training and maintain memberships of relevant industry bodies. As a result, among its staff the Firm has members of the following recognised industry bodies:

- CFA Institute
- Chartered Institute of Securities and Investment
- Chartered Alternative Investment Analyst Association

## DISCLOSURE D

## Stewardship-Related Conflicts of Interest

*Describing how we manage stewardship-related conflicts of interest to put the best interests of clients and beneficiaries first.*

Boussard & Gavaudan is fully committed to maintaining the highest standards of professionalism, integrity and governance, and is committed to upholding its duty to act in the best interests of its clients. The Firm is 100% owned by its management with their interests strongly aligned with the Firm's clients through their personal holdings in the funds managed by the Firm.

### Policy Summary

BG recognises that during the course of normal business activity, from time to time, conflicts of interest may arise, particularly in the context of stewardship activities and company engagement. The Firm maintains a rigorous Conflicts of Interest Policy (available on our website) that identifies potential conflicts and implements necessary controls. The key elements of the policy are:

**Structured Disclosure Escalation Procedure:** a structured procedure for disclosure escalation, involving assessment, mitigating controls and appropriate disclosures.

**Conflicts of Interest Committee:** an ad-hoc committee convened by Compliance to review new conflicts and implement mitigation measures. Where conflicts cannot be adequately managed, the matter is escalated to the Management and Control Committee.

**Conflict Logging and Regular Review:** all conflicts are logged in the Conflict of Interest Register, with regular reviews conducted by Compliance.

**Attestations and Training:** all staff complete an annual Conflicts of Interest attestation and online training module.

### Related Policies

Several of BG's policies address specific types of conflicts that can arise in stewardship:

#### Proxy Voting Policy

Addresses the conflict that could arise where the Firm does not vote in the best long-term interests of its clients — for example, where BG has a contractual relationship with a company in which it is also a shareholder. The Firm has procedures and controls in place to ensure all voting is completed in the best interests of clients, with potential conflicts reported to Compliance.

#### Personal Account Dealing Policy

Addresses conflicts arising where an employee trades for their own account (market abuse, front-running, conflicts with fund positions). Most PA dealing is prohibited at BG, with limited exceptions

for ETFs, collective investment schemes and private equity. All staff must seek pre-approval from the Personal Account Dealing Committee for non-exempt instruments, and a complete record of transactions is maintained and reviewed regularly.

### **Gifts & Hospitality Policy**

Manages the risk of inducements from brokers, companies or service providers. All gifts or hospitality above €150 in value require written approval from the Compliance Officer. Below this threshold, a record is kept and reviewed regularly for patterns.

### **Outside Business Activities**

No employee may engage in any additional occupation without the consent of the Board. Employees may not accept personal fiduciary appointments (other than those resulting from family relationships) without first obtaining written Board approval. All approved outside interests are recorded in the Conflicts Register.

### **Example of a Stewardship-Related Conflict**

One example of a potential conflict of interest relating to stewardship is where our funds own equity in a company which in turn is directly or indirectly an investor in the Firm's funds. The potential conflict is that the Firm could fear repercussions, such as redemptions, from the investee company's management should it vote against their interests — or conversely, hope to secure additional subscriptions by supporting management's proposals.

BG has identified and assessed this risk. Mitigating controls include:

- Separation of duties between analysts (who instruct voting alongside the Investment Committee) and the sales and investor relations teams, which have completely independent reporting lines.
- Collation and monitoring of voting activity to provide transparency to clients through quarterly reporting.
- Collection of voting data and commentary from analysts during the reporting process, with any concerns reported to the ESG Committee for further review.
- Escalation to Compliance should a conflict become apparent, with particular attention paid to voting activity in investee companies that could give rise to conflicts.

As at the end of 2025, no instances of this conflict arising have occurred. The Firm remains vigilant to ensure conflicts are avoided or mitigated.

**DISCLOSURE E**

## Dialogue with Clients & Beneficiaries

*Describing the methods we use to share information about our stewardship activities, gather feedback from clients, and how that feedback informs our stewardship approach.*

### Methods of Sharing Information

BG is a small-to-medium client-focused asset manager. As such, it places particular importance on maintaining its existing client base through frequent meetings and transparent disclosure. The Firm is conscious that due to its size and boutique nature it must offer a bespoke service, tailoring reporting and disclosures to client needs.

BG maintains the following regular channels for sharing information on its stewardship activity:

- Quarterly ESG and Responsible Investment reports to all investors, covering engagement and voting activity during the quarter.
- Responsible Stewardship and Investment (RSI) activity reports, including a breakdown of quarterly engagements, discussion of ESG issues, and illustrative case studies.
- Bespoke tailored reporting on request, including more frequent reporting on holdings in particular sectors or on holdings exposed to specific risks.
- An annual ESG report (for investors that have opted in) providing detailed metrics and analysis on ESG integration at BG.
- Regular meetings between the Investor Relations team and clients, with clients invited to contribute ideas and provide feedback.
- Annually updated reports published on the Firm's website, including the Engagement Report (under Shareholder Rights Directive II), Article 29-LEC Report, Article 10 disclosures under SFDR, and this Stewardship Report.

### How Feedback Is Used

Feedback from clients has been an important driver of improvements to BG's stewardship approach and reporting. Where tailored reports are requested, these are reviewed and, where appropriate, changes are made to all reporting to ensure that all investors benefit from any potential improvement.

Specific examples of changes made in response to client feedback include:

#### Revision of Voting Materiality Thresholds

The ESG Committee integrated an additional test whereby positions representing more than 1% of the investee company's voting rights require active exercise of voting rights. The Committee identified through client feedback that small companies will rarely represent 0.25% of the Firm's AUM on their

own. The new test ensures that where the Firm holds a significant position in a company, even where a materiality threshold is not reached, the Firm will vote on the position.

### **Voting on All Eligible Resolutions**

In response to further client feedback, in 2023 BG's material voting threshold became a minimum commitment, with voting rights exercised on over 90% of eligible resolutions regardless of materiality.

### **Restriction on Recreational Cannabis**

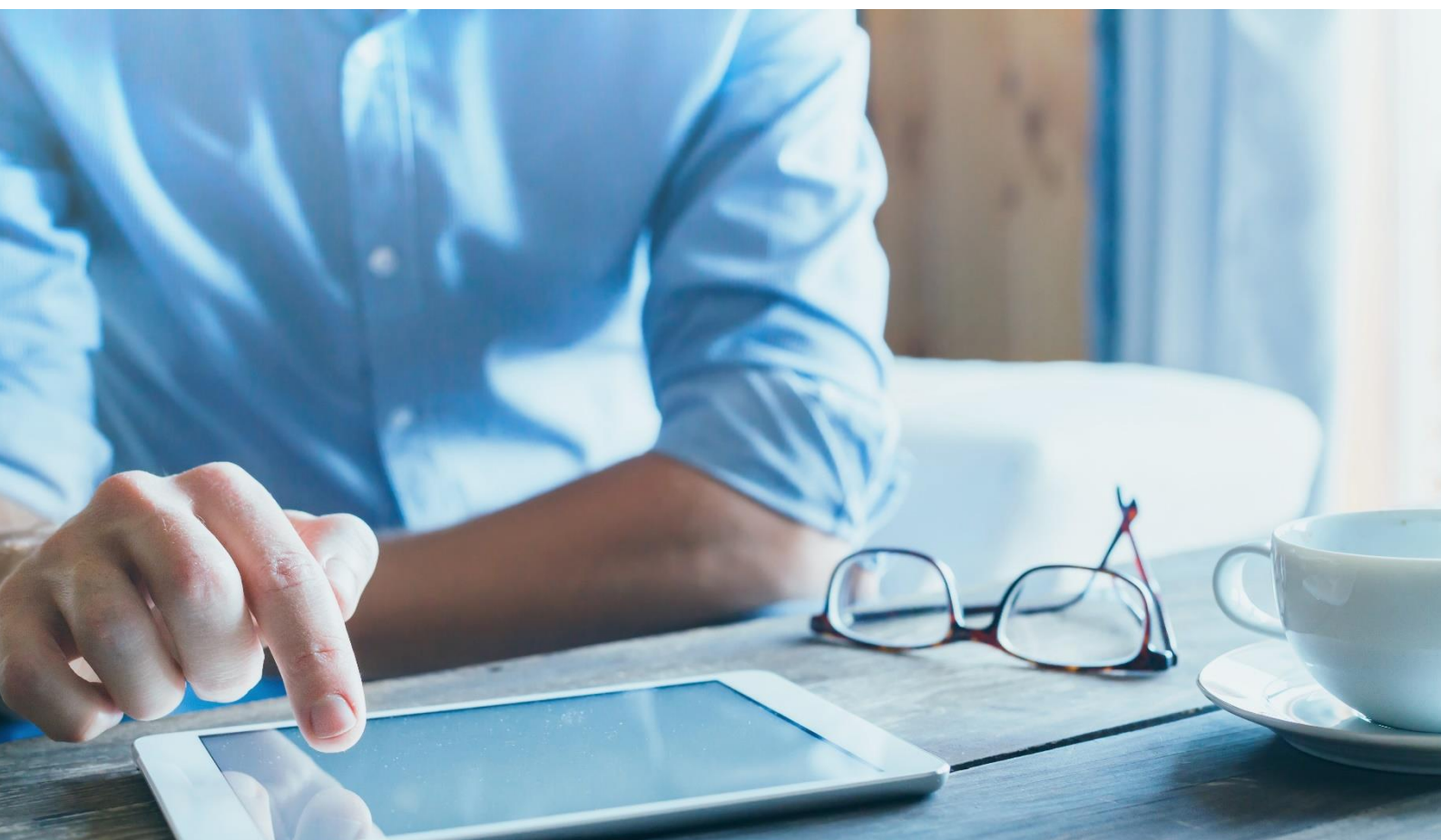
An investor expressed concerns around investments in companies engaging in activities related to recreational cannabis. The concern was reviewed by the ESG Committee, which consulted with the investment team before implementing a restriction on companies exposed to recreational cannabis. This same investor was subsequently instrumental in the elaboration of the quarterly ESG report, drawing on their extensive experience in sustainable investing.

### **TCFD Alignment and ESG Committee**

In response to growing interest from investors in climate-related disclosure, BG became a supporter of the TCFD and formed its ESG Committee in 2020.

### **Approval and Sign-off**

This Policy and Context Disclosure has been reviewed and approved by the governing body of Boussard & Gavaudan and is signed by Rubens Serenade, Chief Executive Officer, as set out in the Foreword to this report. In line with the UK Stewardship Code 2026, this Policy and Context Disclosure will be updated every four years, or sooner should material changes occur at the Firm.



**PART 2**

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# **ACTIVITIES & OUTCOMES REPORT**

*How we applied the Principles of the UK Stewardship Code 2026 over the 12-month period  
ending 31 December 2025*

## INTRODUCTORY STATEMENT

This Activities and Outcomes Report describes how Boussard & Gavaudan applied the Principles of the UK Stewardship Code 2026 over the 12-month period ending 31 December 2025. It should be read alongside the Policy and Context Disclosure in Part 1 of this document, which provides background on the Firm's organisation, governance, resources, policies and approach.

### Key Updates for the Reporting Period

During 2025, the Firm maintained its existing governance, operating model and stewardship framework. No material changes occurred that would require an update to the Policy and Context Disclosure in Part 1. Specific activities and outcomes under each Principle are set out in the pages that follow.

### Reporting on the Principles

As a direct-invest asset manager, BG reports on:

- Principle 1 — Integrating stewardship and investment
- Principle 2 — Promoting well-functioning markets
- Principle 3 — Engagement
- Principle 4 — Exercising rights and responsibilities
- Principle 5 — Selection and oversight of external managers (not applicable; see below)
- Principle 6 — Monitoring service providers

100% of the Firm's AUM is managed directly in-house by BG. The Firm does not use external managers and therefore Principle 5 is not applicable.



# PRINCIPLE 1

*Signatories integrate stewardship and investment to deliver long-term sustainable value for their clients and beneficiaries.*

## Stewardship Themes & Prioritisation

At BG, ESG and stewardship considerations are woven into every stage of our investment process: initial product or company screening, idea generation, investment decision-making, and ongoing risk management. Our approach is focused on issues that we believe are material to long-term value creation for our clients, prioritised by relevance to the specific investment thesis and the Sustainalytics risk rating of the investee company.

During 2025, the themes that received most stewardship attention were:

- Environment — pollution, waste, and climate change (including coal transition)
- Governance — Board effectiveness, independence, and shareholder rights
- Social — conduct, culture and ethics, including anti-competitive practices and public health
- Strategy, financial and reporting — including corporate capital and financing structure, and divergence from stated strategic objectives

Issues are prioritised on a case-by-case basis. ESG-specific data from Sustainalytics is used as a high-level screen by the Investment Committee during the due diligence process. When potential investee companies have ESG issues or controversies identified as high risk, the Investment Committee makes sure that they are integrated into the investment case. This can impact the position size and lead to establishing an engagement strategy.

## Differences Across Strategies

The three pillars of ESG integration (Integration, Engagement, Transparency — described in Part 1, Disclosure A) apply across all geographies and cover over 57% of BG's invested assets. Application differs by strategy:

**Fundamental equity and credit strategies** are subject to the full three-pillar approach, with integration, engagement and transparency all applied.

**Quantitative strategies** are only subject to the transparency pillar due to the high number of positions (often baskets across hundreds of stocks) and their shorter holding periods, which make qualitative ESG integration impractical.

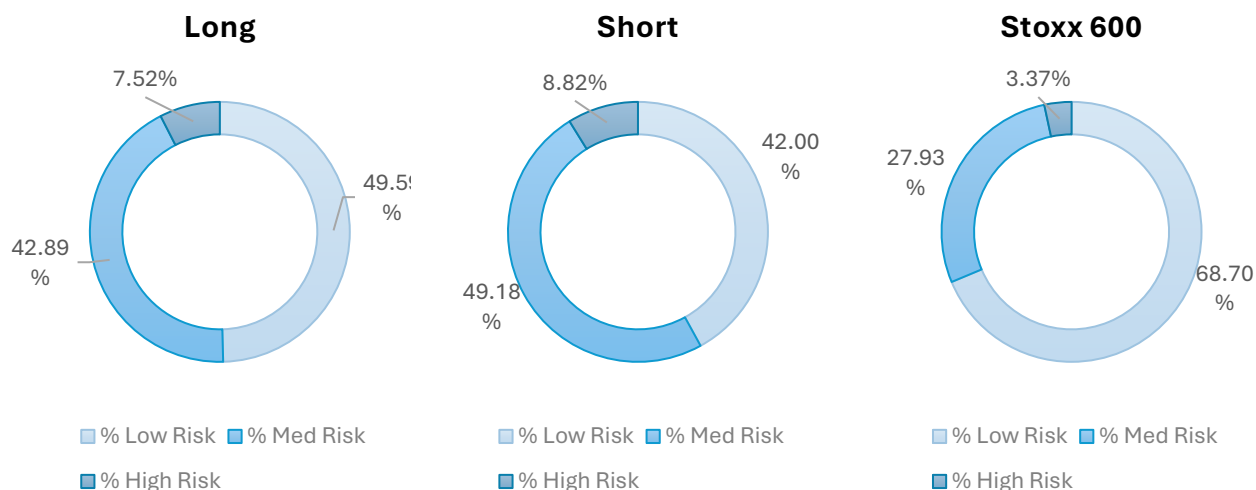
**Macro trading strategies** are currently excluded from ESG integration due to the difficulty in engaging with sovereign bond issuers.

As at the end of 2025, over 57% of AUM was integrated with BG's ESG policy.

## Portfolio-Level Integration: Evidence

The table below illustrates the proportion of companies in the portfolio by ESG risk category (based on Sustainalytics data) compared with the universe of the largest European companies (Stoxx 600):

### Portfolio Distribution of ESG Risks



Source: Sustainalytics, Boussard & Gavaudan, 31st December 2025.

The short-side concentration in higher-risk names reflects BG’s strategy of identifying companies where ESG issues are material and a catalyst for corrective action is absent or unreliable.

## Integrating Stewardship in Practice — Investment Process

In formulating the investment thesis to be proposed to the Investment Committee, analysts identify specific value catalysts and engagement strategies to realise shareholder value. Their engagement strategies often include direct communication with management on a particular issue and supporting corporate actions or capital restructuring through the exercise of voting rights.

The Investment Committee reviews investment theses weekly and weighs up the merits of an investment, assessing alignment with BG’s investment beliefs, the risk-reward profile, and the appropriate engagement strategy for the position. Analysts and the Investment Committee monitor positions on an ongoing basis, exercising voting rights where relevant and engaging with management where it is in the best long-term interests of investors.

## Case Study — Integrating ESG into an Engagement-Led Thesis

### Construction and Engineering Company Case Study

**Category:** Governance — Board effectiveness, Independence & Social — Conduct, culture and ethics, Bribery and corruption

**Issue:** The company is one of the largest global providers of engineering, procurement, construction, fabrication, operations and maintenance services. It suffers from a poor overall ESG risk rating and BG identified that increasing the number of independent directors and improving its policies to tackle bribery and corruption would materially improve the company's rating and profile.

**Action:** BG actively engaged with the company by addressing a letter to the company's investor relations explaining the issues and the benefits of:

- Increasing the number of independent Board Directors.
- Establishing programmes to eliminate or reduce instances of bribery and corruption across business activities (including its own operations and its supply chain).

**Outcome:** Successful. The company has improved on the two above topics and its ESG risk rating has greatly improved, from High risk to Medium Risk, following revisions on August 29<sup>th</sup> and September 23<sup>rd</sup>.



## PRINCIPLE 2

*Signatories identify and respond to market-wide and systemic risks to promote well-functioning financial markets.*

### Key Market-Wide & Systemic Risks Identified

During 2025, BG identified and monitored the following market-wide and systemic risks as most material to its investments:

**Climate change and the carbon transition.** The Firm considers carbon emissions, the greenhouse gas effect they cause, and climate change more broadly, to pose an existential threat to society and consequently to constitute a market-wide systemic risk. BG has decided to be part of the transition to a lower carbon global economy.

**Geopolitical risk and supply chain realignment.** Persistent conflicts in Ukraine and the Middle East, escalating trade frictions, and the broader realignment of global supply chains have affected multiple sectors and positions.

**Monetary policy divergence and sovereign debt sustainability.** Divergent central bank paths and renewed concerns around sovereign debt sustainability have required disciplined positioning and ongoing review of stress-test assumptions.

These risks are addressed through BG's systemic risk management process, documented in Part 1. Approximately 50 stress-test scenarios are run nightly, applying variations to equity, volatility, dividends, yield curves and credit prices. Over the years, BG has expanded and updated these scenarios in light of recent events and changing market structures.

### How Systemic Risk Relates to Our Investments

BG's funds aim to be market delta-neutral and structurally long gamma by buying short-term equity options and delta-hedging them. To achieve this, the funds spend between 0.5% and 1% of their AUM per month on theta, a level which is reassessed on a regular basis and depends on the market environment. This bias is designed to create protection in case of significant market disruption — precisely the kind of disruption systemic risks tend to cause.

Peak exposures of the Master Fund during the reporting period (1 January – 31 December 2025, the most recent complete period at time of publication):

	Delta (%)	Gamma (%)
Average	6.1	0.7
Min	1.5	0.0
Max	9.0	1.7

Source: Boussard & Gavaudan

## Contribution to Market-Wide Initiatives & Engagement with Policymakers

As a small-to-mid-size asset manager, BG considers the most effective way it can contribute to a well-functioning financial system is through initiatives led by the wider industry. During 2025 the Firm:

- Remained an active member of AIMA and the French AFG, with regular liaison on regulatory topics and best practices.
- Participated in AFG working groups in the field of responsible investment on topics including the EU Taxonomy and implementation of Article 29 of the French Energy-Climate Law on non-financial reporting by financial market participants.
- Maintained its signatory status with the SBAI, UNPRI, TCFD, and the Say on Climate initiative, contributing to their collective work on disclosure and market-wide standard-setting.

BG welcomes the direction of travel on regulatory simplification across the UK and EU, including ongoing work to streamline sustainability disclosure frameworks and reduce duplication across overlapping regimes. The Firm continues to monitor the European Commission's review of SFDR as well as FCAs publications on SDR application and updates.

## Climate-Related Engagement with Issuers

BG targets international best practice and follows the recommendations of the TCFD. The Firm supports the Say on Climate initiative, which gives a clear engagement roadmap for emissions management at investee companies. In line with the Firm's market-neutral investment philosophy, BG aims to keep its portfolio as neutral as possible in terms of GHG emissions. The Firm's Coal Policy seeks to promote the transition from coal-fired power generation to less carbon-intensive alternatives by setting criteria that proposed investee companies must meet.

## Portfolio Carbon Emissions Data

	Portfolio Longs	Portfolio Shorts	Units
Total Carbon Emissions (Absolute tonnes)	48,044.4	30,140.8	tCO <sub>2</sub> e
Weighted average carbon intensity (Carbon to Revenues)	129.57	113.07	tCO <sub>2</sub> e/mn EUR
Carbon to Value Invested	47.78	82.39	tCO <sub>2</sub> e/mn EUR
Carbon Intensity (Carbon to Revenues)	29.58	136.18	tCO <sub>2</sub> e/mn EUR
% Portfolio covered	89.07%	93.11%	

Source: Bloomberg, Boussard & Gavaudan, 31st December 2025.

Data for BG's flagship fund. In line with TCFD recommendations, BG also measures the GHG emissions of the Firm itself and neutralises its corporate carbon footprint through [www.carbonfootprint.com](http://www.carbonfootprint.com).

## Case Studies — Engagement on Market-Wide Risks

### Mining Company Case Study — Climate Transition

**Category:** Environment – Climate Change

**Issue:** The company is one of the world’s largest commodities traders, active in markets for metals and minerals, and energy products. Multiple rumours during 2025 suggested that the company was suspending its coal exit strategy.

**Action:** BG engaged with the company’s Investor Relations on multiple occasions to:

- Express concerns regarding the rumours and make clear how important the coal exit strategy is.
- Clarify the coal exit strategy and verify that it is adequate.
- Obtain confirmation of the company’s commitment to its coal exit strategy.

**Outcome:** The company remains committed to phasing out thermal coal by running down and rehabilitating existing assets. While the transition timeline has extended beyond what was envisaged in 2015, the company has concluded that a managed wind-down under its ownership delivers a better environmental outcome than divestment to operators less likely to pursue phase-out. Engagement is ongoing.

### Asset Management Company Case Study — Market Integrity

**Category:** Governance and shareholder rights

**Issue:** The company is an Italian asset manager that found itself under tender offer from its single largest shareholder, potentially creating a conflict at the Board level in its ability to extract the maximum price for all shareholders — a market-integrity issue affecting minority shareholder protection.

**Action:** BG actively engaged with the company and the bidder in a dedicated effort to defend the interests of minority shareholders:

- Regular meetings with company leadership — repeated meetings with the CEO and Head of Investor Relations, emphasising fair treatment of minority investors.
- Meetings with the buyer’s adviser — discussing fair value and how it should be reflected in the bid.
- Vote at the buyer’s AGM — as a shareholder also of the bidder, BG voted in favour of increased terms.

**Outcome:** Successful. The bidder significantly increased the premium on its bid. The tender offer closed in April 2025.

## PRINCIPLE 3

*Signatories engage to maintain or enhance the value of assets.*

### Selecting & Prioritising Engagement

Engagement is an integral part of BG’s investment process. Analysts continually engage with investee companies, in particular where specific issues or concerns are identified, to obtain additional information and to influence change. Areas of particular interest for engagement during 2025 included:

- Corporate capital and financing structure.
- Divergence by the company from its stated strategic objectives.
- Controversies with potential to impact shareholder value, including environmental, social and governance matters.

Issues are prioritised based on materiality to the investment thesis, the Sustainalytics risk rating, and the feasibility of achieving change through engagement. During 2025, BG prioritised two thematic areas in particular: environmental impact (pollution and waste) and social/public health (product governance). The tables below set out the rationale, action and outcomes:

Environment — Pollution and Waste	
<b>Rationale</b>	Engaging on pollution and waste reduces regulatory, legal, and reputational risks, drives operational efficiency, and supports long-term sustainable value for investors.
<b>Action taken</b>	The ESG Committee established dialogue with Investor Relations and Management to explain the importance of having adapted programs and policies and communicating adequately to market participants on the subject.
<b>Outcomes</b>	Establishment of programs and policies targeting the reduction of the environmental impact of the activity (upstream) and of the products (downstream).

Governance / Social — Public Health	
<b>Rationale</b>	Engaging on product quality and safety mitigates liability and reputational risks, ensures regulatory compliance, and strengthens brand trust for sustainable growth.

<b>Action taken</b>	The ESG Committee established dialogue with Investor Relations and Management to explain the importance of adapted programs, policies and adequate communication to market participants.
<b>Outcomes</b>	Establishment of programs and policies improving product governance. Obtention of external certifications.

## Purpose of Engagement

BG’s engagement aims to maintain or enhance the long-term value of its investments by:

- Encouraging resolution of specific issues that BG has identified as a drag on valuation.
- Obtaining additional information and insight from management.
- Supporting corporate actions or capital restructuring where the Firm believes these are value-accretive.
- Defending minority shareholder rights, particularly in tender offers and contested corporate events.

## Methods of Engagement

Depending on the issue, BG typically deploys three engagement methods:

- **Direct Meetings:** one-on-one discussions with company management, often with CFO, CEO or Investor Relations.
- **Collaborative Sessions:** group meetings with other investors and investee companies. Collaborative engagement can amplify effect where individual shareholding is small. During 2025, BG monitored the UNPRI Collaboration Platform for relevant initiatives; one recent example of participation was the Votes Against Slavery initiative spearheaded by Rathbones, which secured support from 154 investors, including BG.
- **Insights from Events:** participation in industry conferences and investor days, which provide insight into other investors’ views and inform approach.

The choice of method depends on the specific circumstances: bilateral engagement is preferred where BG has a material position and a specific value-creation thesis, whereas collaborative engagement is used where it can amplify the influence of a smaller position or address a market-wide issue. BG maintains an internal record of all interactions, cross-referenced with data from brokers for accuracy.

BG’s approach is collaborative and consistent across funds, assets, and geographies. Rather than confrontation, the Firm works alongside management, offering alternative solutions and suggesting improvements. Where voting rights are not held (e.g. in fixed-income assets), BG engages directly with management and may seek amendments to terms and conditions or restructuring.

## Engagement Activity During 2025

During 2025, BG engaged with 13 different companies on a variety of themes. Of the 13 engagements, the majority did not result in positive responses and investments were subsequently divested. The remaining engagements have not yet resulted in a significant response from the investee company, and BG will continue to consider potential escalation and divestment from these holdings.

## Case Studies

### Waste Management Company Case Study

**Category:** Environment — Pollution, Waste

**Issue:** The company is a major diversified environmental services company offering services in waste management. The diversified nature of their business prevents them from developing their activities fully due to negative synergies.

**Action:** BG engaged with the company's CFO and Investor Relations to encourage a shift in strategy:

- Core business growth: selling the hazardous waste disposal activity would allow reinvestment in the growth of their core business.
- Under-development of Environmental Services: a specialist would also be able to develop this important activity better.
- Pure play: the company will be better valued as a pure play.

**Outcome:** The company decided to sell a majority stake in its environmental services business and became a "pureplay solid waste business" once the transaction was completed in Q1 2025.

### Packaged Food Company Case Study — Anti-competitive Practices

**Category:** Social — Conduct, culture and ethics — Anti-competitive practices

**Issue:** This protein food company suffers from controversies regarding anti-competitive practices.

**Action:** The company was looking to list in the US and BG took this opportunity to engage with the company to highlight that a strong improvement of its standards was essential to receive a positive response from investors.

**Outcome:** Successful. The company has adopted a Global Antitrust Policy. The policy was reviewed and implemented by the Global Executive Ethics and Compliance Committee and applies globally.

### Packaged Food Company Case Study — Public Health

**Category:** Social — Public Health

**Issue:** This consumer-packaged goods holding company suffers from weak product governance, as it rates in the 97th percentile of its subindustry in terms of product governance.

Action: BG engaged with the company's Investor Relations team requesting that they:

- Develop and detail their responsible marketing policy.
- Improve their product safety program with managerial responsibility for product safety, regularly tested emergency procedures and incident investigation.
- Obtain a certification of Quality Management System (QMS) from a reputable international standard such as ISO 9001.

**Outcome:** The company responded positively to our engagement and is discussing our suggestions internally.

### Industrial Machinery Company Case Study — Unsuccessful Engagement

**Category:** Environment — Pollution, Waste

**Issue:** The company is engaged in designing, manufacturing, marketing, distribution and service of a broad line of foodservice equipment. The firm rates between the 80th and 89th percentile of its subindustry in terms of environmental impact of its products.

Action: BG engaged with the company's Investor Relations explaining how such poor rating impacts investor flows and to encourage the firm to address the issue:

- Establishing an end-of-life product stewardship program.
- Increasing share of recycled or reused raw material in manufacturing operations.
- Developing the eco-design of their products and communicate better about it.

**Outcome:** The company was not responsive and no progress was made. The position was sold in September 2025. This outcome reflects BG's commitment to divestment as a final escalation step when engagement fails to deliver change within a reasonable timeframe.

### Pharmaceuticals Company Case Study — Ongoing Engagement

**Category:** Strategy, Financial and Reporting — Reporting

**Issue:** This diversified biopharmaceutical company suffers from a poor overall ESG Risk Rating, as it rates in the 84th percentile of its subindustry in terms of overall ESG rating, due to a lack of policies and programmes.

Action: BG engaged with the company's Investor Relations to explain the impact of such poor rating with investors and to suggest improvements that would make a difference:

- Develop and detail their responsible marketing policy.

- Improve their product safety program with managerial responsibility for product safety.
- Obtain a certification of Quality Management System (QMS) such as ISO 9001.

**Outcome:** The company is not responsive to our engagement. Further engagement is planned in 2026, and the Firm will consider escalation or divestment if no progress is made.

## Escalation

BG typically hopes to address concerns during regular meetings with company management. Where concerns are not addressed, the Firm may enhance engagement by requesting further meetings with senior management. Should persistence prove unsuccessful, the Firm may choose to employ the following methods of escalation:

- Communication with the company's board
- Seeking collaborative intervention with other investors
- Filing/co-filing/submitting a shareholder resolution or proposal
- Publicly engaging the entity (e.g. formal letter to the board)
- Voting against management at meetings
- Voting against the re-election of one or more board directors
- Voting against the chair of the board of directors
- Voting against the annual financial report
- Divesting or implementing an exit strategy

Where a vote against management of a company with which a dialogue has been engaged becomes the sole option, management is made aware of BG's concerns and voting intention prior to the vote. When a vote takes place against a management recommendation, the company is informed of the decision, the reason behind it and is invited to future dialogue. The last resort is always to divest from the company. During 2025, divestment was the ultimate escalation step in the Industrial Machinery Company case study above. Escalation activity is recorded and reported to clients on a quarterly basis with oversight provided by the Investment Committee and ESG Committee.

## PRINCIPLE 4

*Signatories actively exercise their rights and responsibilities.*

### Approach to Voting

BG's investment team takes an active long-term stewardship approach to its fundamental positions. BG ensures a fair and appropriate approach to the use of its voting rights and applies the same process and policy across asset classes, funds and geographies. In order to prevent any preferential treatment or conflict of interest, BG does not accept client requests to override house policies in the exercise of listed equity voting rights.

BG does not employ the services of a proxy advisor — instead, the Firm relies on its expert in-house analyst team to make voting decisions. The Firm considered outsourcing voting activity and reviewed providers of these services, but concluded that outsourcing would not offer the same level of attention to detail, granularity and flexibility as internal analysis.

BG is responsible for 100% of the voting decisions it takes, with no outsourcing. Core principles considered include: Management and Board Accountability; Transparency; Shareholder rights; and Rigorous internal controls.

### Voting Records

Detailed voting records for the reporting period are available on request from [bgir@bgam-fr.com](mailto:bgir@bgam-fr.com). Quarterly voting reports containing detailed voting records are provided to clients as part of the RSI reporting package.

### Voting Activity — 2025 Reporting Period

During 2025, BG increased its voting activity relative to previous years by dedicating internal resources to analyse resolutions and vote where eligible. In 2025, BG was eligible to vote at 15 meetings on 1,536 resolutions.

Metric	Value
Meetings eligible to vote at	125
Resolutions voted on	1,536
Eligible resolutions voted	100%
Voted with Management	93.5%
Voted Against Management	6.3%
Abstained	0.3%
Meetings with at least one vote against management	13.6%

Since 2023, BG's voting threshold has operated as a minimum commitment; in practice, the Firm consistently votes on well over 90% of eligible resolutions regardless of materiality.

## Rationale for Voting Decisions — Case Studies

The case studies below illustrate BG's voting rationale across a range of resolution types, including those where BG voted against management as a form of escalated engagement. Despite unfavourable outcomes in several cases, BG's voting demonstrates its firm commitment to stewardship while sending a clear message to investee companies.

### Software and Services Company — Against Management

**Category:** Management proposal – Compensation

**Background:** In Q1 2025, BG had a position of 2.3% in the company. Given the materiality of the position, BG exercised its voting rights at the January general meeting.

**Summary of the resolution:** Approval of the compensation components granted for the 2023 and 2024 periods.

**Rationale for the voting decision:** The company had been poorly managed for years and ultimately required to be fully restructured to avoid liquidation. Approving compensation in this context was incompatible with the Firm's duty to protect long-term shareholder value.

**Escalation:** Yes — this vote formed part of an escalated engagement process. Engagement had previously failed to deliver governance improvements.

**Outcome:** Despite BG voting against the resolution, the resolution was approved.

### Technology Company — ESG Shareholder Proposal

**Category:** Shareholder proposal – ESG

**Background:** In Q1 2025, BG had a position of 0.01% in the company. The position was below the materiality threshold, but BG aims to vote on all ESG-related shareholder proposals and exercised its voting rights in February.

**Summary of the resolution:** Asking the company to assess the risks to the Company's operations and finances, and to the greater public health, safety and welfare, presented by the company's unethical or improper usage of external data in the development and training of its artificial intelligence projects and implementation.

**Rationale for the voting decision:** Prioritising data ethics in the company's AI development to help avoid harmful consequences and associated valuation risk.

**Outcome:** Despite BG voting in favour of the resolution, the resolution was rejected.

## Pharmaceutical Company — Governance Vote

**Category:** Management proposal – Governance

**Background:** In Q1 2025, BG had a position of 0.01% in the company. The position was below the materiality threshold but BG aims to vote on all its positions and therefore exercised its voting rights at the February general meeting.

**Summary of the resolution:** Adopt double voting rights for long-term shareholders.

**Rationale for the voting decision:** All shareholders should have equal voting rights in public companies; each shareholder should have one vote per share.

**Outcome:** Despite BG voting against the resolution, the resolution was approved.

## Conflicts of Interest Related to Voting

The Firm's approach to managing voting-related conflicts of interest is set out in Disclosure D (Part 1). In summary, mitigating controls include the separation of duties between analysts (who instruct voting alongside the Investment Committee) and the sales and investor relations teams, which have completely independent reporting lines. Voting activity is collated, monitored and reviewed by the ESG Committee, with escalation to Compliance where necessary.

During 2025, no voting-related conflicts of interest arose that required escalation to the Conflicts of Interest Committee.

## Exercising Rights in Other Asset Classes

Where BG holds fixed-income assets and does not have voting rights, the Firm exercises its rights and responsibilities by engaging with management and, where appropriate, seeking amendments to terms and conditions or restructuring. Engagement outcomes for non-equity assets are captured within the overall engagement activity reported under Principle 3.



## PRINCIPLE 5

*Signatories integrate stewardship considerations into their selection and oversight of external managers.*

### **Not Applicable to Bousard & Gavaudan**

Principle 5 is not applicable to BG for the reporting period.

As set out in Disclosure A (Part 1), 100% of the Firm's assets under management is managed directly in-house by BG. The Firm does not invest through external managers in any strategy or fund. As a result, BG has no external manager selection, mandate design, monitoring or escalation activities to report under this Principle.

In line with the Financial Reporting Council's guidance that signatories should explain why they have not reported on a Principle that may be applicable to them, this brief note is provided for transparency. Should BG's business model change in a way that introduces use of external managers, the Firm will update its Policy and Context Disclosure (Part 1) accordingly and report under this Principle in its next Activities and Outcomes Report.



## PRINCIPLE 6

*Signatories monitor and hold to account stewardship service providers.*

### Approach to Service Provider Oversight

Service providers play an important role in core areas of BG's investment and stewardship process. The service providers used to support stewardship are set out in Disclosure B (Part 1). Oversight of these providers is the responsibility of the ESG Committee for ESG data providers, and the Management and Control Committee for voting platforms, training providers and other operational service providers.

All external service providers are reviewed by the ESG Committee at least annually. The review considers: data quality and coverage; alignment of methodology with BG's investment approach; pricing and value for money; responsiveness to queries; and any changes to the provider's ownership, methodology or product roadmap.

### Proxy Advisors

BG does not use a proxy advisor for voting recommendations. As noted under Principle 4, BG's in-house analyst team makes all voting decisions. The Firm does, however, use Broadridge (ProxyEdge) two voting platforms for vote execution and record-keeping.

The platform is not used for voting recommendations. During 2025, the platform operated reliably and met the Firm's needs. No material issues were identified.

### ESG Data Providers

BG uses Sustainalytics and Bloomberg as its primary sources of ESG data, supplemented by Urgewald for coal exposure data and Refinitiv. The ESG Committee reviews the relationship with each provider at least annually.

In 2020, the ESG Committee, in consultation with senior management, decided to switch from Vigeo Eiris to Sustainalytics, as it felt that Sustainalytics' approach, data and research was more closely aligned to BG's investment team's approach. This decision remains validated by the quality of analysis received.

Research is used on an ongoing basis through each provider's web portal, and data is imported monthly into BG's proprietary system to calculate ESG metrics at portfolio level. Bloomberg data is used to supplement and contrast Sustainalytics data, allowing BG to identify and follow up on discrepancies.

During 2025, BG continued to encounter some data quality issues with data provided by its data providers. These are considered to be at acceptable levels and in line with market standards and are typically resolved through direct dialogue with the provider's client service team. No changes to the approved list of providers were made during the reporting period.

## Training Providers

BG uses Skillcast as its third-party e-learning platform to support internal training on ESG, compliance and stewardship topics. During 2025, BG rolled out structured online modules covering ESG in asset management and conflicts of interest, with completion rates and assessment scores monitored by Compliance and reported to the Management and Control Committee.

Staff are encouraged to complete relevant training on the UN CC: e-Learn platform on a non-mandatory basis.

## Investment Consultants & External Engagement Providers

BG does not use investment consultants or external engagement service providers. All voting and engagement is conducted directly by BG's investment team. As a result, there is nothing to report on those categories of provider for the reporting period.

## Summary — Service Provider Review Outcomes (2025)

Provider	Service	Review Outcome
Sustainalytics	ESG data and research	Satisfactory; retained
Bloomberg	ESG and financial data	Satisfactory; retained
Urgewald	Coal exposure data	Satisfactory; retained
Refinitiv	Data	Satisfactory; retained
Skillcast	Compliance and ESG training	Satisfactory; retained
Broadridge (ProxyEdge)	Voting platform	Satisfactory; retained

During 2025 BG's service providers continued to meet the needs of the Firm and its investors by providing the service they were contracted to provide at or above expectations. Conversations with alternative providers are held from time to time to ensure the Firm continues to obtain value from existing providers.