

Active Ownership Update 2024



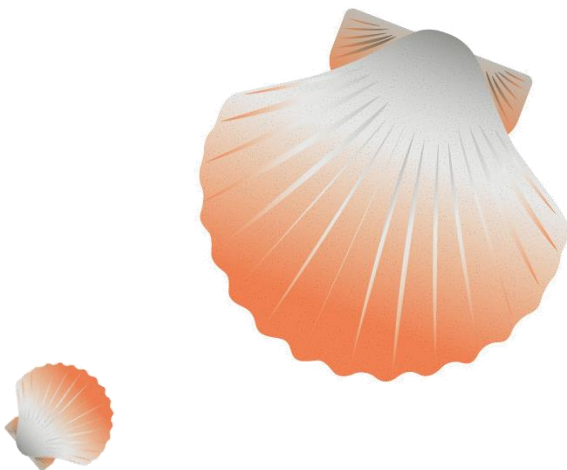
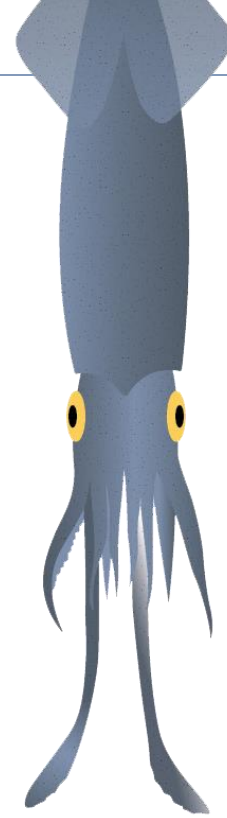
an ocean of opportunities

bonafide

Active Ownership Update 2024

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1. Executive summary

The past six months have broadly seen a continuation of existing trends:

- ESG ratings have been gradually ticking upwards
- the number of binary PAIs with a negative rating have been further reduced by now on average 43% since the beginning of our engagement
- the negotiations for a global plastics treaty took another step in the right direction and are slowly drawing to a close

Additionally, Bonafide also signed an investor letter instigated by FAIRR calling on policymakers to tackle the longstanding issue of antimicrobial resistance.

2. Thematic engagements

Improvement in the quality of ESG ratings

The quantity of available esg ratings is not the only factor; their quality also plays a decisive role. For companies which already have an esg rating, we are therefore also committed to improving the quality of the data provided.

In many of the meetings we held with managers last year, we repeatedly called for improvements in esg ratings.

The Bonafide Global Fish Fund clearly outperformed the market as a whole. In particular, Marel Inf., Salmones Camanchaca SA and Nissui Corporation merit positive attention due to their double-digit growth rate in esg scores.

Engagement on binary PAIs

As part of our efforts to consider the adverse impacts of our investment activities under the Sustainable Finance Disclosure Regulation (SFDR), we have committed to a multi-year engagement with binary PAIs in our investment universe.

The aim of the engagement was to draw the attention of our investment universe in general to the growing importance of PAIs for the financial industry, and also to initiate improvements in binary PAIs in particular.

In this context, we define binary PAIs as all PAIs that are evaluated on the basis of a simple *true/false* assessment, and which therefore tend to offer less room for interpretation than PAIs that are dependent on a reference value.

Binary PAIs cover the following indicators:

- Engagement with companies operating in the fossil fuel sector
- Violations of the principles of the UN Global Compact and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises
- Lack of processes for monitoring the UN Global Compact and OECD

- Compliance with guidelines for investing in companies without CO₂ emissions reduction initiatives
- Investment in companies without water management guidelines
- Native species and protected areas
- Investments in companies without workplace accident prevention measures
- Lack of a supplier code of conduct
- Lack of human rights policy
- Lack of due diligence

While the 110 companies in our investment universe had a total of 479 violations of the PAIs listed above at the start of our engagement in October 2022, these have since been reduced by 43% on average.

3. Collaborative engagements

Investor letter on antimicrobial resistance

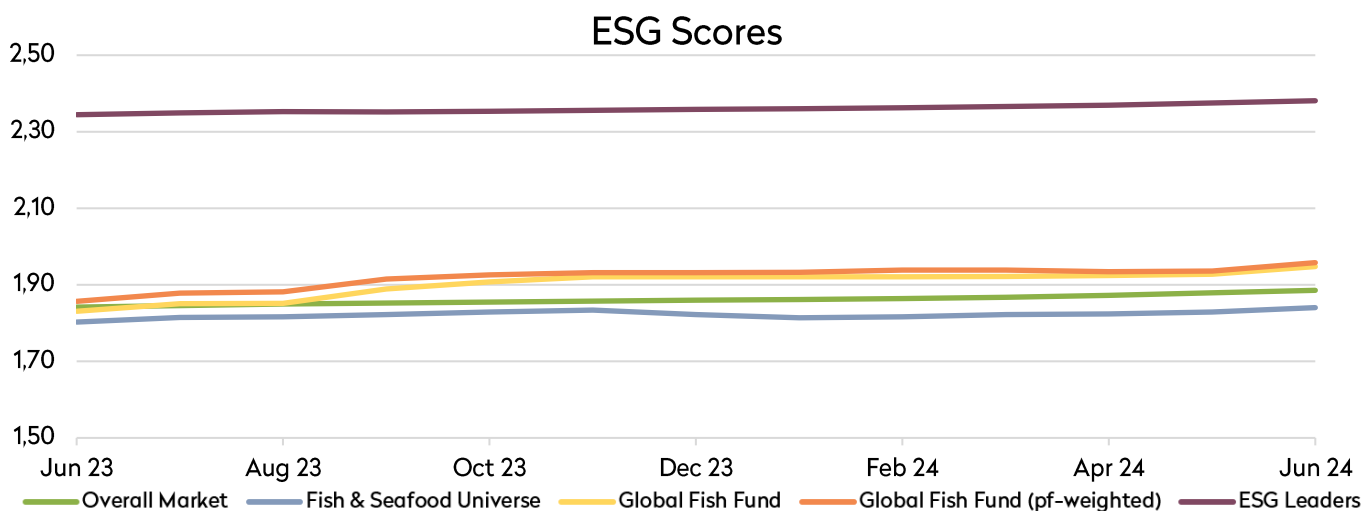
“Antimicrobial resistance (AMR) has been declared one of the top ten global threats to human health. Without access to effective antimicrobials, the foundation of modern medicine is being undermined with ten million people expected to die every year by 2050.

Driven by global overuse and misuse of antimicrobials in humans, animals and agriculture, and the subsequent spread of antimicrobial residues into the environment, AMR has become a systemic risk akin to climate change and nature loss.

With the global economic costs associated with AMR likely to reach \$100 trillion and lead to a 3.8% decrease in global GDP by 2050, the investor community is increasingly concerned with the negative impact AMR will have on global financial markets, economic stability and long-term value generation.” - FAIRR

As such, Bonafide, as a signatory of the **Investor Action on AMR Public Investor Statement**, urgently calls for global leaders and policy makers to reinvigorate efforts, coordinate action, and reaffirm commitments to combat AMR.

The seven asks of the investor group are presented **here**.



Support for the Business Coalition for a Global Plastics Treaty

In order to prevent our oceans from becoming even more polluted by plastic, we signed an investor letter in 2021 calling on the United Nations to create an international framework for a sustainable, circular economy for plastic. The UN has since begun work to develop the concept, which is due to be completed by 2024.

In order to provide ongoing support for future treaty negotiations, the investor letter we signed in 2021 has given rise to the **Business Coalition for a Global Plastics Treaty**, in which Bonafide is also involved as a supporter. The coalition aims to provide a unified voice for companies, financial institutions and NGOs and represent their views in the treaty negotiations.

The coalition will thus support the following key elements in the negotiations leading up to 2024:

- A timetable for phasing out problematic plastics
- Incentives for the expansion of the circular economy
- Mechanisms to ensure earmarked funding for the collection and recycling of plastics after their use
- Tools to support implementation and monitor progress

The fourth round of negotiations held in April 2024 saw the continued advancement of the draft treaty. Key sticking points proved to be the scope of implementation, particularly whether plastic production should be subject to the treaty, the list of chemicals of concern, and of course the financing.

Importantly, the US has recently embraced the idea of including plastic production within the scope of the treaty.

The fifth and final round of negotiations is set for November 2024.

4. Company-specific engagements

Company visits and meetings with management

As active owners and responsible investors, we place particular importance on carrying out a detailed analysis of the companies we invest in. This includes meetings with management and on-site visits. In many cases, our overall image and analysis may change if we have had the opportunity to visit the company in person and see how it operates. In particular, sustainability commitments are much easier to understand on site. We report on all company visits via our **blog**. In the reporting period, we held meetings with numerous management teams, visited companies in Australia and expanded our international network.

Below is an overview of the portfolio companies with which we were in personal contact or visited during the reporting period:

Portfolio companies	Management meetings	Site visits
AKVA Group	X	
Austevoll Seafood	X	
Bakkafrost	X	
Camanchaca	X	
Clean Seas Seafood	X	X
Thai Union	X	
Grieg Seafood	X	
Hofseth BioCare	X	
Leroy Seafood	X	
Mowi	X	
Multi X	X	
SalMar	X	
STEF	x	

5. Conflicts of interest

In accordance with the existing legal provisions, Bonafide prevents the occurrence of conflicts of interest and always safeguards the interests of its funds. Only in exceptional cases is a disclosure made to the funds, if a conflict of interest cannot be prevented despite all available measures having been taken.

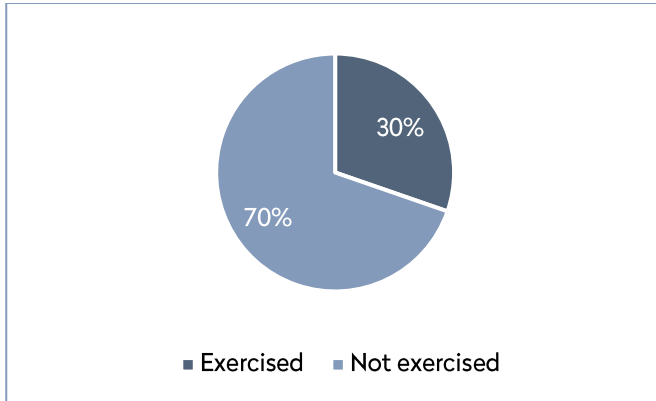
No unresolved conflicts of interest arose during the reporting period.

6. Exercise of voting rights

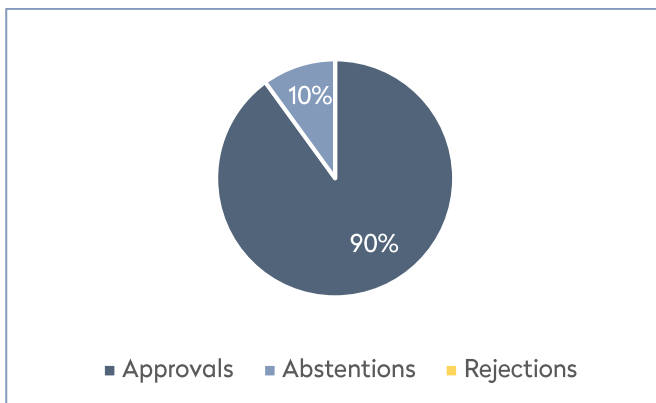
Last year, Bonafide exercised voting rights in accordance with the requirements of the fund prospectuses and the principles for exercising voting rights in the context of active ownership in conjunction with the funds as follows. In general, we follow the recommendations of voting advisors, each of which is reviewed by Bonafide in relation to the principles of active ownership and from which we may deviate in justified cases.

Voting behaviour at the level of the Bonafide Global Fish Fund

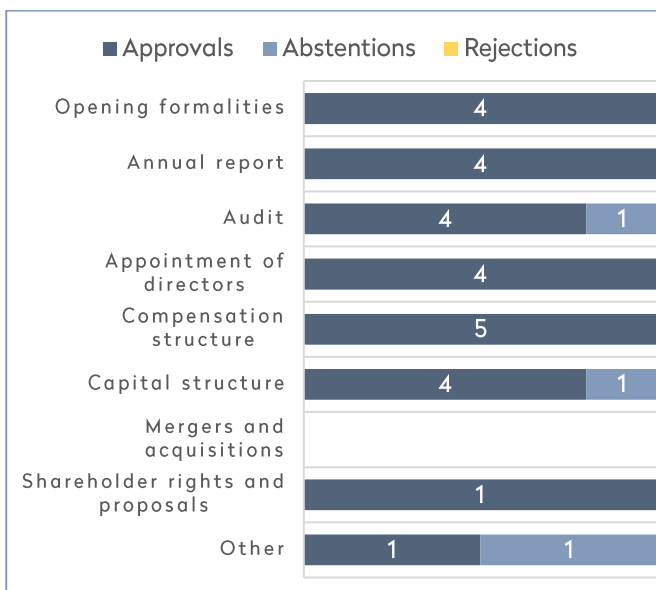
Proportion of voting rights exercised:



Voting behaviour:

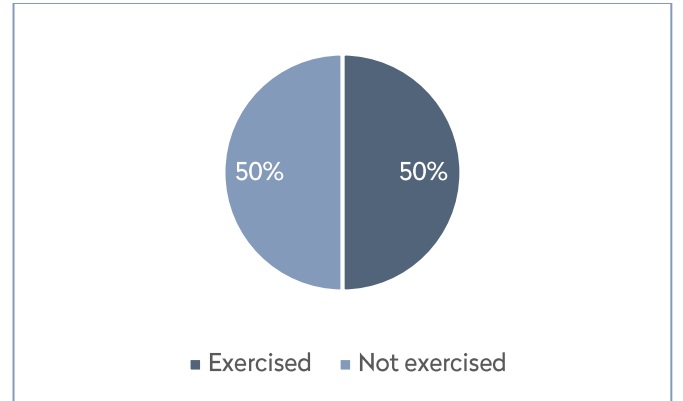


Voting behaviour by subject area:

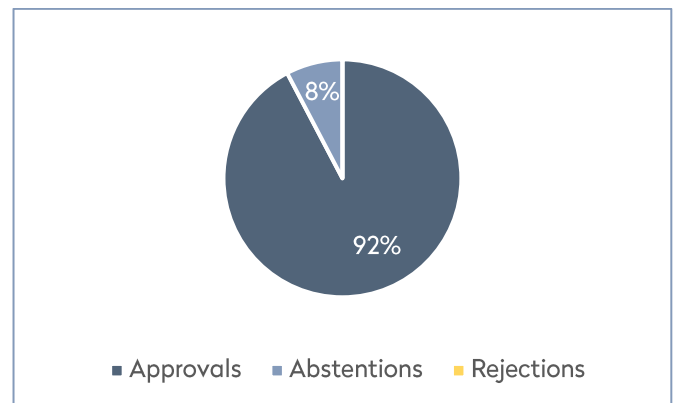


Voting behaviour at the level of the Bonafide Investment Fund - Best Catches I

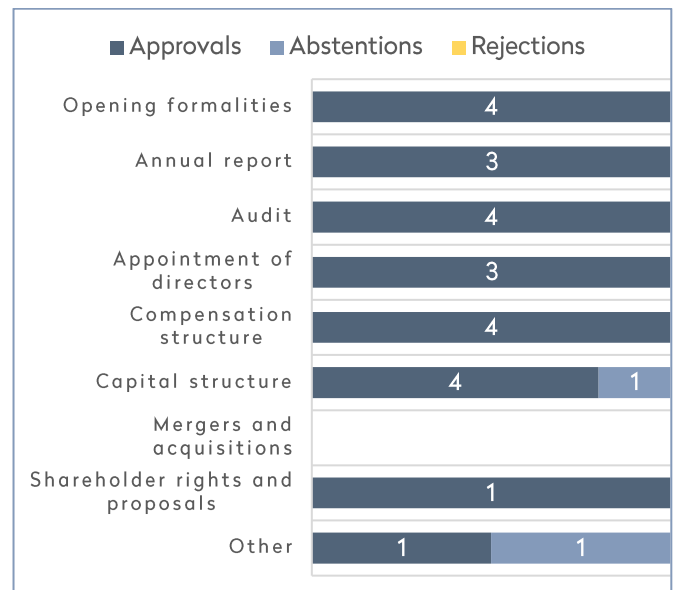
Proportion of voting rights exercised:



Voting behaviour:






Voting behaviour by subject area:



Voting behaviour at the company level

	Opening formalities	Annual report	Audit	Appointment of directors	Compensation structure	Capital structure	Mergers and acquisitions	Shareholder rights and proposals	Other	Notes	Global Fish Fund	Best Catches I
Hofseth Biocare ASA	✓					✓			✓		✓	✓
Clean Seas Seafood						!				Abstention on the capital increase, remaining motions accepted	✓	✓
Multiexport Foods SA	✓	✓	✓		✓	✓			!	Abstention due to insufficient information	✓	✓
Proximar Seafood AS	✓	✓	✓	✓	✓	✓					✓	
Compania Pesquera Camanchaca SA		✓	✓	✓	✓				!	Abstention due to insufficient information	✓	
Salmones Camanchaca SA		✓	✓		✓				!	Abstention due to insufficient information	✓	
AKVA Group ASA	✓	✓	✓	✓	✓	✓		✓			✓	✓
High Liner Foods Incorporated			✓	✓	✓						✓	✓
Hofseth Biocare ASA	✓	✓	✓	✓	✓	✓					✓	✓
Kyokuyo		✓	!	✓	✓					Abstention due to insufficient information	✓	

 Approvals
 (partial) Abstentions
 (partial) Rejections

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Risk warning

Please note that the value of an investment can both increase and decrease. Past performance is no indication of the future performance of investments. Foreign currency investments are subject to additional currency fluctuations. High-volatility investments can be subject to extreme market fluctuations. These market fluctuations may amount to the value of the invested amount or even surpass this. The preservation of invested capital therefore cannot be guaranteed.

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