

Active Ownership Report 2024



an ocean of opportunities

bonafide

Active Ownership Report 2024

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1. Report on the engagement policy

The Active Ownership Report also serves as an annual report on how the engagement policy is implemented within the meaning of Article 367h of the Liechtenstein Law on Persons and Companies (PGR). In accordance with the applicable engagement policy, the shareholder rights and engagement (active ownership) in relation to any investments made in companies were exercised in compliance with the investment principles and restrictions set out in the funds' prospectuses in order to implement the funds' investment policy and investment regulations. Active ownership is a key element in achieving the sustainability criteria set out in the funds.

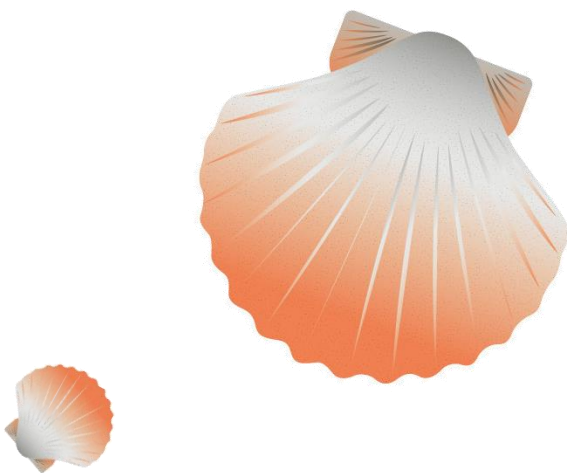
When implementing the engagement policy in 2023, the following engagements and voting rights were exercised. During the last year, all exclusion criteria defined in the responsible investment policy were complied with. The ESG score developed in a stable or positive manner.

2. Executive summary

Over the past twelve months, our existing initiatives have remained largely constant. In 2024, Bonafide participated in a new collaborative engagement by FAIRR to improve the traceability of wild-caught fish.

In addition, Bonafide signed an investor letter initiated by FAIRR calling on policymakers to address the long-standing problem of antimicrobial resistance.

Unfortunately, negotiations on a global plastics agreement have not been concluded as planned and are expected to continue in 2025. Our commitment to improving the binary PAIs from October 2022 is bearing fruit, with an average increase rate of 46%.



3. Thematic engagements

Communication of exclusion criteria

Since introducing exclusion criteria to our investment process, each year we contact all the companies in our investment universe that have been affected by the exclusion criteria and tell them why their company was excluded. The intention behind this is to make companies aware of the consequences of their violations and, if necessary, encourage them to rethink.

Overall, in the last year, just under 7% of the companies assessed for their sustainability performance were excluded from our investment process due to violations of our exclusion criteria. The majority of violations concerned the UN Global Compact principles, as shown in the table below. Compared to the previous year, Mitsui & Co., Ltd. was able to resolve one controversy concerning Human Rights. No new controversies were added.

Overview of exclusion criteria violations

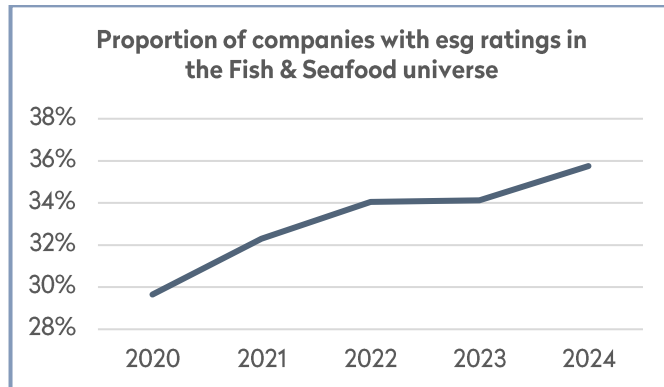
Exclusion criterion	Type of violation	Number of violations
UN Global Compact	Human rights	3
UN Global Compact	Environment	3
UN Global Compact	Labour standards	1
Fossil fuels	Deepwater drilling	3

Improvement in the availability of ESG ratings

Over the past few years, our efforts to improve the sustainability balance of the Fish & Seafood sector initially focused on expanding the sustainability data available to us in the form of ESG ratings.

In many respects, the field of sustainability analysis is still being developed worldwide, meaning that sustainability reporting cannot yet guarantee the same level of transparency and standardisation as financial reporting. Providers of sustainability databases can provide a remedy to this, as by using consistent assessment criteria they can create a comparable, albeit subjective, data set which can be used as a basis for investment decisions. However, companies with relatively low market capitalisations (such as those from the Fish & Seafood sector) are usually only included in sustainability databases at lower priority, meaning that without our intervention, investors such as ourselves would be denied an important basis for decision making.

To counteract this, since 2018 we have been investing in the production of ESG ratings in the Fish & Seafood sector via our data provider, ISS Stoxx. Despite our growing investment universe, we managed to at least maintain the proportion of companies in the investment universe with ESG ratings this year.



In our own portfolios, a coverage rate of 100% has already been achieved.

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, Elanco, Salmones Camanchaca, Taokaenoi, Darling Ingredients and Leroy Seafood 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 46% on average.

4. 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: by 2050, ten million people are expected to die annually as a result of AMR.

Driven by global overuse and misuse of antibiotics in humans, animals and agriculture and the subsequent spread of antimicrobial residues into the environment, AMR has become a systemic risk comparable to climate change and the loss of biodiversity and natural habitats.

The global economic costs associated with AMR are likely to reach USD 100 trillion and lead to a 3.8% decline in global GDP by 2050. Consequently, the investment community is increasingly concerned about the negative impact AMR will have on global financial markets, economic stability and long-term value creation.” – FAIRR

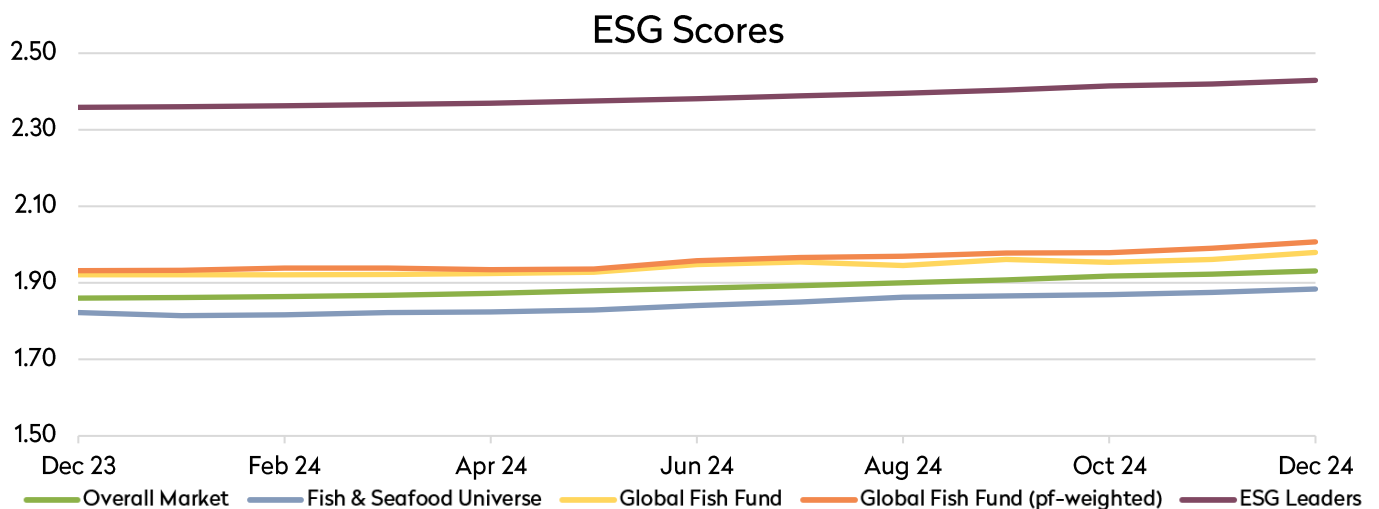
As a signatory to the **Investor Action on AMR Public Investor Statement**, Bonafide therefore urges world leaders and policymakers to step up their efforts, coordinate their actions and reaffirm their commitment to combating AMR.

We present the investor group’s seven demands [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 was 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

In the fifth round of negotiations in November 2024, the necessary unanimity for the adoption of the UN resolution could not be achieved due to resistance from oil-producing countries in particular.

Possible steps include continuing talks in 2025 in the hope that an agreement can still be reached or forming a coalition of the willing.

Collaborative engagement for improved seafood traceability

FAIRR, together with WWF, UNEP FI's Sustainable Blue Economy Finance Initiative, the World Benchmarking Alliance, and Planet Tracker, launched a new engagement to improve seafood traceability in early 2024. A topic that was already on the agenda at Bonafide 2020 and accordingly has our support. A total of 35 investors are supporting the initiative with a combined USD 6.5 trillion in AuM.

The aim of the engagement is to encourage the seven target companies to implement "full-chain, digital, and interoperable" traceability systems, ideally within the framework of GDST standards.

The target companies include Charoen Pokphand Foods Pcl, Marubeni Corporation, Maruha Nichiro Corporation, Mitsubishi Corporation, Nissui Corporation, Nomad Foods Ltd, and Thai Union Pcl.

In the initial **stock-taking**, two companies, Thai Union and Charoen Pokphand Foods, could already show comprehensive traceability commitments. Other companies, such as Nomad Foods, collaborate intensively with chain of custody programs, such as MSC. The only company not available for dialogue was Charoen Pokphand Foods.

Collaborative engagement for sustainable fish feed – paused

The engagement was paused in 2024 but will be resumed in 2025.

Phase 3 of FAIRR's engagement with regard to salmon aquaculture will focus exclusively on the question of how companies plan to bring the carbon and biodiversity footprint of their feed in line with science-based targets?

5. 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 Norway and 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	X	
Bakkafrost	X	
Café de Coral	X	
Camanchaca	X	
Clean Seas Seafood	X	X
Grieg Seafood	X	
Hofseth BioCare	X	
Leroy Seafood	X	
Maruha Nichiro	X	
Mowi	X	X
Multi X	X	
Nichirei	X	
Nissui	X	
SalMar	X	X
Salmones Camanchaca	X	
Schouw	X	
STEF	X	

6. 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.

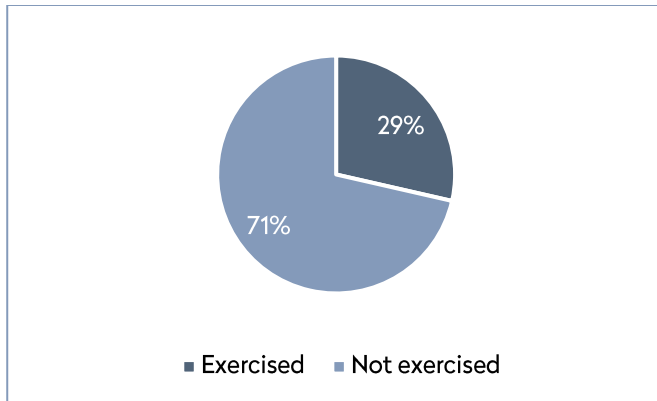


7. Exercise of voting rights

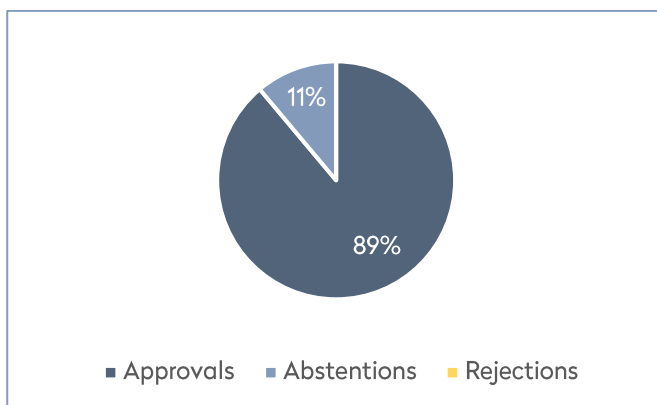
Last year, Bonafide exercised voting rights in accordance with the requirements of the fund prospectuses and the principles for exercising voting rights in the context of active ownership in conjunction with the funds as follows. In general, we follow the recommendations of voting advisors, each of which 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

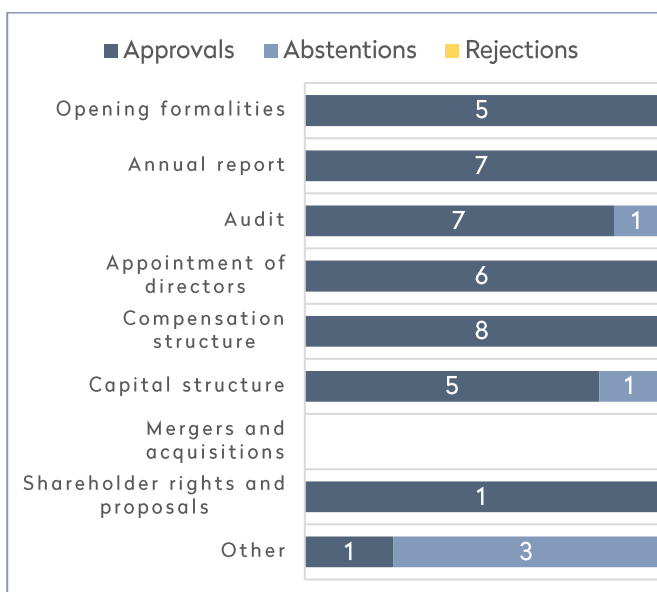
Proportion of voting rights exercised:



Voting behaviour:

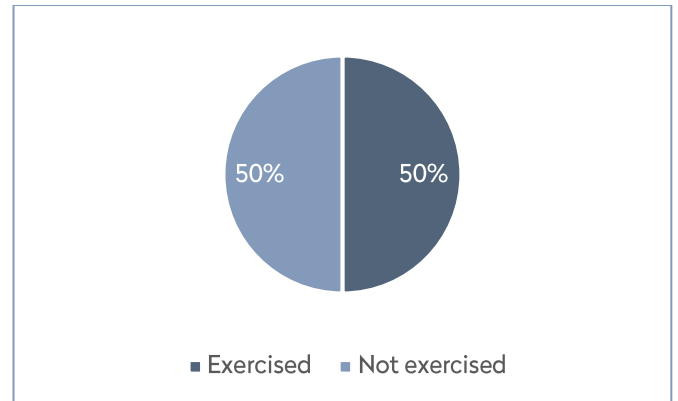


Voting behaviour by subject area:

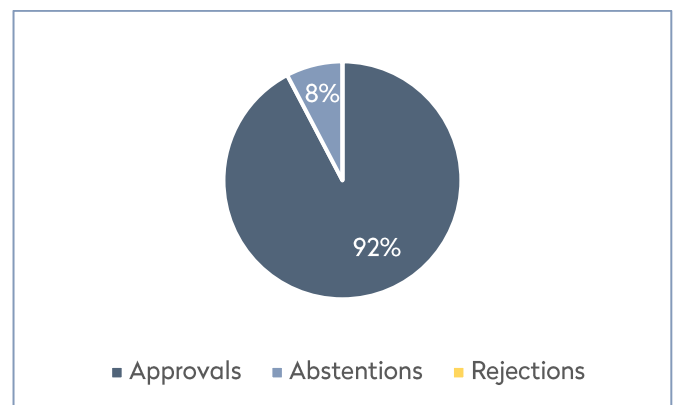


Voting behaviour at the level of the Bonafide Investment Fund - Best Catches I

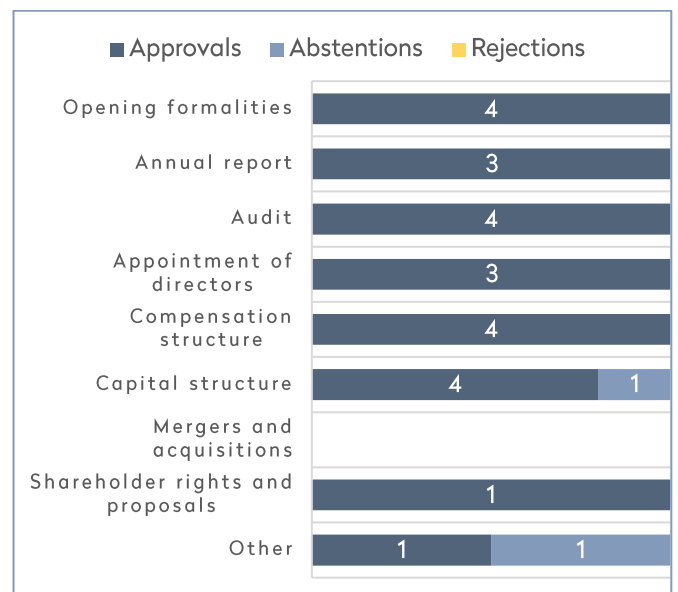
Proportion of voting rights exercised:



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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Responsible for the creation of this publication

Bonafide Wealth Management AG, Höfle 30, 9496 Balzers, Liechtenstein

Supervisory authorities

Bonafide Wealth Management AG is supervised by the Financial Market Authority Liechtenstein (FMA), Landstrasse 109, P.O. Box 279, 9490 Vaduz, www.fma-li.li.

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A significant source of information for estimates, assessments, and forecasts is an analysis tool provided by Bloomberg Finance LP, an internationally recognized provider of market data.

The recommendations contained in this publication were finalized on December 31, 2024.

The evaluations are based on market data provided by Bloomberg Finance LP. These data are sometimes used for further calculations of additional indicators and values.

If evaluations are directly prepared by Bloomberg Finance LP, detailed information on the evaluation, the methods used, and the underlying assumptions are only available through Bloomberg Finance LP itself. Information regarding the values and evaluation methods prepared by Bonafide Wealth Management AG can be requested from Bonafide Wealth Management AG.

The significance of the cited recommendation is clearly outlined in the context of the recommendation text. Despite careful preparation, each evaluation carries the risk of uncertainty and non-fulfillment. Further explanations are provided by Bonafide Wealth Management AG. The holding period for the Bonafide Global Fish Fund is generally indicated as long-term.

The provided values are not regularly updated; hence, unless stated otherwise in the text, the values refer to the date and time of the recommendation's creation. Updates to the values may occur as part of the regular issuance of this publication.

If recommendations regarding a financial instrument have changed in the last twelve months compared to previous publications, this will be noted in the explanation of the recommendation. A list of recommendations from the last twelve months is available from Bonafide Wealth Management AG.