



## Introduction

As part of its investment fund management, BCV has established a voting policy. Under this policy, we use the recommendations of ETHOS SERVICES SA ("Ethos") to determine our position on each of the items submitted to a vote at the general meetings of companies.

## 1. Responsible ownership

As a responsible shareholder, BCV will exercise its voting rights for investee companies in order to promote best practices in incorporating environmental, social, and governance (ESG) criteria. We have identified a number of ESG themes that we intend to focus on: climate change, human rights, corporate governance, and biodiversity. These themes are in line with our corporate social responsibility (CSR) strategy.

### Climate change

We want to contribute to achieving the goals of the Paris Agreement and the commitments of the Swiss federal government and the Vaud climate plan. To that end, we encourage companies to be transparent about their greenhouse gas emissions and to set credible targets and plans for reducing them.

### Human rights

At BCV, we believe it is essential to respect human rights and we seek to continuously improve corporate practices in that area, in line with the United Nations Guiding Principles on Business and Human Rights.

### Corporate governance

We promote good corporate governance practices by systematically exercising our voting rights for the companies in which we invest. In our shareholder engagement, we place particular emphasis on the independence of board members and on executive compensation issues.

### Biodiversity

BCV places a particular focus on the issue of biodiversity. We expect companies to consider their biodiversity risks and impacts and to take steps to minimize them.

## 2. Purpose

This document sets out governance directives for exercising BCV's voting rights for companies whose stocks are directly held by BCV investment funds.

It defines the scope of application and sets forth the process for arriving at voting decisions for items on the agenda of those companies' general meetings.

### 3. Scope

The voting policy described below only applies to shares of Swiss and non-Swiss companies in developed markets held by BCV investment funds.

### 4. Principles and decision making processes

Ethos's proxy voting guidelines and governance principles are primarily based on the main national and international texts that set out best practices in the area of corporate governance, as well as on Ethos's Charter. The Charter places an emphasis on sustainable development, which for companies entails taking into account ESG criteria in addition to financial criteria. Ethos's approach is thus firmly guided by a long-term vision for companies.

### 5. Swiss companies

The agenda items of each general meeting of Swiss companies fall under two categories:

#### Principle-based items

Ethos's proxy voting guidelines, which are based on clear principles, provide voting recommendations for the following agenda items:

- accounts and discharge (annual report, discharge of the board of directors, etc.)
- board of directors (election of directors, chair, committees, etc.)
- audit firm (election/re-election)
- board and executive compensation (compensation plans, reports, amounts, employment contracts, etc.)
- amendments to the articles of association (board size, terms of office, etc.)
- shareholder resolutions
- sustainability
- other business (resolutions not on the agenda and independent representative).

For these items, BCV will follow Ethos's recommendations without conducting further analysis if the recommendations are the same as the proposals made by the board of directors. If Ethos's recommendations differ from the board's proposals, BCV's equity fund managers will conduct an additional analysis of the issue.

Voting decisions will be taken as follows:

- If the board's proposals align with Ethos's recommendations, the vote will follow the recommendations.
- If this is not the case, and the results of the BCV fund managers' analysis:
  - are the same as Ethos's recommendation, the vote will not be subject to further approval.
  - differ from Ethos's recommendation, the heads of BCV's Asset Management Department and Asset Management & Trading Division will decide how to vote based on the fund managers' recommendation.

### Specific items

For items that are considered specific and relate to the following topics:

- dividends
- capital structure and shareholder rights (change in the capital structure, rights issue, capital reduction, new share class, limit on voting rights, opting out or opting up clause, anti-takeover provisions) and any corresponding amendments to the articles of association
- mergers, acquisitions, demergers, and relocations,

BCV's equity fund managers will conduct an analysis based on the following aspects:

- Ethos's recommendation
- the strategic aim of the item up for vote (directly related to value creation for the company)
- the implications of the item up for vote (based on financial analysis, valuation, understanding of the company's strategy, familiarity with upper management, etc.).

Voting decisions will be taken as follows:

- If the results of the analysis:
  - are the same as Ethos's recommendation, the vote will not be subject to further approval.
  - differ from Ethos's recommendation, the heads of BCV's Asset Management Department and Asset Management & Trading Division will decide how to vote based on the fund managers' recommendation.

## 6. Non-Swiss companies in developed markets

Ethos's proxy voting guidelines, which are based on clear principles, provide voting recommendations for the following agenda items:

- accounts and discharge (annual report, discharge of the board of directors, etc.)
- board of directors (election of directors, chair, committees, etc.)
- audit firm (election/re-election)
- board and executive compensation (compensation plans, reports, amounts, employment contracts, etc.)
- amendments to the articles of association (board size, terms of office, etc.)
- shareholder resolutions
- sustainability
- dividends
- capital structure and shareholder rights (change in the capital structure, rights issue, capital reduction, new share class, limit on voting rights, opting out or opting up clause, anti-takeover provisions) and any corresponding amendments to the articles of association
- mergers, acquisitions, demergers, and relocations
- other business (resolutions not on the agenda and independent representative).

For such items, BCV will follow Ethos's recommendations without conducting further analysis.

## 7. Calendar for exercising voting rights

A calendar for the decision-making process for exercising voting rights is set out in BCV's internal documents. This calendar includes the materials to be provided and the deadlines to be met by each stakeholder, including:

- Ethos, which provides voting recommendations in line with its internal directives
- BCV, which decides how to vote at the general meetings of the companies in its portfolio
- Institutional Shareholder Services Inc. (ISS), which is a proxy-voting service provider contracted by BCV to work with custodians and issuers to carry out the final stages of the voting process.

## 8. The BCV share

BCV's Executive Board has decided that voting rights will not be exercised for the BCV share in order to avoid any potential conflict of interest.

## 9. Reporting voting decisions

BCV will publish a comprehensive report on its voting decisions at least once per year, at the latest by 30 April for the previous year.

This report will include explanatory notes for all voting decisions taken by BCV on items submitted to a vote at general meetings that differ from:

- the proposal made by the company's board of directors
- Ethos's recommendation on the item concerned.

### Important legal information

**Waiver of liability.** This document was prepared by BCV's Asset Management Department for information purposes only and describes BCV's current approach to implementing the active ownership component of its CSR strategy. It may be changed at any time without notice. It does not constitute book building, an offer to buy or sell, or a personalized investment recommendation.

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