



Praesidium S.C.A SICAV RAIF – Agri-FoodTech.I

Engagement Policy

EDITION NO. 1

History

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1	01/09/2023	Creation	
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1. Applicable regulations

Directives	- Directive 2011/61/EU on Alternative Investment Fund Managers (the “ AIFM Directive ”)
Regulations	- Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (“ SFDR ”)
Laws	- Law of 12 July 2013 on AIFMs, as amended (the “ AIFM Law ”)

2. Purpose of the Policy

This policy describes the various engagement activities that are undertaken in relation to the investments made by the Compartment Agri-FoodTech.I of Praesidium S.C.A. SICAV-RAIF

3. Introduction

The agri-food industry is among the biggest emitters of greenhouse gases. Conventional agriculture and fishery has led to a depletion of natural resources and it is clear that only new ways of producing food will allow to feed the increasing world population while reducing the negative impact that such production has on our planet, the entire ecosystem and the life of future generations.

We are strong believers in the power of entrepreneurial activity to radically change entrenched approaches, thereby being a catalyst of the transformation so much needed. We started Praesidium Agri-FoodTech.I with the vision to invest into companies that support the transformation of the food system, applying new technologies to solve the massive problems that the entire agri-food value chain is facing.

In line with the Praesidium approach of thematic investment into areas that benefit from structural tailwinds, we are convinced to create superior returns for the investors in the AGFT Fund. But this is not our only goal. We also aim at positively contributing to a sustainable economic development by investing in technology driven solutions that can scale to respond to the global challenges and by supporting our companies over the long-term to scale their positive impact with growth.

Measuring the true bottom line of environmental and social impact of companies is still lacking universally accepted systems and the same is true for our industry. A multitude of approaches can be observed in the market and no standard framework has emerged yet. We therefore have defined our proprietary approach, which considers both, ESG factors as well as the

potential to have a positive influence. While being developed by us, the approach takes into account established concepts, such as the 17 Sustainable Development Goals of the UN.

We are continuously learning and refining our approach to ensure that, by the end of the life of our first fund, we will have the necessary data and advanced methodologies to demonstrate the positive influence of our portfolio companies.

4. Monitoring

The investee companies in which we invest are regularly monitored and discussed within our Portfolio Management team, based on the activity reporting received on a regular basis from all portfolio companies. Typically, this monitoring would cover financial and non-financial aspects. In the case of the Compartment, in addition to the monitoring of the core business activity, the emphasis is put the progress made on environmental and social characteristics as well as on corporate governance.

The source of data for these dedicated analyses is multiple (internal market research, 3rd party research, regular reporting and board information packs, company data, information gathered at meetings with the investee company or with other relevant stakeholders, onsite visits, etc.) and is often cross-checked with other sources.

5. Engagement

a. Bilateral discussions

Engagement is a key element of our investment process and is done by direct interaction with the management of the companies we invest in. This can take place in conference calls, written correspondence but also and foremost by meetings with the management of the companies. These discussions are a means for monitoring but also for supporting the company in achieving their plans and for potential escalation if need be.

Regular meetings are typically centred around the company's performance in comparison to business plans, roadmaps and milestones (both for financial and non-financial elements, including ESG), as well as an update around the market trends and competitors and finally we take the opportunity to raise our potential ESG concerns or expectations going forward. We also have meetings dedicated to specific topics in the life of the company, such as specific projects, strategic development topics or fund raisings.

b. Board representation

Where adequate, we seek to have Board representation, either through a team member of the AIFM or a nominated independent person, as we believe that our operational approach, based on in-depth industry knowledge, is beneficial to steer the strategic development of the company and to guide Management. Board representation also allows us to promote appropriate governance practices and ensure that the interests of our shareholders are safeguarded.

As we believe that good governance is essential to successfully grow the portfolio companies, we seek to ensure some level of independence at the Board of Directors level and therefore thrive to have at least one Independent Director on the Board of Directors as soon as this makes sense.

c. Voting

We always exercise our voting rights and we will do this in accordance with our Voting Rights Policy, as foreseen in the provisions of the Article 37 of the Commission Delegated Regulation (EU) 231/2013 of 19 December 2012.

We consider the right to exercise our vote as an expression of our committed and responsible investment approach.

d. Collective engagement

When appropriate, the AIFM may consider to engage in common initiatives with other shareholders in order to push forward on topics that we consider to be essential for the company's development and in terms of environmental, social or governance practices. The forms of these common initiatives may be multiple and bespoke according to the situation. When acting in cooperation with another shareholder, we make sure that we act in compliance with all our policies and procedures and that we always act in the best interests of our shareholders.

6. Conflicts of interest

In the context of engagement activities, it may be the case that conflicts of interest arise and the AIFM has put in place and enforces a Conflict of Interest policy. This policy aims at identifying, preventing, managing and monitoring potential conflicts of interest in order to prevent them from adversely affecting the interests of the Funds and the Investors.

This policy is subject, at least once a year, to a central and independent review, which is organized by the Senior Management of the Company in committee. This periodic review assesses if the Conflict of Interest policy is operating as intended and is compliant with all applicable laws and standards. The outcome of this review is properly followed up and presented to the Board of Directors.