

Stewardship code

Under Rule 2.2.3R of the Financial Conduct Authority's Conduct of Business Sourcebook, as an Institutional Investor in UK equities, Livingbridge VC LLP, ("Livingbridge" or "the Firm") is required to provide a disclosure about the nature of its commitment to the UK Financial Reporting Council's Stewardship Code (the Code) or, where it does not commit to the Code, its alternative investment strategy. The Code is a voluntary code and sets out a number of principles relating to engagement by Investors with listed UK equity issuers. Investors that commit to the Code can either comply with it in full or choose not to comply with aspects of the Code, in which case they are required to explain their non-compliance.

The Principles of the Stewardship Code are as follows:

Principle 1: Institutional investors should publicly disclose their policy on how they will discharge their stewardship responsibilities.

Principle 2: Institutional investors should have a robust policy on managing conflicts of interest in relation to stewardship and this policy should be publicly disclosed.

Principle 3: Institutional investors should monitor their investee companies.

Principle 4: Institutional investors should establish clear guidelines on when and how they will escalate their activities as a method of protecting and enhancing shareholder value.

Principle 5: Institutional investors should be willing to act collectively with other investors where appropriate.

Principle 6: Institutional investors should have a clear policy on voting and disclosure of voting activity.

Principle 7: Institutional investors should report periodically on their stewardship and voting activities.

Livingbridge Policy

Livingbridge is highly supportive of the Stewardship Code which is aligned with the Firm's investment policy and approach as highlighted below.

The Firm pursues investment strategies that include investing in both listed and unlisted UK equities. The Firm operates an Environmental, Social and Governance Policy ("ESG") covering the following elements:

- **Environment** – minimising and managing environmental impact
- **Communities** – making a positive contribution to the communities in which it operates
- **People** – investing in and developing employees
- **Ethical Standards** – operating to the highest ethical standards
- **Corporate Governance** – working to the highest standards of governance

In the case of unlisted investments (outside the ambit of the Code), the Firm formally assesses risks and commercial opportunities and encourages portfolio companies to incorporate ESG considerations into the way they do business so it becomes part of 'business as usual'. We recognise the potential this offers not only for being a good citizen but also for generating financial benefits, creating long-term sustainable value and enhanced employee well-being. Engagement is facilitated through 'significant influence' levels of holding and often representation on the Board of Directors.

In the case of listed investments, the Firm considers the elements of its ESG Policy both in its initial selection of investments and through the period of holding. Where possible, it engages with portfolio companies (including exercising its voting rights on corporate governance issues) to protect the interests of investors and to promote its ESG Policy, the sustainability of the investment and good corporate governance including remuneration structures. The nature of engagement with listed companies differs particularly in UCITS and Non-UCITS Retail Funds where regulatory limits apply. The Firm will always be a minority shareholder and will not have board representation.

In summary while Livingbridge does not comply in detail with all aspects of the Code its investment policy is aligned with the aims of the Code.