



Sustainable Investment Annual Report

2024

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A Message from the President



MATHIEU SIROIS, M.SC., CFA

President and Senior Portfolio Manager,
U.S. Small Cap Equities

A handwritten signature in dark ink, appearing to read 'Mathieu Sirosis'.

It is with great pleasure that we present our second annual report on sustainable investment, reflecting on our 2024 environmental, social and governance (ESG) activities. In a time of vibrant political discourse surrounding ESG, we find it essential to reaffirm Van Berkom's steadfast vision.

From the outset of our ESG journey, our primary goal has always been, and will continue to be, delivering the highest possible returns to our clients. We achieve this by constructing concentrated portfolios filled with companies in which we have strong conviction. Our rigorous due diligence process and ongoing close monitoring of investees allow us to gain a deep understanding of each company we invest in.

To us, evaluating environmental, social and governance risks and opportunities is a natural extension of our investment philosophy. As the ESG landscape evolves, so too do the risks and opportunities that can significantly impact a company's

trajectory. Recognizing this, we remain committed to integrating ESG evaluations into our investment process, leveraging our proprietary assessments built on thorough research and analysis.

In 2024, we made significant strides in this direction. We enhanced our ESG Assessment, revisited each investee's ESG evaluation, and began engaging with the lowest performing companies to encourage improvements, particularly in disclosure, which is often limited in the small-cap space. Additionally, we introduced our own ESG Corporate Policy, committing to offset our business travels' carbon emissions and taking a proactive stance in our environmental responsibility. To further consolidate our team's efforts in integrating our responsible investment strategy, this year's ESG bonus compensation was aligned with engagement objectives.

We hope you find this report insightful and inspiring. Thank you for your continued trust and support.

2024 Highlights

The year 2024 marked meaningful progress for Van Berkom as we advanced our commitment to responsible investment and deepened our integration of sustainability principles across the organization. From winning a prestigious sustainable finance mandate to strengthening our internal capabilities and transparency efforts, this year's achievements reflect the momentum of our strategy, which continues to build on the foundation laid in 2022.

Van Berkom Selected by Investi Fund

On February 21st, 2024, the investment committees of Investi– a \$300 million investment fund dedicated to bolstering Quebec's sustainable finance ecosystem, led by Innocap and Finance Montréal – announced the selection of Van Berkom to manage a global small-cap equity mandate. The decision followed a meticulous due diligence process, including an in-depth analysis of our investment process and sustainable investment efforts. Out of 50 candidates spanning various asset classes, our strategy emerged as a standout performer, positioning Van Berkom as one of the first two managers chosen.

For more information, please refer to the [Finance Montréal's press release](#).

Welcoming a Responsible Investment Analyst

In light of our progress over recent years and our ambitions to advancing sustainable investment practices, we recognized the need for a dedicated professional in this field to support our investment teams and our ESG Committee, as well as to carry out our initiatives.

With this in mind, we have proceeded to the appointment of Adrienne Castiello to the role of Analyst, Responsible Investment. Adrienne joined our team in March 2024, after completing her Master's degree in Sustainable Finance at Kedge Business School Paris, an internationally recognized and rigorous program.

Among her mandates, Adrienne is called upon to support the investment teams and the Internal ESG Committee towards achieving their responsible investment objectives. She also contributes to the ESG assessment of

portfolio companies and to societal engagement activities, in addition to monitoring best practices in the industry.

Implementation of our Engagement activities

After 18 months of collecting data and assessing companies from an ESG standpoint, we used that information to develop an engagement plan, which was executed throughout the year. The primary focus was on disclosure, governance issues and environmental considerations.

Significant Improvements to Employee Benefits

As part of our commitment to employee well-being and inclusion, we have implemented a competitive parental leave policy that provides generous compensation, supplementing government plans, as well as a generous retirement plan for non-shareholder employees, with Van Berkom doubling the employees’ contributions up to a certain maximum, which adds up to the already existing and very generous all-employees group insurance plan.

Enhancement of Our Annual ESG Assessment model

We enhanced our proprietary ESG Assessment template in 2024 by adding a dedicated section on double materiality, as well as a tool for tracking the United Nations Sustainable Development Goals (UN SDGs).

J. Sebastian van Berkom Honored as Officer of the Ordre de Montréal

We are more than proud to share the appointment of our founder, J. Sebastian van Berkom, as Officer of the Ordre de Montréal. The Ordre de Montréal is the city’s highest distinction. This honor, proposed by the Dean of Concordia University, recognizes Sebastian’s generous donations to numerous charitable organizations throughout his career and his significant contributions to education, including the creation and funding of the Van Berkom Investment Management Program at Concordia. More than thirty years after launching our company, Sebastian’s generosity, care for people, and unwavering integrity continues to be the cornerstone of Van Berkom’s culture.



Training Initiatives

In alignment with our continuous efforts to maintain the highest standards, all the investment professionals took three mandatory training sessions throughout the past year. These included a session on double materiality conducted by an external consulting firm, the participation in the Climate Fresk to strengthen climate literacy, and a collaborative brainstorming session on engagement activities.



Corporate Responsibility

At Van Berkom, we pride ourselves on upholding the highest standards in asset management, ensuring that our assessments of companies are thorough and precise. We believe that these standards should be reflected in the way we manage our own business. Our commitment to excellence is not just about financial performance; it extends to our environmental, social, and governance practices as well. In 2024, we continued to advance our sustainability journey, building on our achievements and introducing new measures to enhance our ESG efforts.

Governance Structure

Van Berkom has always considered governance as one of the most important elements in a company. Our founder, J. Sebastian van Berkom was a Founding Director of the Institute for Governance of Private and Public Organization ("IGOPP") in 2010 and, since the launch of our company in 1991, governance has always been at the heart of our deep investment analysis.

We make no exception when it comes to managing our own company. We have maintained the same committee structure in 2024, which includes the ESG Committee and the ESG Advisory Committee as follow:

- i. The internal ESG Committee is responsible for formalizing and recommending responsible investment processes to the Executive Management Committee of Van Berkom. It provides frameworks, support, and guidance on ESG integration to our investment teams. It also oversees and monitors the implementation and progress of Van Berkom's responsible investment strategy. In 2024, the Committee extended from three to four members following the hire of our new Responsible Investment Analyst.

The internal **ESG Committee** is composed of:



MATHIEU SIROIS
President and Senior Portfolio
Manager, U.S. Small Cap Equities



PATRICK LAMONTAGNE
Chief Operating Officer



ANDY KONG
Head of Global
Business Development



ADRIANNE CASTIELLO
Responsible Investment
Analyst

ii. The **independent ESG Advisory Committee** provides the ESG Committee with its expertise and advice. It plays a crucial role in establishing our objectives, determining actions, and revising our policies. The Advisory Committee is composed of three independent members as follow:



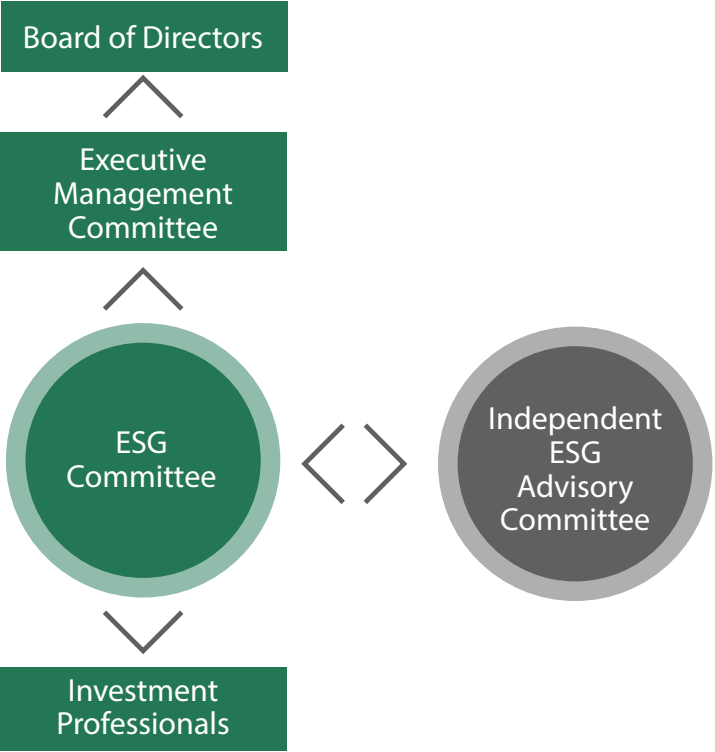
BHAKTI MIRCHANDANI
Managing Director,
Responsible Investing
at Trinity Church NYC



VALÉRIE CECCHINI
Founding Partner and
Portfolio Manager BOREALIS
Global Asset Management



AMR ADDAS
Senior Director, Sustainable
Finance and Insights
Farm Credit Canada



Impactful Initiatives

Responsible Investment Policy

Two years after publishing our first Responsible Investment (RI) Policy, we felt the need to update it to reflect the evolution of our ESG approach. This update reflects our latest strategies and procedures in integrating sustainability considerations into our investment processes, as we continue to improve our practices.

In this revised policy, we have made valuable enhancements to our responsible investment framework. Notably, we have introduced a comprehensive section outlining our exclusion criteria to ensure our investments align with our ethical standards and sustainability goals. In addition, to further develop our commitment to active ownership, we have improved our engagement section to reflect our escalation process.

For further details, you can find a copy of our [RI Policy](#) on our Website.

Our work environment fosters employees to reach their full potential and offers, along with a highly competitive compensation structure, resulting in an impressive employee retention rate.

Over the last 5 years, voluntary departures (excluding retirements) have **averaged less than 1% annually.**

ESG Corporate Policy

In order to formalize our ESG approach, we have implemented an ESG Corporate Policy in 2024. This new Policy, designed to strengthen our operational framework and ensure that we continue to lead by example in our sector, demonstrates our unwavering commitment to our ESG strategic plan and consolidates our commitment to sustainable development and best business practice. Van Berkom is committed to applying best practices in systematically integrating key ESG principles into our research process and within our corporation. As such, this Policy illustrates, among other things, Van Berkom’s governance and ownership structure, our approach to ESG factors across the firm and, of course, our community involvement.

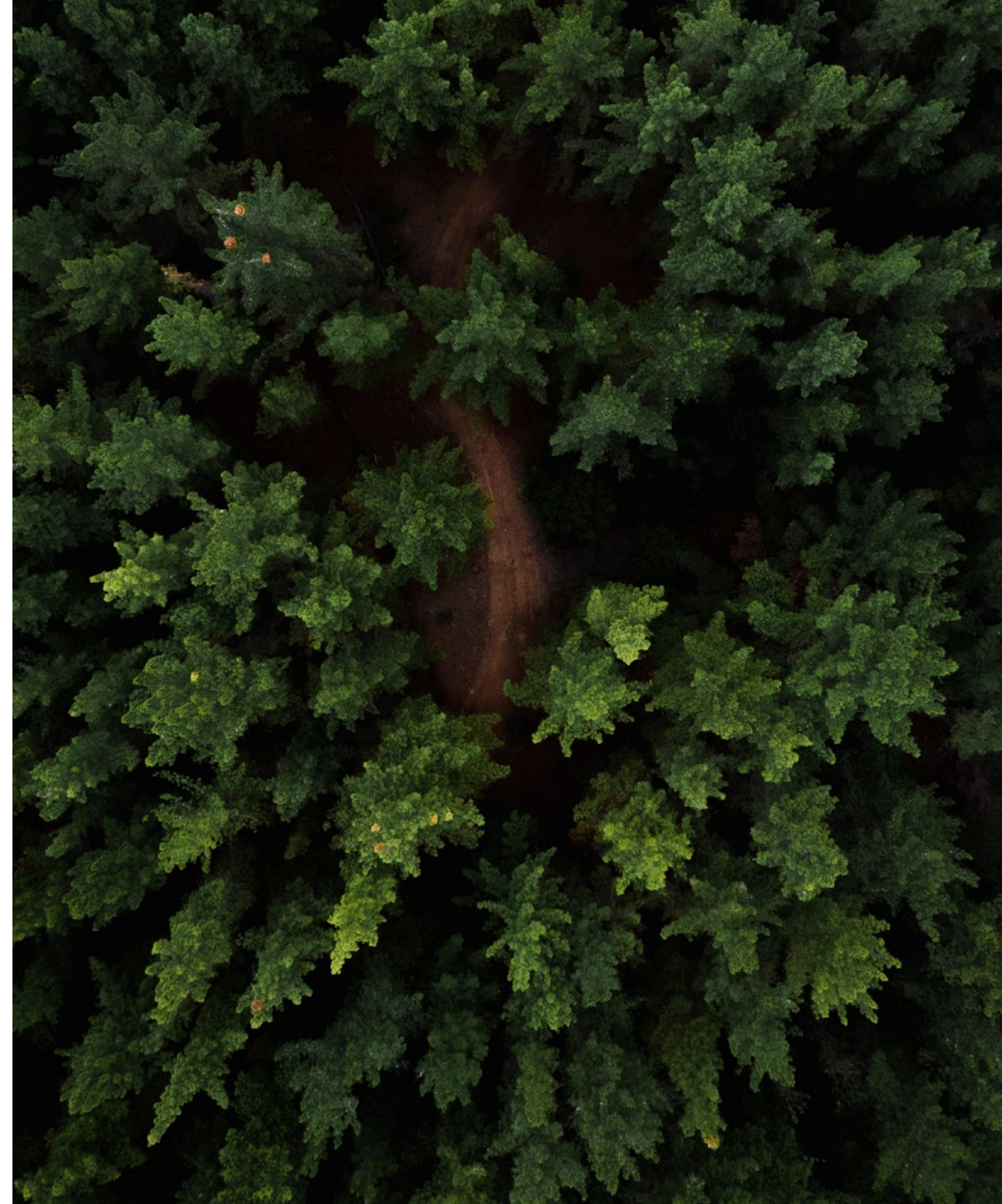
Our ESG Corporate Policy has been distributed to our clients and is available upon demand to our other business partners.

Doing our Part for the Environment

Although we do not operate in a polluting industry, we believe that every environmental gesture, no matter how small, is significant. As a firm, we are committed to doing our part. In 2024, we took a meaningful step by compensating for our business travel footprint for the first time. We have offset 25 tons of CO₂ emissions from business travels through the Carbone boréal initiative. Carbone boréal, a program managed by the Université du Québec à Chicoutimi (UQAC), focuses on greenhouse gas offsetting through tree planting. This initiative not only helps organizations and individuals compensate for their carbon emissions but also serves as a research infrastructure available to the scientific community. The trees planted under Carbone boreal contribute to advancing scientific knowledge on climate change and the dynamics of carbon in forest and agricultural ecosystems. Plantations

are established on non-forest lands called open woodlands, which result from regeneration accidents with a percentage of recovery of less than 25%. Scientific evidence therefore shows that the natural regeneration in these open woodlands is insufficient to restore them to a closed forest state, thus demonstrating that the plantations meet the criteria for additionality.

For more information on the initiative, please visit [FAQ - Carbone boréal – UQAC](#).





Canadian Cancer Society (CIBC Run for the cure, 2024 edition in Montreal). **Van Berkom Team.**

Diversity, Equity and Inclusion (DEI)

We are conscious that DEI is a sensitive and often polarizing topic, leading some players to potentially rethink their position. However, our commitment to DEI is resolute. We believe that the financial sector, like any other, thrives on a diversity of ideas and approaches, which are enriched by gender and cultural diversity. Equally important to us is the principle of equity, where every individual, regardless of gender or origin, is hired and promoted based on merit and talent. Our approach is designed to foster sustainable diversity over the long run by attracting and

retaining a diverse talent pool in finance. Thus, we are dedicated to hiring the best talent for every position, while actively working to attract more women to the finance industry - a group that has historically been underrepresented in our candidate pool. Over the past few years, we have collaborated with the Women in Finance Association of Quebec (AFFQ), supporting their events, contributing to their mentorship program, and serving on their board. While we have an overall diversified staff, we are dedicated to further promote gender balance in portfolio management.

32
team members

Cultural diversity:

31%
of employees are from a
culturally diverse
background

Gender diversity:

35%
female representation
firmwide

Up
2%
from 2023

25%
women on the Board

For further details, you can
find here a copy of our [DEI Policy](#).

Our Responsible Investment Approach

As long-term fundamental investors, we believe that sustainability is an important driver of a company's enduring success. It is our duty to fully understand ESG factors to gain a comprehensive view of the risks and opportunities our portfolio companies face. This understanding led us to launch our ESG initiative in 2022, always with the primary objective of maximizing returns for our clients. Our journey is dynamic and evolving, and in 2024, we continued to push forward with this vision, refining our existing practices and initiating new ones.



ESG Integration in our Investment Process

At Van Bepkom, analysts and portfolio managers take material ESG factors into consideration at every stage of the investment process. We look for companies that are best-in-class in all aspects of their operations, including the management of their material ESG factors.

Idea Generation

As we source investment ideas in the pre-investment phase, we use screenings by third-party service providers, attend conferences, and meet with management teams. During this step, our investment team identifies material ESG topics in its initial assessment of potential investments that could represent risks or opportunities.

Given Van Bepkom's investment philosophy and long-term focus,

we have always favored companies with management teams that exhibit leading governance practices, strong governance structures, promote a positive corporate culture, with no history of conflicts with stakeholders. We believe that well-aligned management teams, whose interests are in sync with shareholders, positively impact the management of environmental and social, ultimately enhancing the long-term value of the companies we invest in and partner with over time.

Research & Analysis

Once a company meets Van Bepkom's initial criteria and appears to be a viable investment opportunity, we conduct a deeper analysis. This stage includes our due diligence process, which involves thorough research to understand the company's operations and the management team's vision, feeding into the development of our financial models. The research and analysis phase entails interviews and dialogues with management teams

to understand the firm's competitive advantages, risks and opportunities, ESG strategy and macroeconomic landscape. We also conduct interviews with competitors, customers and suppliers when relevant.

Based on the material ESG risks and opportunities identified in the idea generation phase, our investment team analyzes and documents all relevant information and conducts our proprietary ESG Assessment. The weight allocated to various extra-financial elements in this assessment can vary by sector and company and is embedded in our financial analysis.

Monitoring & Risk Management

The portfolio manager overseeing each strategy is responsible for determining how the ESG Assessment influences the inclusion of an investment in the portfolio and its potential impact on weighting decisions. In collaboration with analysts, the portfolio manager leading the strategy is responsible for overseeing the entire portfolio and continuously monitoring ESG risks and opportunities throughout the investment’s lifecycle.

Our investment teams conduct deep research on all key and relevant business matters, including ESG considerations, placing them in a unique and advantageous position to identify and flag both ESG risks and opportunities. By spending significant time and effort to understand each industry, business model, risk factor, and growth driver of any investment candidate, our investment professionals develop

a comprehensive understanding of all key drivers and issues that could positively or negatively impact each company, including ESG risks and opportunities.

Identified risks and opportunities are then discussed with each investment candidate’s management team and other industry players for validation and clarification, ensuring full integration into our investment thesis. Once identified, ESG risks and opportunities can impact the investment decision in various ways. If a risk could ultimately affect financial results, we would take action based on the potential impact. Some of the potential actions are set out in the green boxes aside.

When our investment team is confident that ESG-related opportunities are likely to materialize for a company in the coming years,

these opportunities are incorporated into our financial model. This integration is based on our deep and superior understanding of such considerations, and it influences our future financial forecasts. Consequently, this impacts our assessment of the company’s intrinsic value. This assessment is crucial in determining whether the company meets our long-term return hurdle rates, ultimately guiding our investment decision.



Investing anyway but closely monitoring the risk and engaging with the company to mitigate it.



Using a lower estimated value of the company, and then engaging with the company to mitigate the risk.



Walking away from the opportunity.

Proprietary ESG Assessment

Gathering ESG data for small-cap companies is challenging for several reasons:

- Limited human and financial resources to provide disclosures.
- Limited reporting requirements leading to a lack of transparency.
- Varying regional standards resulting in non-comparable data from providers.

Given the incomplete public ESG data in the small-cap universe and the poor-quality data from third-party providers, we rely solely on our thorough due diligence, performed as part of our investment analysis, to collect and assess extra-financial factors of the companies we analyze.

Since 2022, all new companies entering our portfolios must be evaluated from an ESG standpoint

using our 23-theme ESG questionnaire. As of 2023, the assessment is updated annually for current holdings and completed for every investment candidate. In 2024, we enhanced the questionnaire by adding a theme on risks and externalities from climate change, introduced a UN SDGs tracker for informational purposes, and implemented a complete double-materiality assessment, further enriching our evaluation process.

As part of this process, all investment professionals must meticulously analyse each theme, assign a notation on a scale of 1 to 5 (1 being the lowest score), and subsequently present their findings to a peer group, inviting constructive challenges and discussions, prior to the company being approved and added to any portfolio. To complete their assessment, investment professionals rely mostly on document reviews for information that is publicly available followed by several due diligence calls with the company, leveraging our access to company management teams. Moreover, the assessment

was built around the SASB and MSCI Materiality matrix for reliability and accuracy of identified material factors.

The notation directly influences investment decisions. Based on this score, and as per our revised Responsible Investment Policy, investment candidates scoring lower than 2 out of 5 will be excluded from our investment universe. The notation is used to quickly identify areas to focus on in our engagement strategy and measure the pace of progress for both the company and our portfolio, with lower-scoring companies being prioritized for engagement to enhance their performance.



ESG-Aligned Compensation

Effective January 1st, 2023, we have introduced a substantial ESG bonus component in the compensation structure of each investment professional. This bonus represents 20% of their base salary. Our rationale is simple: aligning everyone's interests with our ESG objectives is key. For the year 2024, the evaluation criteria for investment professionals included conducting our engagement strategy with portfolio companies, participating in firmwide training on responsible investing, and completing, in time, comprehensive ESG company evaluations, using Van Berkom's proprietary tool and process for this purpose.

Performance targets will be reassessed on an annual basis as we advance on our ESG initiatives.



ESG Portfolio Metrics

The ESG portfolio scores represent the weighted average of a company’s ESG evaluation from our proprietary 1 to 5 points model. As this exercise is done on an annual basis, you may find the results for our first two years below:

	Can SC		U.S. SC		U.S. SMID		Global SC		International SC
	2024	2023	2024	2023	2024	2023	2024	2023	2024
Best performer	4.27	4.21	4.56	4.85	4.56	4.85	4.31	4.64	4.81
Portfolio average	3.22	3.26	3.90	3.88	3.88	3.93	3.73	3.73	3.68
Worst performer	1.70	2.04	2.68	1.49	2.68	2.88	2.68	2.30	2.68

As of September 30th, 2024, and June 30th, 2023

Below are some additional metrics collected in our proprietary ESG Assessment:

Strategy	Women on Board	Board Independence	Companies Reporting Scope 1 and Scope 2 Emissions ¹
Canadian Small Cap	33%	82%	47%
U.S. Small Cap	31%	75%	66%
U.S. SMID	31%	72%	66%
Global Small Cap	30%	54%	70%

¹This data is collected from our ESG Assessment model but does not reflect the coverage used to compute our portfolios’ carbon footprints. We are actively working to combine data from our assessments and the Bloomberg emissions which we currently use, to reflect the most accurate numbers.

Ranking Legend

01.

No acknowledgment of sustainability considerations, no initiatives or programs in place.

02.

Limited initiatives, lack of adequate reporting or meaningful performance.

03.

Good level of disclosures, some specific initiatives underway. No specific targets, performance is average within its sector.

04.

Presence of meaningful initiatives and targets are established and timebound, the key risks are well managed, very good level of disclosures.

05.

Exemplary ESG leadership, targets are quantitative and timebound, progress is monitored and disclosed. Best-in-class in their sector.

Carbon Footprint

Since 2023, we conduct annual comprehensive analysis of the carbon footprint of our investment portfolios, specifically focusing on Scope 1 and Scope 2 emissions. We calculate them using two methods, which allows us to compare the strategy with its respective benchmark.

1. Total Carbon Emissions

This is the most intuitive and straightforward approach to calculate portfolio emissions. We determine the total greenhouse gas (GHG) emissions (in tons of CO2e) of our portfolio based on the issuer’s market capitalization, and then divide this by the current strategy’s value. This allows us to directly compare our portfolio’s emissions with that of the index. This therefore represents our portfolio’s normalized carbon footprint per million dollars invested.

2. Weighted-Average Carbon Intensity (WACI)

The carbon intensity of a company is a relative measure, obtained by dividing its GHG emissions (in tons of CO2e) by the issuer’s revenue. For our strategy, we compute the weighted average carbon intensity by considering each company’s weight within the portfolio, rather than equity ownership. This therefore measures the strategy’s exposure to carbon-intensive companies.

Strategy	WACI Relative to Benchmark	Benchmark
Canadian Small Cap	18%	S&P / TSX Small Cap
U.S. Small Cap	19%	Russell 2000
U.S. SMID	24%	Russell 2500
Global Small Cap	15%	MSCI ACWI Small Cap
International Small Cap	7%	MSCI ACWI ex-USA Small Cap

As at September 30th, 2024.

Carbon Footprint Results by Strategy

Canadian Small Cap Strategy

		VAN BERKOM		S&P / TSX SMALL CAP	
METHOD	UNIT	2024	2023	2024	2023
Carbon Emissions ²	t. CO2e / M. CAD	31.1	26.7	109.2	120.2
Carbon Intensity	t. CO2e / M. Sales CAD	30.3	24.2	167.4	173.1

As at September 30th, 2024, with 100% coverage, and December 31st, 2023

U.S. Small Cap Strategy

		VAN BERKOM		RUSSELL 2000	
METHOD	UNIT	2024	2023	2024	2023
Carbon Emissions ²	t. CO2e / M. USD	16.5	16.6	142.8	111.2
Carbon Intensity	t. CO2e / M. Sales USD	32.1	32.3	165.9	142.3

As at September 30th, 2024, with 100% coverage, and December 31st, 2023

U.S. SMID Strategy

		VAN BERKOM		RUSSELL 2500	
METHOD	UNIT	2024	2023	2024	2023
Carbon Emissions ²	t. CO2e / M. USD	13.0	13.7	110.4	120.3
Carbon Intensity	t. CO2e / M. Sales USD	31.8	32.4	130.3	134.6

As at September 30th, 2024, with 100% coverage, and December 31st, 2023

Global Small Cap Strategy

		VAN BERKOM		MSCI ACWI SMALL CAP	
METHOD	UNIT	2024	2023	2024	2023
Carbon Emissions ²	t. CO2e / M. USD	24.3	25.6	210.2	198.4
Carbon Intensity	t. CO2e / M. Sales USD	38.0	48.1	252.8	255.1

As at September 30th, 2024, with 100% coverage, and December 31st, 2023

International Small Cap Strategy

		VAN BERKOM		MSCI ACWI EX-USA SMALL CAP	
METHOD	UNIT	2024		2024	
Carbon Emissions ²	t. CO2e / M. USD	13.0		266.8	
Carbon Intensity	t. CO2e / M. Sales USD	28.3		382.4	

As at September 30th, 2024, with 89% coverage

²Van Berkom calculates its portfolios' carbon emissions and carbon intensity using the methodology established by the Task Force on Climate-related Financial Disclosures (TCFD). Carbon emissions correspond to portfolio companies' Scope 1 and Scope 2 emissions that are either reported to or estimated by Bloomberg. The carbon footprint based on market capitalization was used as our strategies are 100% equity, but carbon footprint based on EVIC is also available on demand.

Active Ownership

Engagement

Following the ESG Assessment, our engagement strategy is designed to be effective and impactful. Small-cap companies typically operate with limited resources compared to their mid- and large-cap counterparts, leading them to focus on issues closely aligned with their core business. Therefore, they usually value external input and often prove to be highly receptive. Additionally, due to their smaller size, investors tend to hold a larger share of the capital and have easier access to top management. This greater ownership translates to increased influence, allowing recommendations to be implemented more swiftly.



2024 marked the beginning of our official engagement initiative, with the ESG Committee collaborating closely with the investment teams to lay the groundwork for our engagement activities. In the past year, we have prioritized engagement with three key focus areas:



Companies that have not yet provided adequate disclosure and information related to key ESG considerations.

Many small-cap companies have yet to publish or commit to publishing an ESG plan or report. Addressing this gap is fundamental to our stewardship approach.



Companies lacking robust governance practices and structures.

As governance excellence has always been a cornerstone of our research process at Van Berkom, we aim to set a high bar in terms of governance structures and practices across all our portfolio companies.



Companies that do not have environmental footprint reduction initiatives.

All the companies in our client portfolios should, at a minimum, have some initiatives in place to reduce their environmental impact, such as energy consumption reduction, increased use of renewable energy sources of energy for their operations, and recycling and waste management programs.

Engagement Case Studies

While 2024 marks the official launch of our ESG engagement plan, Van Berkom has a long history of successful company engagements. These past interactions, though previously informal, have been instrumental in shaping our current approach. Here are three notable examples of engagement from the past year:

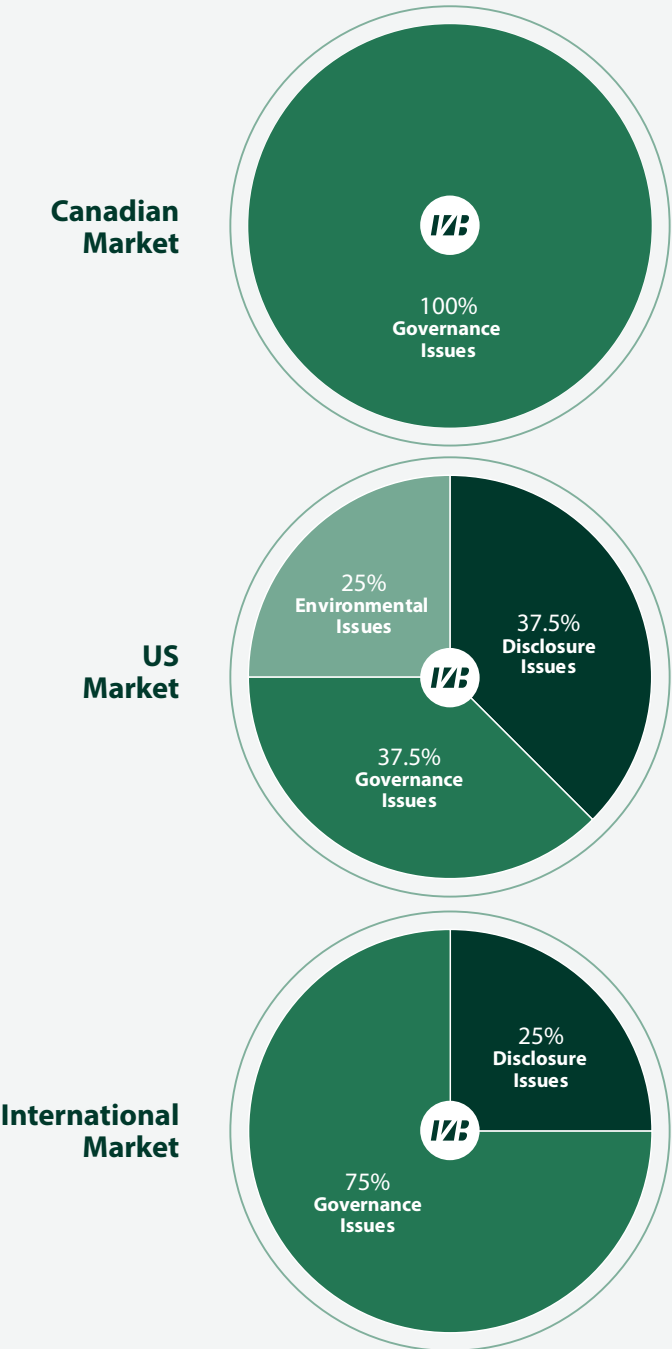
1 Strategic Alignment: Linamar Corporation (LNR CN), a diversified global manufacturing company, produces high-precision components and systems specialising in mobility solutions and medical devices leveraging advanced technology and leading expertise. Since our investment in Linamar Corporation in 2020, we have engaged in numerous discussions with the company’s leadership to express our concerns regarding management compensation practices. Specifically, we highlighted the issue of significant bonus payouts to the CEO and President, even in years when profit growth was stagnant as this showed lack of alignment with shareholders. We have consistently opposed this practice. In April 2024, we raised our concerns directly with the CEO, who owns 34% of the company. During this

meeting, we emphasized the need for a compensation structure that better aligns with shareholder interests and company performance. We made it clear that our continued investment was contingent upon the conclusions drawn from this discussion. Despite our efforts, there appeared to be no willingness to consider changes to the current governance practices or to incorporate shareholder views on management compensation. Consequently, we made the decision to exit our position completely a few weeks later.

2 Diversity Advocacy: AutoStore (AUTO NO) is a global technology company specializing in developing robotics and advanced software to automate and orchestrate order fulfillment. Historically, the company

has lacked diversity, with average representation at best and few initiatives to encourage diversity within the workforce. When AutoStore specifically asked us about our view on their diversity practices, we emphasized its importance and noted that it should be normalized based on the company’s industry and the countries in which it operates. We strongly encouraged them to implement initiatives to improve diversity, particularly in executive leadership. In subsequent discussions, the Human Resources team highlighted encouraging progress as that they were conducting a DEI analysis and had collected data from numerous surveys and focus groups. As this engagement is still active, we intend to closely monitor the company’s disclosures and progress in this area.

In 2024, we engaged with 19 companies:

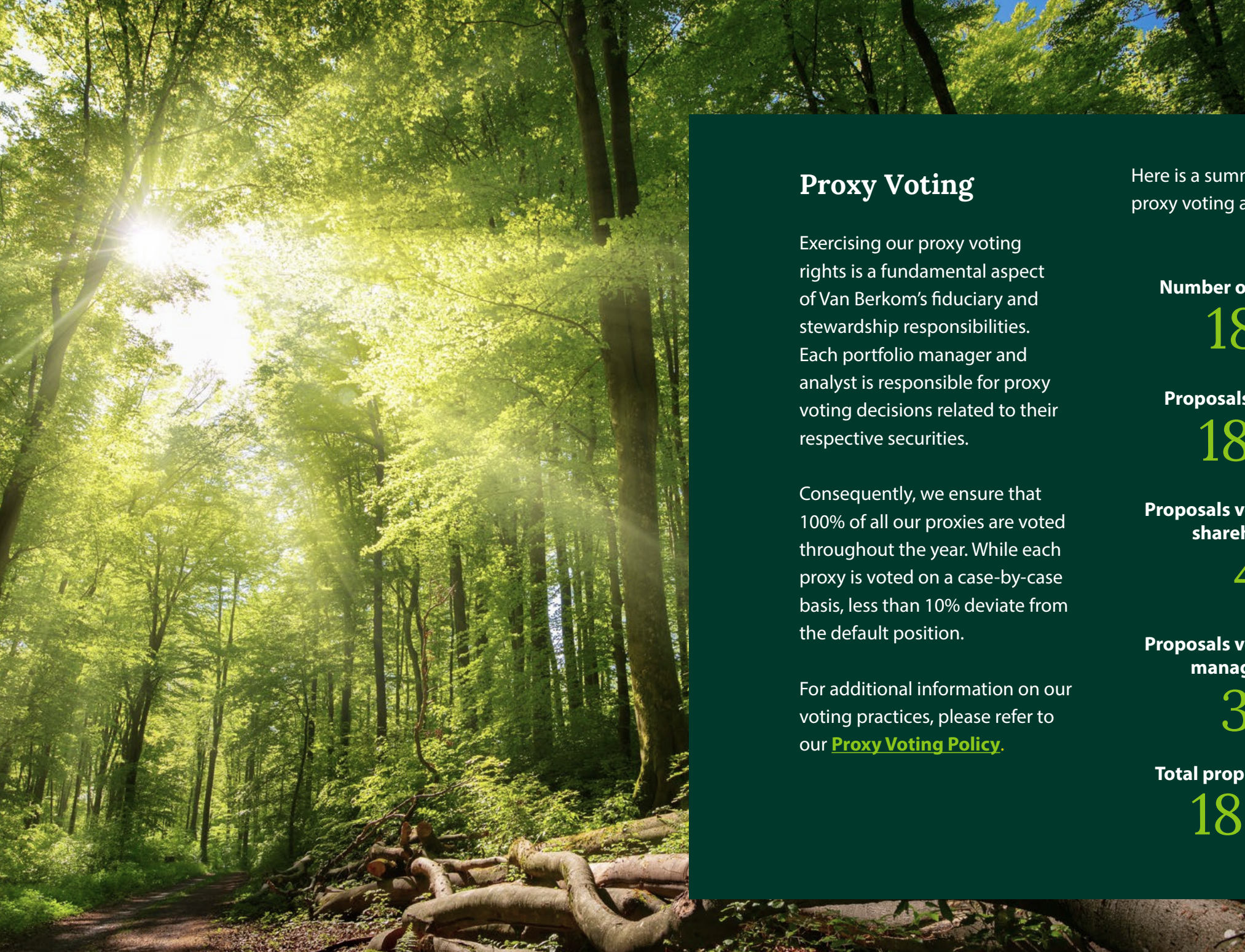


3 Driving Change: Stonex Group

(SNEX US) is an institutional-grade diversified financial services franchise that offers a wide range of research, trading, execution and clearing services to clients worldwide. It connects companies, organizations, traders, and investors to the global financial market ecosystem. As a proven compounder, StoneX is extremely well-run, has a strong culture and does not have a significant environmental footprint. While the company offers financial products to its clients to address climate change issues, such as carbon trading services, it had yet to disclose its environmental footprint data, and to our surprise was not scoring well with third party ESG data vendors. Back in 2022, we started engaging with the firm on measuring and communicating sustainability data as a first step, but the company was not ready to commit to environmental data disclosures at that point in time. We continued to proactively follow up in subsequent quarters and years on this topic. In addition, while the company had dedicated a few pages

of its annual report to ESG highlights, we suggested the publication of a stand-alone official ESG report. We eventually learned StoneX had started measuring environmental data and was considering starting working on incremental ESG initiatives. Fast-forward to 2024, StoneX published its inaugural Sustainability Report, covering 2023 ESG metrics such as Scopes 1, 2, and 3 emissions, electricity usage, energy consumption, and workforce diversity. While we cannot claim credit for these new and enhanced disclosures, this significant step forward is 100% aligned with our approach to ESG that includes our proprietary ESG evaluation program and engagement philosophy.





Proxy Voting

Exercising our proxy voting rights is a fundamental aspect of Van Berkom’s fiduciary and stewardship responsibilities. Each portfolio manager and analyst is responsible for proxy voting decisions related to their respective securities.

Consequently, we ensure that 100% of all our proxies are voted throughout the year. While each proxy is voted on a case-by-case basis, less than 10% deviate from the default position.

For additional information on our voting practices, please refer to our [Proxy Voting Policy](#).

Here is a summary of our 2024 proxy voting activities:

Number of meetings
188

Proposals voted for
1817

Proposals voted against
shareholders
4

Proposals voted against
management
37

Total proposals voted
1858

Proxy Voting Case Studies

While we generally support existing management, our commitment lies unwaveringly with the best interests of our shareholders and our clients.

We present three instances where we casted votes against management, and one in favor in the past year:

1 MarketAxess Holdings Inc.'s Advisory Vote on Executive Compensation

We voted against management as we perceived the proposed management compensation excessive, particularly given the mixed operational performance over the past 36 months. First, the discussion on compensation runs some 45 pages long and is simply too complex, allowing multi-million-dollar payouts, even for well below consensus profit performance and below average share price performance. While actual pay has trended below awards, particularly for the former CEO who is now Chairman, due to conditions from prior awards not being met, the ongoing grants continue to remain too generous for a company of this size in our view. Quite often these all-encompassing, complex pay awards are pitched as well thought out. We tend to see them as generous in the face of poor performance given how many shots on goal they offer the participants, so they rarely pay out less than 60% of total even for terrible years of performance.

2 Visional Inc.'s vote on Board Nomination

While we generally support the election of Alternate Directors on a temporary basis, we have concerns regarding the election of Yukihiro Hattori as an Alternate Audit Committee Director. Given his status as an Insider, his election would compromise the board's independence. Therefore, we find this appointment inappropriate and voted against his election.

3 SmartCraft ASA's Advisory Vote on Remuneration Report

We voted against management as we had reservations over the use of upward discretion in the short-term incentive of management for 2023. The incentive, which already includes a discretionary element, was 200% of the predefined amount. While we generally agree with the stated rationale of good performance during challenging macro environment, the rationale for the discretion lacks specific targets. While the overall quantum is relatively small, we still think the board should avoid going outside predefined amounts for compensation.

4 Investnet's Takeover Bid

We voted in favor of the Board's recommendation to approve a transaction to sell Investnet to an acquirer at a reasonable premium over the market value of this company prior to the announcement. Our decision to support the Board's recommendation stemmed from our firm belief, after a thorough review and analysis of this transaction, that this takeout price offered by the acquirer represented a sufficient control premium and offered a relatively full valuation to Investnet's shareholders, providing an immediate boost to our clients' returns, and consistent with the stated goal to maximize shareholder value. Therefore, we concluded that this transaction was in the best interests of shareholders.

Looking Ahead

The year 2025 promises to be just as busy as the last. First and foremost, we aim to build upon our achievements and further refine our practices. Although we have completed the ESG analysis of the securities in our portfolio, our experience has led us to improve our approach. In the coming year, among other things, we plan to:



Conduct a calibration workshop for our proprietary ESG Assessment tool, to ensure accurate and calibrated valuations across our portfolios.



Support additional ESG public initiatives.



Rethink our systems for our proprietary ESG Assessment and engagement tracker.



Conduct a comprehensive review of our Proxy Voting Policy.



Publish annual ESG factsheets per strategy.



Actively influence our small-cap companies' ESG efforts, leveraging our close relationships with management.



Pursue our engagement efforts and measure the progress of these efforts for portfolio companies with whom we have engaged over the past two years.

About Van Berkom

We find the best opportunities in high-quality, steady growth and well-managed companies. We invest when they are mispriced, and we monitor their development very closely.

Our Culture

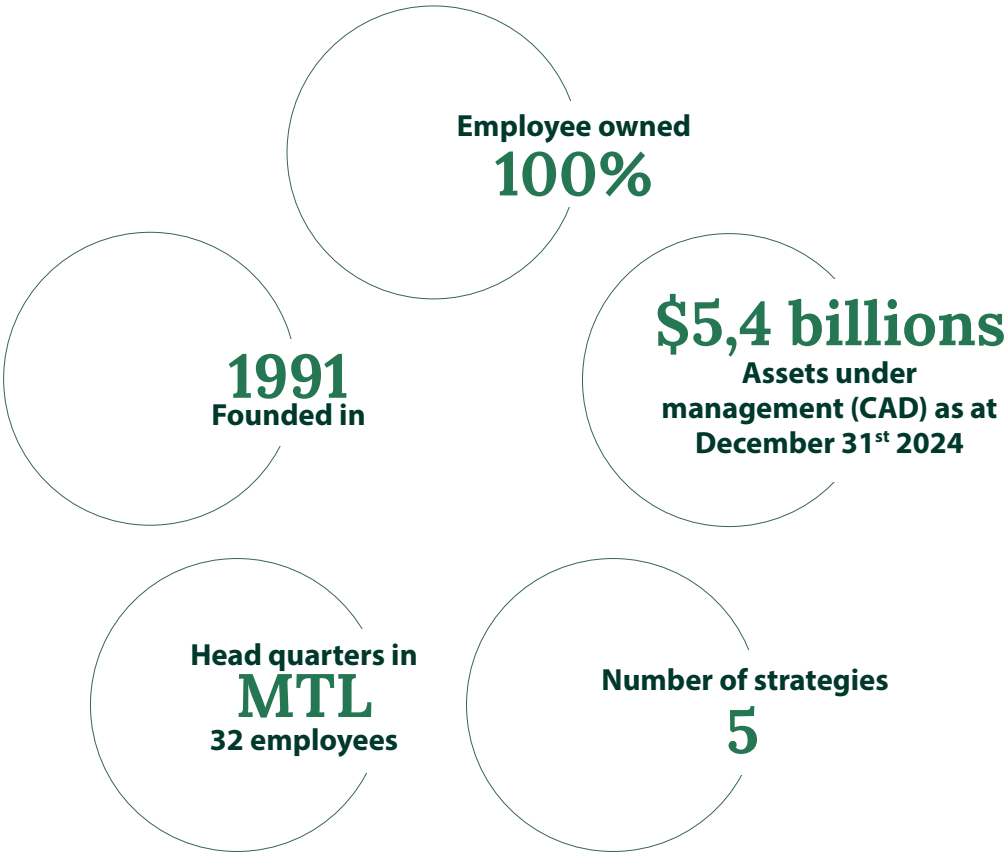
Our culture is that of an extended family sharing a common dream, vision, mission and values that is driving us to build a small-cap investment management leader. The discipline of our investment philosophy, together with outstanding employees that have the passion of investing in small-cap stocks, gives all of us the opportunity to produce outstanding investment performance results, which, in turn, translate into client and employee loyalty.

This culture is based on strong values shared by everyone, namely:

- **Integrity and honesty**
- **Professionalism**
- **Respect**
- **Communication and trust**

This culture creates an environment in which we enjoy working together to build a company that we can be proud of. Profit sharing and shared ownership by the employees and professionals give us the freedom to drive our careers, make decisions in the best interests of our clients and take part in the continuous improvement of our business and benefit from the satisfaction of a job well done.

Signatory of :



Appendix

Van Berkom's Independent ESG Advisory Board



BHAKTI MIRCHANDANI

Managing Director, Responsible Investing
at Trinity Church NYC

Bhakti Mirchandani is Managing Director, Responsible Investing at Trinity Church NYC, teaches impact investing at Columbia's business and climate schools and is co-founder and board member of Allocator Collective (formerly IADEI), covers sustainable and impact investing at Forbes.com, and is on the board of Oxfam America and the investment committee of Human Rights Watch. Previously, Bhakti held leadership roles at FCL TGlobal, OWS Capital Management, Barclays, and Unitus Capital after launching her career on Wall Street and in microfinance. Bhakti has an A.B., MPA, and MBA from Harvard, where she received the Dean's Award.



VALÉRIE CECCHINI

Founding Partner and Portfolio Manager
BOREALIS Global Asset Management

Valérie is co-founder and managing partner of BOREALIS Global Asset Management. She is responsible for fundamental, sustainable research and the investment process. She also oversees shareholder engagement activities to promote good corporate governance and represents BOREALIS in the global sustainable finance ecosystem.

After 25 years of success as a portfolio manager with major asset management companies, she decided to dedicate her career to managing assets in keeping with the principles of responsible investment and to promote sustainable finance within the investment industry. Before founding BOREALIS, she managed one of Canada's oldest and largest SRI equity funds, which performed exceptionally well against both financial and sustainability criteria, while leading ESG integration efforts in her team.



AMR ADDAS

Senior Director, Sustainable Finance and Insights
Farm Credit Canada

Amr Addas is the Senior Director, Sustainable Finance and Insights at Farm Credit Canada. Prior to joining FCC, Amr was the Strategic Advisor for Sustainability and a lecturer at Concordia University's John Moison School of Business, where he developed the first sustainable investing course taught at a Canadian business school and founded the Sustainable Investing Practicum and the Sustainability Ecosystem, and directed the Van Berkom Investment Management Program. In March 2025, Amr was awarded the King Charles III Coronation Medal in recognition for his contributions to sustainable finance in Canada.

As an active member of the sustainable investing community in Montreal since 2010, Amr has served on various Sustainability Advisory boards and on key working groups, including the Finance and Sustainability Initiative, Finance Montréal's Sustainable Finance Working Group, and the Finance Montréal's Advisory Committee for developing a Sustainable Finance Roadmap for Québec. Amr holds an MBA from the University of Michigan and a B.Sc. in Mechanical Engineering from the American University in Cairo.

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