



DUFF & PHELPS
INVESTMENT MANAGEMENT CO.

Policy for Engagement on Environmental, Social, and Governance Issues

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Introduction

Duff & Phelps Investment Management Co.'s ("D&P") integrates environmental, social, and governance ("ESG") factors into our investment analysis and decision-making processes for active equities and corporate and municipal fixed-income consistent with our fiduciary duties to our clients and the investment objectives that our clients have directed us to pursue. D&P's Responsible Investment Committee ("ESG Committee") has adopted this Engagement Policy ("Policy") under the principles and as a branch of our overall Responsible Investment Policy, which outlines D&P's ESG philosophy and approach to ESG integration.

Although D&P engages companies on many issues (including, among others, revenue growth, profit targets and general business plans), the purpose of this Engagement Policy is to set out the general framework for our ESG engagement activities, with current and potential portfolio companies and other stakeholders.

This policy outlines:

1. Definition of engagement
2. Identifying engagement activities
3. Engagement process
4. ESG priorities and measuring progress
5. Tracking and reporting engagements
6. Overview of escalation procedures

D&P's ESG philosophy and strategic objectives are overseen by the firm's ESG Steering & Governance Committee and D&P's Responsible Investment Committee.

The tenets of this Policy are upheld by all of D&P's active equity and corporate and municipal fixed-income investment personnel and integrated into their investment analysis and decision-making processes. For the sake of this document, it is assumed that all engagement activities and investment teams/ personnel in reference pertain specifically to D&P's active equity strategies. At least annually, the ESG Committee will formally review the Engagement Policy for its effectiveness and recommend any changes to the ESG Steering & Governance Committee.

Definition of Engagement

Consistent with our longstanding values, as well as being a signatory to the United Nations-backed Principles of Responsible Investment (the "PRI"), D&P views itself as an active owner, who can use its position of ownership to engage on critical ESG risks and opportunities. D&P views engagement as the actions we undertake, consistent with our fiduciary duties and the investment objectives that our clients have directed us to pursue, with current and potential portfolio companies, stakeholders, and industry players to influence or improve ESG practices and disclosure.

We engage because we believe that strong corporate governance and capital stewardship are essential components of long-term investing, and that embedding ESG practices into the core of our investment activities globally is in the best long-term interest of our clients. Specifically, we believe improved risk mitigation and risk adjusted returns through the integration of ESG into our investment analysis and portfolio construction enhances the investment analysis that we employ in seeking to meet each of our clients' investment objectives.

Identifying Engagement Activities

D&P chooses where, when, and how to engage based on how material an issue is to our clients' economic outcomes. We will consider engaging on an ESG issue if:

- It is or may become relevant and impactful toward the financial condition, operational performance, or future positioning of the organization under consideration (e.g., a current or potential portfolio company), and
- D&P assesses itself as being able to influence, individually or collectively as a member of the global investment community, said organization.



Beginning with the robust investment analysis by our fundamental research analysts, successful engagement depends on defining the scope, participants, and potential range of outcomes of the engagement. We will focus on and prioritize which engagements may impact a company most.

The purpose of engagement is guided by our ESG objectives and often connected, but not limited to:

- Alignment with shareholder interests
- Governance
- Management and strategy
- Incentive structures
- Capital allocation
- Emissions
- Company culture, including diversity, equity, and inclusion

Engagement Process

At D&P, we are fundamental investors and have integrated ESG principles into the due diligence we perform as part of our investment process. As a real assets-focused boutique, we have a more limited investment universe, which affords us the opportunity to meet with most companies we cover multiple times each year. We take advantage of these ongoing conversations to engage on ESG with the companies we meet, whether we are invested in them or not. To us, probing management teams about ESG is a beneficial part of fundamental analysis. For example, ESG factors may enhance earnings growth by aligning with client interests, offering cost savings in areas such as water, waste, and power, and leading to better returns on investment spending. We want to understand the following and how each maximizes shareholder value:

- Corporate governance priorities of management and the board
- The sustainability of each company's business model,
- How they best attract, retain, and motivate a talented employee base, and
- How they best engage their communities and obtain needed permits and approvals.

Our due diligence is informed by third party data and research, company reports, stakeholder assessments, and information gathered through direct company engagement as well as peer assessment. We evaluate our potential investments using a number of factors including the ESG objectives listed below and compare our evaluations between peer companies and against industry benchmarks. These analyses are part of our fundamental research and are tracked in our proprietary ESG tools and dedicated Bloomberg research portal. Our proprietary ESG tools offer blends of qualitative and quantitative comparative assessments, which help identify and prioritize focal points for our communication with company management and boards.

Our ESG tools are integrated into the investment recommendations by our fundamental research analysts and, as a result, our portfolio construction. The analyses yield information that impacts our assessment of value, including factors that may impact profitability, capital intensity, employee retention, risk reduction, and cost of capital. Our ESG analyses are refreshed at least annually, with adjustments made continuously through the year as new information becomes available, including through the latest company engagement.

We are proactive in providing our thoughts to management teams regarding their business strategies, governance, reporting, and other ESG issues. If we determine that a company fails to meet our business quality standards, we are provided an opportunity to engage even further and deliver additional challenges to management. By doing so, we believe we can have a positive influence on our investment universe of companies whether a company becomes a suitable investment candidate over time. If we are generally favorable towards a company but believe there are particular ESG issues that should be addressed, and we have confidence they can be addressed and may lead to favorable outcomes, we may invest in the company. In those cases, we will work with that company and look for measurable signs of future improvement. On the other hand, if we find overwhelming ESG issues that we believe will negatively affect the future value of the security and sense an unwillingness or inability to make real changes, we will decline to make an investment in the company. After making an investment, should an event occur that we believe is an overwhelming ESG issue and will negatively affect the future value of the security, and we do not receive satisfactory responses and action by management and/or the board, we will look to divest our position.



ESG Priorities and Assessing Progress

To focus our engagement activities, each year our investment leaders develop ESG priorities. They can be revisited, assessed, and updated as necessary. Each investment team monitors the progress of companies in their investment universe on these priorities, as applicable by company or sector. This effort benefits from the leadership provided by our dedicated ESG Committee, which includes investment members from each team.

We have identified the following ESG priorities:

Area of Focus	Priority
ESG Reporting	<ul style="list-style-type: none">• Continue to encourage new and ongoing publication and enhancement of Corporate Sustainability Reports• Increase adoption of Sustainability Accounting Standards Board reporting• Increase adoption of industry specific ESG reporting templates
Environmental	<ul style="list-style-type: none">• Vet past accomplishments, current measures, and future goals/targets as applicable with management, such as:<ul style="list-style-type: none">○ Addressing greenhouse gas emissions○ Addressing existing or potential carbon neutrality targets○ Identifying opportunities for greater renewable utilization that may result in reduced operating risk and/or increased profitability
Social	<ul style="list-style-type: none">• Provide transparent reporting on progress of diversity, equity, and inclusion goals
Governance	<ul style="list-style-type: none">• Look for sound governance practices and diversity of company management and board of directors• Look for board independence, as well as increased focus on ESG responsibilities

Tracking and Reporting Engagements

Our fundamental research analyses are tracked in our proprietary ESG tools and research portal. Additionally, our Risk Department tracks ESG discussions and engagement activities with companies in our investment universes as reported by our analysts and portfolio managers.

Overview of Escalation Procedures

Due to our focus as a real assets focused boutique investment manager, we have longstanding access to the management of current and potential portfolio companies within our investment universe, placing us in a position to escalate ESG concerns as needed. Key topics may be escalated every year to management and/or the board of companies comprising our investment universe.