



DUFF & PHELPS
INVESTMENT MANAGEMENT CO.

Responsible Investment Policy

Updated and Approved: June 2023



Introduction

At Duff & Phelps Investment Management Co. (“D&P” or “firm”), we are dedicated to understanding environmental, social, and governance (“ESG”) concepts and their impact on economic value, integrating ESG factors into active equity and corporate and municipal fixed-income investment analysis and decision-making processes, and encouraging companies we invest in to pursue and disclose sustainable business practices, consistent with D&P’s fiduciary duty to clients and the investment objectives that our clients have directed us to pursue. 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 and can enhance fiduciary outcomes. As a steward of our clients’ resources, D&P is committed to adapting our ESG approach to reflect the evolution of material ESG considerations around the globe.

D&P’s ESG philosophy and strategic objectives are established by the firm’s ESG Steering & Governance Committee, which has oversight responsibility for the firm’s ESG activities. D&P’s Responsible Investment Committee (“ESG Committee” or “Committee”) is responsible for facilitating adoption and development of the firm’s ESG approach.

DPIM adopted this Responsible Investment Policy (“Policy”) in furtherance of the firm’s initiative to integrate ESG factors into the investment decisions of D&P’s portfolio management personnel, consistent with D&P’s fiduciary duty to clients. The tenets of the Policy are upheld by D&P’s investment personnel and integrated into the firm’s active strategies. At least annually, the ESG Committee will formally review the Policy for its effectiveness and recommend any changes to the ESG Steering & Governance Committee.

Our ESG Integration Approach

D&P integrates ESG factors into our active equity, and corporate and municipal fixed-income investment analysis and decision-making processes consistent with our fiduciary duties to our clients and the investment objectives that our clients have directed us to pursue. We are attracted to businesses that share a long-term perspective and are thoughtful stewards of their resources. We take a value-creation approach to our ESG research, meaning that we use ESG analyses to help us maximize financial returns. We look for opportunities where ESG is able to improve our investment outcomes by lowering risk, improving company operations, attracting and retaining the best talent, increasing customer satisfaction and market share, and other means of increasing earnings and cash flow over the long term. By incorporating ESG into our fundamental analysis, we improve our understanding of the risks and opportunities that companies face.

It is D&P’s belief that the due diligence efforts we expend to understand a company’s approach to ESG best practices have strengthened and will continue to strengthen our risk assessment of that company and ultimately help deliver superior risk-adjusted returns to our portfolios. Our methods for incorporating ESG are holistic and go beyond simple quantitative adjustments to valuation. On a forecasting basis, D&P endeavors to incorporate the benefits of ESG factors as well as the costs-to-action steps for improvement, such as the ability to reduce carbon emissions and increase the usage of renewable energy. D&P recognizes that ESG factors can impact a company’s financial performance, competitive positioning, brand equity, and other determinants of long-term value creation.

As a boutique investment manager focused on listed real assets, D&P does not outsource ESG work to an independent team. We take the view that ESG integration into the investment process is best done by the investment teams themselves, which leads to a comprehensive fundamental assessment of the issues raised and



best augments our investment analysis. We trust that our investment personnel are in the best position to understand and engage with the companies that they follow.

All investment personnel of the firm's equity and corporate and municipal fixed-income strategies are mandated to incorporate ESG factors into the fundamental analysis of their investment research. As such, responsible investment goals are included in the annual performance reviews of D&P investment personnel and affect their remuneration.

Internal and External Data Providers

When evaluating potential investment opportunities, our investment teams use both proprietary and third-party research, tools, and data to incorporate ESG factors into their assessments. D&P has access to independent, third-party ESG research through vendors such as Sustainalytics, ISS, and Bloomberg, which provide ESG analyses and rankings for most of D&P's company universe and complement D&P's own bottom-up proprietary ESG rankings. These inputs are then taken into account—along with the teams' analyses of business models, management quality, sustainability of earnings, and valuation—before we ultimately decide whether to invest client capital in a security.

Responsible Investment Guidelines

D&P's guidelines for responsible investment are aligned with the UN-supported Principles for Responsible Investment (the "PRI"). Our guidelines are in place to define and support the firm's incorporation of environmental, social, and corporate governance issues into our process of investment analysis.

1. D&P will incorporate and integrate ESG issues into our active equity and corporate and municipal fixed-income investment analysis and decision-making processes. As an investment manager acting on behalf of our clients, we strive to positively influence companies in our portfolio to mitigate ESG risks and effectively manage ESG matters consistent with creating better investment outcomes for our clients. The following is a summary of the firm's ESG guidelines:

Environmental	<ul style="list-style-type: none">• Evaluate a company's efficiency at managing resources and looking after the environment• Address each company's environmental impact by analyzing current levels of science-based measures, as well as evaluate the robustness of management's plans for future improvements, as applicable and disclosed• Look for transparent, standardized environmental reporting, strong policies, and the presence of formal management systems
Social	<ul style="list-style-type: none">• Assess how companies treat their employees and customers and how they engage as corporate citizens within their community• Consider safety metrics, labor relations, data protection, employee diversity and inclusion, and community impact programs related to education, health and safety, and economic development, as applicable and disclosed• Expect positive engagement with regulators and political institutions
Governance	<ul style="list-style-type: none">• Look for sound governance practices and quality of each company's management and board of directors



- Assess the level of ESG oversight, management of risk, compliance with relevant laws and regulations, business integrity/ethical standards, independence, transparency, diversity and inclusion, and alignment with shareholder interests
2. D&P will be active owners and, among other things, seek to ensure that our proxy committee incorporates consideration of ESG issues into its evaluation of such recommendations and its voting of proxies generally, and that when we deem necessary we engage with portfolio companies on ESG issues to increase shareholder values;
 3. D&P will seek appropriate disclosure on ESG issues by the entities in which we invest;
 4. In the course of D&P's effort to realize these core principles, we will also seek to promote acceptance and implementation of such principles within the investment industry;
 5. D&P will continue to seek to enhance our effectiveness in implementing these core principles; and
 6. D&P will seek to report on our activities and progress towards implementing these core Principles.

Stewardship Framework

The PRI defines stewardship as “the use of influence by institutional investors to maximize overall long-term value including the value of common economic, social, and environmental assets, on which returns and clients’ and beneficiaries’ interests depend.” We consider ourselves first and foremost stewards of our clients’ resources and will seek to use our influence to increase their value, taking into account material ESG risks and opportunities.

- Proxy Voting
- Strategizing and governing by our ESG Committee
- Promoting ESG through our PRI relationship and others, consistent with our fiduciary duties to our clients and the investment objectives that our clients have directed us to pursue
- Engaging with companies directly and scoring companies on ESG measures
- Attending and participating in industry groups and events

These methods are described in detail below.

Proxy Voting

An important part of our stewardship and engagement is proxy voting. When authorized by the client, we seek to represent our clients’ interests through a thorough and systematic implementation of our proxy voting policy. For many years, D&P has had a Proxy Committee headed by our Chief Compliance Officer and made up of PMs and analysts from the various investment teams. D&P’s Chief Investment Officer also sits on the Committee. Our Proxy Committee incorporates consideration of ESG issues into its evaluation of recommendations of our proxy advisory firm and our voting of proxies generally. All proposals are formally addressed through our own research and augmented by our engagement of ISS for their research and recommendations. To the extent by which a recommendation is made by an analyst that differs from the recommendation provided by ISS, the Proxy Committee must receive a detailed written request supporting the recommendation and then vote to decide whether to approve it.



The proxy voting policy and procedures are updated as appropriate to take into account developments in the law, best practices in the industry, and refinements deemed appropriate by D&P. In addition, the Proxy Committee works closely with the ESG Committee in setting its policies and will confer with the committee on voting proposals dealing with specific E and S topics.

Responsible Investment Committee

In 2017, D&P established an Environmental, Social, and Governance Investment Principles working group that evolved into a formal Committee in 2019 to find ways to consistently integrate ESG issues into our investment analysis and decision-making processes, consistent with our fiduciary duties to our clients and the investment objectives that our clients have directed us to pursue. In 2021, D&P changed the name of the Committee to the “Responsible Investment Committee”. The Committee is firm-wide and cross-functional, including members from each investment group. Furthermore, the Committee provides ESG guidance and reporting to the Executive Team, who sets the firm’s ESG philosophy, policies, and strategic. The Committee meets on at least a quarterly basis.

Promotion of Responsible Investment

D&P seeks to support the adoption of responsible investing attributes where they can align with our clients’ fiduciary goals and the investment objectives that our clients have directed us to pursue. Our commitment to ESG integration is reflected in our being a signatory to the United Nations Principles of Responsible Investing.

Principles for Responsible Investment

In October 2018, D&P became a signatory of the UN-backed Principles for Responsible Investment (the “PRI”) to further its commitment to ESG principles. Our participation came as a natural extension of the firm’s longstanding excellence in corporate governance matters. We continue to become more involved with the PRI, advancing our responsible investing methods as we practice continuous improvement.

Stance on Paris Agreement

As a firm, we support the Paris Agreement and endeavor to continue to evaluate the climate agreement as it may evolve and its implications within our organization.

Engagement with Companies

A major part of stewardship at D&P is our thorough engagement with the management teams of companies we consider for investment. As sector specialists, we have a more limited investment universe, which affords us the opportunity to meet with most companies we cover multiple times each year. We are proactive in providing our thoughts to management teams regarding their business strategies, governance, reporting, or other ESG issues. Additionally, our active investment strategies have developed proprietary ESG scoring methods to identify and communicate areas for improvement to company management teams. For more detailed information about how D&P approaches engagement, please refer to our separate Engagement Policy.

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

Industry Relationships & Events

An important part of engaging at D&P is with the broader financial community, as well as with the industries in which our firm invests. D&P encourages employees to share our ESG expertise outside of the firm. Members of our executive and investment teams are involved in and have presented our ESG work to various industry organizations, such as EIA, GLIO, EPRA, NAREIT, GRESB, and the AGA Financial Forum.

Exclusions or Client-Directed Restrictions

As a real assets-focused boutique, D&P seeks to avoid investing in companies that it believes pose material sustainability risks. Our definition of sustainability risks is informed by the UN PRI and is continually evolving. Generally, “sustainability risks” refers to business risks (including compliance, financial, operational, reputational, and strategic risks) that involve the key themes of corporate governance, employee rights, human rights and labor standards, and various environmental themes (e.g., greenhouse gas emissions).

Our real asset focus does encompass utilities and energy infrastructure. Both sectors are involved with fossil fuels. We are certainly cognizant of the effect fossil fuels have on climate change, but we also recognize that many of these companies play an essential role in the global economy and quality of life and are striving to improve their carbon footprint. We work very hard to understand the environmental policies of each of the companies we cover, and our investments tend to be heavily weighted towards those companies in each sector that we believe are at the forefront of driving positive environmental change.

D&P either excludes from or does not consider as part of its active investment universe all companies that derive revenues from tobacco production, biological or chemical weapons, alcohol production, or adult entertainment. Our Compliance Department also maintains a list of legally-required exclusions. These lists are disseminated to our investment teams and hard-coded to prevent any trading in excluded securities. In addition, we may employ specific sector, industry, and company exclusions when agreed upon at the account level.