

**LSV Asset Management**  
**Engagement Policy and Procedures**

LSV Asset Management (“LSV”) maintains a number of initiatives to promote the U.N. Principles for Responsible Investment (“PRI”) and to enhance LSV’s incorporation of environmental, social and governance (“ESG”) factors in portfolio management, investment decision making, and active ownership, as set forth in LSV’s Statement of Responsible Investment Initiatives (the “Statement”). LSV’s focus in these endeavors is to utilize ESG data to bolster its risk control process, pursue higher expected returns, and/or support clients’ ESG objectives upon request, in a manner that is consistent with LSV’s proprietary and rigorous approach to identify insights into new quantitative signals of value or risk controls that can be utilized for clients’ best interests. LSV’s approach to exercising proxy and other applicable voting rights and implementing the PRI is set forth in the Statement, LSV’s Proxy Voting Policy, and other applicable policies. The following Policy details LSV’s approach to portfolio company engagement.

**Monitoring Companies on Matters Relevant to LSV’s Investment Strategy**

LSV utilizes a quantitative model that derives an expected return for all companies in the investible universe utilizing third-party data, including data relating to financial performance and capital structure. Data signals related to governance, ESG controversies, ESG scores, and climate risks are included in LSV’s quantitative expected return model and/or risk control and portfolio construction process to mitigate overall portfolio level exposure to companies with potentially high ESG risk. Other relevant information, including other strategic and ESG-related information, also may be indirectly integrated to the extent it is reflected in the equity analysts’ forecasts factored into our model. LSV updates the quantitative model data on a daily basis, and periodically monitors companies on these and other matters when rebalancing accounts, based on updated model rankings.

In addition, as a supplement to our quantitative risk control process, our portfolio management, trading, and compliance departments monitor news relevant to portfolio holdings including ESG-related developments and may choose not to purchase or increase investment in particular issuers due to heightened ESG risk. Our quantitative processes also may be used to further assess ESG factors for clients that request it.

**Engagement Philosophy**

In this context, LSV’s Responsible Investment Committee has developed an engagement strategy focused on LSV’s fundamental belief that transparent and high-quality corporate reporting is emblematic of good governance and paramount to the well-functioning of capital markets. The Responsible Investment Committee focuses LSV’s engagement on areas where it believes it will be most impactful, in recognition of LSV’s relatively small employee base, quantitative investment approach, and its clients’ exposures to thousands of companies across a broad range of industries, geographies, and capitalizations.

LSV’s engagement focuses on themes selected by the Responsible Investment Committee. The current thematic focus is generally to seek to elicit high quality quantitative ESG disclosures from companies selected by LSV’s portfolio management team through a process utilizing multiple inputs relevant to LSV’s expected return analysis and/or quantitative risk control process. Ultimately, LSV believes the

development of third-party verified and science-based ESG disclosures is critical to more accurate pricing of ESG risks and opportunities. LSV intends its engagement program to encourage companies to improve along these dimensions, particularly where most relevant to clients and most feasible to achieve change when it makes sense to do so from a financial perspective in the context of a company's operations.

### **Procedures**

LSV conducts engagements through its Responsible Investment Committee. Dialogue typically begins with a written request to enhance reporting, and either may be resolved with a written response that satisfies the Responsible Investment Committee, or lead to meetings or calls to discuss LSV's concerns with directors, executives, subject specialists, or investor relations. The information learned during engagement will be shared with the portfolio management team and may be used as a basis for potential escalation of LSV's active ownership, including through collaboration or proxy voting. Ultimately, if material disclosure inadequacies remain unresolved and there are no plans to timely disclose requested information, companies may possibly be penalized, become ineligible for increased investment, or be divested through application of LSV's quantitative investment process as it relies on the availability of data that is relevant to the financial risk and/or return of an investment.

### **Collaborative Engagement With Other Institutional Investors and Asset Owners**

In addition, to effect broader improvements in sustainable business practices and work with industry participants to promote the acceptance and implementation of the PRI, LSV participates in a collaborative engagement program with other institutional investors and asset owners. This program is administered by Glass Lewis & Co. ("GLC"), a third-party expert in analyzing governance matters, including governance of ESG issues, who is also engaged as LSV's proxy advisory services provider. The program leverages GLC's global reach to engage dozens of LSV portfolio companies annually. Such engagements focus on governance and oversight matters, address a number of ESG topics, including sustainability disclosures and human capital management, and are prioritized for companies at which GLC has identified a material ESG concern. LSV's Responsible Investment Committee reviews periodic reports from GLC to monitor such engagements.

LSV also is a signatory to CDP, and will continue to consider participation in other collaborative engagements on a case-by-case basis.

### **Other Advocacy**

From time to time, LSV engages with PRI staff, other PRI signatories, clients, or data vendors to discuss ESG issues and promote enhanced corporate disclosure. Engagement with regulatory policy makers is not considered effective to further our current thematic focus at this time.

### **Potential Conflicts of Interest & Material Nonpublic Information**

Risks of potential conflicts of interest are monitored by LSV's legal and compliance department to ensure that engagement activities are in clients' best interests and that actual or potential conflicts of interest are adequately mitigated and/or disclosed. Nonetheless, due to variation in foreign reporting standards, LSV's current engagement themes, and LSV's efforts to ensure engagement has a high likelihood of being impactful, it is possible that LSV's engagement may disproportionately focus on companies in certain

clients' portfolios. Further, it is possible that certain clients, including those affiliated with public companies, may have different preferences concerning the ESG disclosures addressed by LSV's engagement themes. Engaging portfolio companies on such matters may impact current and/or potential clients' assessments of LSV, or other third-party assessments of LSV. LSV will therefore engage companies only in accordance with its Code of Ethics and Compliance Manual.

As a quantitative investment manager, LSV does not consider nonpublic information of the companies in which it invests, nor does LSV believe it receives material nonpublic information concerning issuers eligible for investment, through engagement or otherwise. Any member of LSV who believes that they may have come into possession of such information must comply with LSV's restrictions on its use, as outlined in LSV's Code of Ethics, including appropriate notification to a member of LSV's legal and compliance team.

#### **Disclosure & Review**

LSV makes this Engagement Policy, the Statement, and its Proxy Voting Policy available on its website at: <https://www.lsvasset.com/about-lsv/>. Upon request, LSV will furnish a report on its engagement efforts.

LSV's Responsible Investment Committee reviews this policy annually to ensure it continues to be reasonably designed and appropriately tailored to ensure LSV's engagement is in clients' best interests.