

## **Self-Evaluation Report**

*Updated May 2025*

As part of Pzena Investment Management's statement of self-evaluation and adherence to Japan's Stewardship code, we regularly review our commitments as reflected in our statement of adherence. During the period of April 2024-March 2025, we fulfilled our stewardship responsibility properly in line with Japan's Stewardship Code, and the following actions were implemented:

- All stewardship-related policies and procedures are reviewed at least once annually. We published our third annual [Stewardship Report](#) in January 2025, which highlights significant engagement and proxy voting instances throughout 2024. This report will continue to be updated and published annually as part of our reporting catalogue.
- We maintain a relationship with the management teams of all Japanese investee companies through regular meetings, in-person site visits, and telephone calls. Our approach to these engagements is consistent across all our holdings i.e. collaborative and tailored to the specific issues for a given company. In the reporting period, engagements were conducted with approximately 130 Japanese management teams about various topics including: board structure and composition; capital allocation; and capex plans for environment-related projects and pathways to net zero.
- Our ['ESG Opportunity List', a subset of our portfolio companies for which ESG matters are among the most financially material issues](#), has remained an integral part of our engagement strategy. We have a proprietary rating system for all names on the opportunity list to reflect the progress made against our stated engagement objectives. A score of '1' is for those companies that have made little to no progress on the objectives we have outlined and/or have not yet acknowledged the issues. A '3' rating is for companies that are making substantial progress in addressing our objectives and/or are highly engaged in addressing the issues. There are currently six Japanese names on the list: four are rated 2, one is rated 3, and one is rated 1.
- We regularly publish thought leadership pieces on our website, highlighting key stewardship-related topics. In early 2024, we examined the evolving landscape of Japanese Corporate Governance reform. Historically, the Japanese market has been associated with governance shortcomings, often reflected in underperformance. However, recent developments, driven in large part by initiatives from the Tokyo Stock Exchange, have brought about meaningful improvements. [This article provides a summary of those changes and our view as a firm.](#)
- Over the past year, the ESG Team launched a pilot program aimed at better supporting industry analysts during company proxy voting, including all Japanese proxy votes. While final voting decisions remain with the industry analysts, the ESG Team now takes the lead in evaluating each vote and providing a recommendation, informed by relevant context and our historical voting trends. This approach helps ensure consistency, both with past decisions and across different companies and regions of investment.
- At the start of 2025, we made a few structural adjustments to our team to enhance efficiency and strengthen our stewardship capabilities. Anna Doran, formerly the ESG Associate, transitioned into the role of ESG Analyst, where she focuses on company-specific and thematic research. Jasmin Gonzalez joined the team as the new ESG Associate, bringing experience from her previous role in the firm's marketing department. Both Anna and Jasmin are familiar with Pzena's ESG approach, and we believe their backgrounds contribute to a more senior and effective team overall. Rachel Segal continues in her role as Head of ESG.