



PUBLIC TRANSPARENCY REPORT
2025

Pzena Investment Management, LLC

Generated 24-11-2025

About this report

PRI reporting is the largest global reporting project on responsible investment.

It was developed with investors, for investors. PRI signatories are required to report publicly on their responsible investment activities each year. In turn, they receive a number of outputs, including a public and private Transparency Report.

The public Transparency Reports, which are produced using signatories' reported information, provide accountability and support signatories to have internal discussions about their practices and to discuss these with their clients, beneficiaries, and other stakeholders. This public Transparency Report is an export of the signatory's responses to the PRI Reporting Framework during the 2025 reporting period. It includes the signatory's responses to core indicators, as well as responses to plus indicators that the signatory has agreed to make public.

In response to signatory feedback, the PRI has not summarised signatories' responses – the information in this document is presented exactly as it was reported.

For each of the indicators in this document, all options selected by the signatory are presented, including links and qualitative responses. In some indicators, all applicable options are included for additional context.

Disclaimers

Legal Context

PRI recognises that the laws and regulations to which signatories are subject differ by jurisdiction. We do not seek or require any signatory to take an action that is not in compliance with applicable laws. All signatory responses should therefore be understood to be subject to and informed by the legal and regulatory context in which the signatory operates.

Responsible investment definitions

Within the PRI Reporting Framework Glossary, we provide definitions for key terms to guide reporting on responsible investment practices in the Reporting Framework. These definitions may differ from those used or proposed by other authorities and regulatory bodies due to evolving industry perspectives and changing legislative landscapes. Users of this report should be aware of these variations, as they may impact interpretations of the information provided.

Data accuracy

This document presents information reported directly by signatories in the 2025 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented.

The PRI has taken reasonable action to ensure that data submitted by signatories in the reporting tool is reflected in their official PRI reports accurately. However, it is possible that small data inaccuracies and/or gaps remain, and the PRI shall not be responsible or liable for such inaccuracies and gaps.

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SENIOR LEADERSHIP STATEMENT (SLS)

SENIOR LEADERSHIP STATEMENT

SENIOR LEADERSHIP STATEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1	CORE	N/A	N/A	PUBLIC	Senior Leadership Statement	GENERAL

Section 1. Our commitment

- Why does your organisation engage in responsible investment?
- What is your organisation's overall approach to responsible investment, and what major responsible investment commitment(s) have you made?

We engage in responsible investment because we are long-term owners of businesses, a perspective that is naturally aligned with the time horizon over which material ESG issues may play out. Our commitment to ESG and active ownership is fully integrated into our investment philosophy as part of our fundamental research process and applies across all AUM. This is because we believe there is natural philosophical alignment between the principles of ESG integration and those of a long-term value investor. ESG issues, in our view, are simply a subset of business issues potentially impacting the valuation of a company.

To us, ESG integration means fully understanding the value opportunity at stake for a given company. As value managers, we look to improvement in business fundamentals as a source of excess return. Where ESG issues are financially material, ESG improvement may be a source of alpha. We believe that value isn't a factor – it's a philosophy of investing in out of favor stocks that are systemically undervalued; similarly we do not think in terms of "good" or "bad" ESG stocks, rather we focus on the embedded investment opportunity, ESG or otherwise.

Stewardship (through direct engagement and proxy voting) is one of the more effective tools that an active manager such as Pzena has at its disposal to exert a constructive, long-term-oriented influence on the trajectory of the company. We view stock ownership as an opportunity to help steer companies in the direction of creating long-term value for our clients, and therefore explicitly favor engagement over divestment.

In terms of overall approach, we believe that that true ESG integration should be industry-analyst led. In that sense, our entire investment team is our ESG team, though we do have three dedicated ESG professionals on the investment team to help build out the depth and breadth of our research into ESG issues affecting our investments. We continually re-evaluate our approach to ESG and the resources available to the team and plan to make ongoing enhancements as needed.

Section 2. Annual overview

- Discuss your organisation's progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.
- Reflect on your performance with respect to your organisation's responsible investment objectives and targets during the reporting year. Details might include, for example, outlining your single most important achievement or describing your general progress on topics such as the following (where applicable):
 - refinement of ESG analysis and incorporation
 - stewardship activities with investees and/or with policymakers
 - collaborative engagements
 - attainment of responsible investment certifications and/or awards

2024 has been a year focused on enhancing our existing approach to ESG. Philosophically, we are satisfied with our approach to integrating ESG into our investment process. However, when it comes to implementation, market expectations are always evolving, and we are committed to continuous improvement.

An area of particular focus has been our stewardship activities through direct engagement and proxy voting. The cornerstone of our ESG engagement is the Opportunity List, which identifies portfolio companies with material ESG issues where engagement could drive positive change. Once added, we create an engagement plan with objectives and milestones to track progress.

Since our last PRI report, we've introduced a 1–3 progress rating. A '1' indicates little to no progress or issue acknowledgment; a '3' reflects substantial progress or high engagement. Companies rated '3' for 6+ months may be candidates for removal, though removal can occur at any time based on material improvements. The rating system helps us monitor progress, and each company is formally reviewed every six months with analysts and portfolio managers.

We published our 2024 Stewardship Report. This annual report highlights notable instances of engagement and proxy voting throughout the calendar year. It also summarizes our overall approach to stewardship in detail.

Section 3. Next steps

- What specific steps has your organisation outlined to advance your commitment to responsible investment in the next two years?

The ESG team, along with Pzena's Executive Committee, continue to discuss the trajectory of our ESG initiatives. While our philosophy has remained consistent, we continue to refine our approach and allocate appropriate resources to new initiatives. Some that we have already identified include:

- Initiating thematic ESG engagements related to emerging ESG issues where we are still exploring the financial materiality for specific investments e.g. climate adaptation and resilience.
- Continuing to evaluate how the ESG team can support and improve our proxy voting process and board engagement.
- Continuing to consider additional ways we could incorporate ESG into future product development.
- Continuing to enhance the annual and quarterly reporting we provide to our clients on ESG issues.
- Understanding and as-needed complying with emerging and evolving ESG regulation.
- Evaluating our existing data providers and organizational memberships as well as exploring new offerings that could be additive to our research process.

Section 4. Endorsement

'The Senior Leadership Statement has been prepared and/or reviewed by the undersigned and reflects our organisation-wide commitment and approach to responsible investment'.

Name

Caroline Cai

Position

Chief Executive Officer & Portfolio Manager

Organisation's Name

Pzena Investment Management, LLC

A

'This endorsement applies only to the Senior Leadership Statement and should not be considered an endorsement of the information reported by the above-mentioned organisation in the various modules of the Reporting Framework. The Senior Leadership Statement serves as a general overview of the above-mentioned organisation's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such. Further, it is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions'.

B

OTHER RESPONSIBLE INVESTMENT REPORTING OBLIGATIONS (ORO)

OTHER RESPONSIBLE INVESTMENT REPORTING OBLIGATIONS

OTHER RESPONSIBLE INVESTMENT REPORTING OBLIGATIONS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ORO 1	CORE	N/A	N/A	PUBLIC	Other Responsible Investment Reporting Obligations	6

During the reporting year, to which international or regional ESG-related legislation(s) and/or regulation(s) did your organisation report?

- (A) Corporate Sustainability Reporting Directive (CSRD) [European Union]
- (B) Directive on AIFM (2011/61/EU) [European Union]
- (C) Enhancing climate-related disclosures by asset managers, life insurers and FCA-regulated pension providers (PS21/24) [United Kingdom]
- (D) EU Taxonomy Regulation [European Union]
- (E) Improving shareholder engagement and increasing transparency around stewardship (PS19/13) [United Kingdom]
- (F) IORP II (Directive 2016/2341) [European Union]
- (G) Law on Energy and Climate (Article 29) [France]
- (H) MiFID II (2017/565) [European Union]
- (I) **Modern Slavery Act [United Kingdom]**
- (J) PEPP Regulation (2019/1238) [European Union]
- (K) PRIIPS Regulation (2016/2340 and 2014/286) [European Union]
- (L) Regulation on the Integration of Sustainability Risks in the Governance of Insurance and Reinsurance Undertakings (2021/1256) [European Union]
- (M) **SFDR Regulation (2019/2088) [European Union]**
- (N) SRD II (Directive 2017/828) [European Union]
- (O) The Occupational Pension Schemes Regulation on Climate Change Governance and Reporting [United Kingdom]
- (P) Climate Risk Management (Guideline B-15) [Canada]
- (Q) Continuous Disclosure Obligations (National Instrument 51-102) [Canada]
- (R) Disposiciones de Carácter General Aplicables a los Fondos de Inversión y a las Personas que les Prestan Servicios (SIEFORE) [Mexico]
- (S) Instrucciones para la Integración de Datores ASG en Los Mecanismos de Revelación de Información para FIC (External Circular 005, updated) [Colombia]
- (T) Provides for the creation, operation, and disclosure of information of investment funds, as well as the provision of services for the funds, and revokes the regulations that specifies (CVM Resolution No. 175) [Brazil]
- (U) SEC Expansion of the Names Rule [United States of America]
- (V) SEC Pay Ratio Disclosure Rule [United States of America]
- (W) ASIC RG65 Section 1013DA Disclosure Guidelines [Australia]
- (X) Circular to Licensed Corporations: Management and Disclosure of Climate-related Risks by Fund Managers [Hong Kong SAR]
- (Y) Financial Investment Services and Capital Markets Act (FSCMA) [Republic of Korea]
- (Z) Financial Instruments and Exchange Act (FIEA) [Japan]
- (AA) Financial Markets Conduct Act [New Zealand]
- (AB) Guiding Opinions on Regulating the Asset Management Business of Financial Institutions [China]
- (AC) Guidelines on Environmental Risk Management for Asset Managers [Singapore]
- (AD) Guidelines on Sustainable and Responsible Investment Funds [Malaysia]
- (AE) **Modern Slavery Act (2018) [Australia]**

- (AF) Stewardship Code for all Mutual Funds and All Categories of AIFs [India]
- (AG) ADGM Sustainable Finance Regulatory Framework [United Arab Emirates]
- (AH) JSE Limited Listings Requirements [South Africa]
- (AI) Other
- (AJ) Other
- (AK) Other
- (AL) Other
- (AM) Other
- (AN) Not applicable; our organisation did not report to any ESG-related legislation and/or regulation during the reporting year.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ORO 2	CORE	N/A	N/A	PUBLIC	Other Responsible Investment Reporting Obligations	6

During the reporting year, to which voluntary responsible investment/ESG frameworks did your organisation report?

- (A) Asset Owners Stewardship Code [Australia]
- (B) Código Brasileiro de Stewardship [Brazil]
- (C) New Zealand Stewardship Code
- (D) Principles for Responsible Institutional Investors (Stewardship Code) [Japan]**
- (E) Stewardship Code [United Kingdom]
- (F) Stewardship Framework for Institutional Investors [United States of America]
- (G) CFA Institute ESG Disclosure Standards for Investment Products [Global]
- (H) Guidelines on Funds' Names using ESG or Sustainability-related Terms [European Union]
- (I) Luxflag ESG Label [Luxembourg]
- (J) RIAA Responsible Investment Certification Program [Australia]
- (K) SRI Label [France]
- (L) ANBIMA Code of Regulation and Best Practices of Investment Funds [Brazil]
- (M) Code for Institutional Investors 2022 [Malaysia]
- (N) Code for Responsible Investing in South Africa (CRISA 2) [South Africa]
- (O) Corporate Governance Guidelines [Canada]
- (P) Defined Contribution Code of Practice [United Kingdom]
- (Q) European Association for Investors in Non-Listed Real Estate Vehicles (INREV) Guidelines [Global]
- (R) Global ESG Benchmark for Real Assets (GRESB) [Global]
- (S) Global Impact Investing Network (GIIN) Impact Reporting and Investment Standards (IRIS+) [Global]
- (T) OECD Guidelines for MNES - Responsible Business Conduct for Institutional Investors [Global]
- (U) UN Guiding Principles (UNGP) on Business and Human Rights [Global]
- (V) Net Zero Asset Managers (NZAM) Initiative [Global]**
- (W) Net-Zero Asset Owner Alliance (NZAOA) [Global]
- (X) Recommendations of the Taskforce for Climate-related Financial Disclosure (TCFD) [Global]
- (Y) The Net Zero Investment Framework (NZIF) 2.0 [Global]
- (Z) Recommendations of the Taskforce for Nature-related Financial Disclosure (TNFD) [Global]
- (AA) Global Reporting Initiative (GRI) Standards [Global]
- (AB) IFC Performance Standard [Global]
- (AC) International Sustainability Standards Board (ISSB) Standards [Global]
- (AD) Sustainability Accounting Standards Board (SASB) Standards [Global]
- (AE) Other
- (AF) Other
- (AG) Other
- (AH) Other
- (AI) Other
- (AJ) Not applicable; our organisation did not report to any voluntary responsible investment/ESG frameworks during the reporting year.

ORGANISATIONAL OVERVIEW (OO)

ORGANISATIONAL INFORMATION

REPORTING YEAR

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 1	CORE	N/A	N/A	PUBLIC	Reporting year	GENERAL

What is the year-end date of the 12-month period you have chosen to report for PRI reporting purposes?

	Date	Month	Year
Year-end date of the 12-month period for PRI reporting purposes:	31	12	2024

SUBSIDIARY INFORMATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2	CORE	N/A	OO 2.1	PUBLIC	Subsidiary information	GENERAL

Does your organisation have subsidiaries?

- (A) Yes
- (B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2.1	CORE	OO 2	OO 2.2	PUBLIC	Subsidiary information	GENERAL

Are any of your organisation's subsidiaries PRI signatories in their own right?

- (A) Yes
- (B) No

ASSETS UNDER MANAGEMENT

ALL ASSET CLASSES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 4	CORE	OO 3	N/A	PUBLIC	All asset classes	GENERAL

What are your total assets under management (AUM) at the end of the reporting year, as indicated in [OO 1]?

USD

(A) AUM of your organisation, including subsidiaries not part of row (B), and excluding the AUM subject to execution, advisory, custody, or research advisory only

US\$ 66,822,000,000.00

(B) AUM of subsidiaries that are PRI signatories in their own right and excluded from this submission, as indicated in [OO 2.2]

US\$ 0.00

(C) AUM subject to execution, advisory, custody, or research advisory only

US\$ 0.00

ASSET BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5	CORE	OO 3	Multiple indicators	PUBLIC	Asset breakdown	GENERAL

Provide a percentage breakdown of your total AUM at the end of the reporting year as indicated in [OO 1].

	(1) Percentage of Internally managed AUM	(2) Percentage of Externally managed AUM
(A) Listed equity	100%	0%
(B) Fixed income	0%	0%
(C) Private equity	0%	0%
(D) Real estate	0%	0%
(E) Infrastructure	0%	0%
(F) Hedge funds	0%	0%
(G) Forestry	0%	0%
(H) Farmland	0%	0%
(I) Other	0%	0%
(J) Off-balance sheet	0%	0%

ASSET BREAKDOWN: INTERNALLY MANAGED LISTED EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 LE	CORE	OO 5	Multiple	PUBLIC	Asset breakdown: Internally managed listed equity	GENERAL

Provide a further breakdown of your internally managed listed equity AUM.

(A) Passive equity 0%

(B) Active – quantitative 0%

(C) Active – fundamental 100%

(D) Other strategies 0%

GEOGRAPHICAL BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 7	CORE	Multiple, see guidance	N/A	PUBLIC	Geographical breakdown	GENERAL

How much of your AUM in each asset class is invested in emerging markets and developing economies?

AUM in Emerging Markets and Developing Economies

(A) Listed equity (3) >10 to 20%

STEWARDSHIP

STEWARDSHIP

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 8	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship	GENERAL

Does your organisation conduct stewardship activities, excluding (proxy) voting, for any of your assets?

(1) Listed equity - active

(A) Yes, through internal staff	<input checked="" type="checkbox"/>
(B) Yes, through service providers	<input type="checkbox"/>
(C) Yes, through external managers	<input type="checkbox"/>
(D) We do not conduct stewardship	<input type="radio"/>

STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship: (Proxy) voting	GENERAL

Does your organisation conduct (proxy) voting activities for any of your listed equity holdings?

(1) Listed equity - active

(A) Yes, through internal staff	<input checked="" type="checkbox"/>
(B) Yes, through service providers	<input type="checkbox"/>
(C) Yes, through external managers	<input type="checkbox"/>
(D) We do not conduct (proxy) voting	<input type="radio"/>

Additional context to your response(s): (Voluntary)

We take our responsibilities as stewards of our clients' capital seriously, and actively voting the shares of companies in which we invest on their behalf is an integrated part of our investment process. Each proxy is voted in the best interest of our clients, defined as maximizing long-term shareholder value. We exercise proxy voting to highlight our views on management decisions, including ESG-related items, regardless of whether we agree with management's recommendation.

Each proxy is reviewed by the industry analyst covering the stock, who determines how we will vote. We believe proxy voting is a critical component of our engagement efforts and ability to drive change. As a result, we do not outsource this responsibility to a separate stewardship team as we consider it a fundamental part of our investment due diligence and engagement. An ESG analyst assists the industry analyst in making a vote determination, primarily on ESG items where either the specific issue falls outside of the scope of our policy or the industry analyst thinks it would be helpful to seek additional guidance. Our Director of Research is responsible for monitoring analyst compliance with voting procedures.

We have engaged Institutional Shareholder Services (ISS) to provide a proxy analysis with research and a vote recommendation for each shareholder meeting of the companies in our client portfolios. We retain responsibility for instructing ISS how to vote, and we apply our own guidelines. Our Proxy Voting Policy ensures vote decisions are made consistent with our fiduciary responsibilities and applicable regulations under the Investment Company Act of 1940, Investment Advisers Act of 1940, and ERISA. We evaluate each proxy item for any investment on its own merit and therefore vote on a case-by-case basis.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9.1	CORE	OO 9	PGS 10.1, PGS 31	PUBLIC	Stewardship: (Proxy) voting	GENERAL

For each asset class, on what percentage of your listed equity holdings do you have the discretion to vote?

Percentage of your listed equity holdings over which you have the discretion to vote

(A) Listed equity – active

(8) >60 to 70%

Additional context to your response(s): (Voluntary)

We interpret this question as referring to our discretion over client voting rights, in which case the percentage is below 100%, as some clients retain voting authority. However, if the question is intended to be assessed at the security level, we would note that we have full voting rights for 100% of the securities held in accounts where we do have discretion.

ESG INCORPORATION

INTERNALLY MANAGED ASSETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 11	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Internally managed assets	1

For each internally managed asset class, does your organisation incorporate ESG factors, to some extent, into your investment decisions?

(1) Yes, we incorporate ESG factors into our investment decisions

(2) No, we do not incorporate ESG factors into our investment decisions

(C) Listed equity - active - fundamental



ESG STRATEGIES

LISTED EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17 LE	CORE	OO 11	OO 17.1 LE, LE 12	PUBLIC	Listed equity	1

Which ESG incorporation approach and/or combination of approaches does your organisation apply to your internally managed active listed equity?

Percentage out of total internally managed active listed equity

(A) Screening alone

0%

(B) Thematic alone

0%

(C) Integration alone

100%

(D) Screening and integration

0%

(E) Thematic and integration

0%

(F) Screening and thematic

0%

(G) All three approaches combined 0%

(H) None 0%

ESG/SUSTAINABILITY FUNDS AND PRODUCTS

LABELLING AND MARKETING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18	CORE	OO 11–14	OO 18.1	PUBLIC	Labelling and marketing	1

Do you explicitly market any of your products and/or funds as ESG and/or sustainable?

(A) Yes, we market products and/or funds as ESG and/or sustainable

Provide the percentage of total AUM that your ESG and/or sustainability-marketed products or funds represent:

3.66%

- (B) No, we do not offer products or funds explicitly marketed as ESG and/or sustainable
- (C) Not applicable; we do not offer products or funds

Additional context to your response(s): (Voluntary)

We offer the Pzena Global Value Climate strategy which, in addition to our ESG integrated approach, involves a thematic focus on climate transition.

The Global Value Climate strategy includes climate-related metrics and targets aligned with the Paris Aligned Investment Initiative net Zero Framework. Those include the following: Quantitative Exclusions, Portfolio Level Target, and Qualitative Net Zero assessment. In addition, our UCITS funds have EU SFDR Article 8 designation. These funds include negative screens and carbon targets in their guidelines. All of our standard strategies have integrated the assessment of ESG issues into the fundamental company-specific research. In addition to considering ESG risks and opportunities, we focus on working with companies to achieve ESG improvements in cases where the ESG issues are material to our investment thesis. The starting point on ESG prudence may sometimes be lower for companies in our portfolios (since we are investing in deep value companies experiencing temporary pain), but this is where we think there is the greatest opportunity for improvement over time. In that sense, we are both trying to identify the companies with the greatest improvement potential (ESG or otherwise) and exercising our active ownership responsibilities to help influence companies along a trajectory that is in the best interest of long-term shareholders.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18.1	CORE	OO 18	OO 18.2	PUBLIC	Labelling and marketing	1

Do any of your ESG and/or sustainability-marketed products and/or funds hold formal ESG and/or RI certification(s) or label(s) awarded by a third party?

(A) Yes, our ESG and/or sustainability-marketed products and/or funds hold formal labels or certifications

Provide the percentage of total AUM that your labelled and/or certified products and/or funds represent:

2.13%

- (B) No, our ESG and/or sustainability-marketed products and/or funds do not hold formal labels or certifications

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18.2	CORE	OO 18.1	N/A	PUBLIC	Labelling and marketing	1

Which ESG/RI certifications or labels do you hold?

- (A) Commodity type label (e.g. BCI)
- (B) GRESB
- (C) Austrian Ecolabel (UZ49)
- (D) B Corporation
- (E) BREEAM
- (F) CBI Climate Bonds Standard
- (G) DDV-Nachhaltigkeitskodex-ESG-Strategie
- (H) DDV-Nachhaltigkeitskodex-ESG-Impact
- (I) EU Ecolabel
- (J) EU Green Bond Standard
- (K) Febelfin label (Belgium)
- (L) Finansol
- (M) FNG-Siegel Ecolabel (Germany, Austria and Switzerland)
- (N) Greenfin label (France)
- (O) Grüner Pfandbrief
- (P) ICMA Green Bond Principles
- (Q) ICMA Social Bonds Principles
- (R) ICMA Sustainability Bonds Principles
- (S) ICMA Sustainability-linked Bonds Principles
- (T) Kein Verstoß gegen Atomwaffensperrvertrag
- (U) Le label ISR (French government SRI label)
- (V) Luxflag Climate Finance
- (W) Luxflag Environment
- (X) Luxflag ESG
- (Y) Luxflag Green Bond
- (Z) Luxflag Microfinance
- (AA) Luxflag Sustainable Insurance Products
- (AB) National stewardship code
- (AC) Nordic Swan Ecolabel
- (AD) Other SRI label based on EUROSIF SRI Transparency Code (e.g. Novethic)
- (AE) People's Bank of China green bond guidelines
- (AF) RIAA (Australia)
- (AG) Towards Sustainability label (Belgium)
- (AH) Other

Specify:

All of our UCITS fund offerings have EU SFDR Article 8 designation.

SUMMARY OF REPORTING REQUIREMENTS

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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 21	CORE	Multiple indicators	Multiple indicators	PUBLIC	Summary of reporting requirements	GENERAL

The following table shows which modules are mandatory or voluntary to report on in the separate PRI asset class modules. Where a module is voluntary, indicate if you wish to report on it.

Applicable modules	(1) Mandatory to report (pre-filled based on previous responses)	(2.1) Voluntary to report. Yes, I want to opt-in to reporting on the module	(2.2) Voluntary to report. No, I want to opt-out of reporting on the module
Policy, Governance and Strategy	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Confidence Building Measures	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(C) Listed equity – active – fundamental	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

SUBMISSION INFORMATION

REPORT DISCLOSURE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 32	CORE	OO 3, OO 31	N/A	PUBLIC	Report disclosure	GENERAL

How would you like to disclose the detailed percentage figures you reported throughout the Reporting Framework?

- (A) Publish as absolute numbers
- (B) Publish as ranges

POLICY, GOVERNANCE AND STRATEGY (PGS)

POLICY

RESPONSIBLE INVESTMENT POLICY ELEMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 1	CORE	OO 8, OO 9	Multiple indicators	PUBLIC	Responsible investment policy elements	1, 2

Which elements are covered in your formal responsible investment policy(ies)?

- (A) Overall approach to responsible investment
- (B) Guidelines on environmental factors
- (C) Guidelines on social factors
- (D) Guidelines on governance factors
- (E) Guidelines on sustainability outcomes
- (F) Guidelines tailored to the specific asset class(es) we hold
- (G) Guidelines on exclusions
- (H) Guidelines on managing conflicts of interest related to responsible investment
- (I) Stewardship: Guidelines on engagement with investees
- (J) Stewardship: Guidelines on overall political engagement
- (K) Stewardship: Guidelines on engagement with other key stakeholders
- (L) Stewardship: Guidelines on (proxy) voting
- (M) Other responsible investment elements not listed here
- (N) Our organisation does not have a formal responsible investment policy and/or our policy(ies) do not cover any responsible investment elements

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 2	CORE	PGS 1	Multiple, see guidance	PUBLIC	Responsible investment policy elements	1

Does your formal responsible investment policy(ies) include specific guidelines on systematic sustainability issues?

- (A) Specific guidelines on climate change (may be part of guidelines on environmental factors)
- (B) Specific guidelines on human rights (may be part of guidelines on social factors)
- (C) Specific guidelines on other systematic sustainability issues
- (D) Our formal responsible investment policy(ies) does not include guidelines on systematic sustainability issues

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 3	CORE	PGS 1, PGS 2	N/A	PUBLIC	Responsible investment policy elements	6

Which elements of your formal responsible investment policy(ies) are publicly available?

(A) Overall approach to responsible investment

Add link:

<https://www.pzena.com/americas/institutional-investors/insights/environmental-social-governance-esg-investing-approach/>

(B) Guidelines on environmental factors

Add link:

<https://www.pzena.com/americas/institutional-investors/insights/environmental-social-governance-esg-investing-approach/>

(C) Guidelines on social factors

Add link:

<https://www.pzena.com/americas/institutional-investors/insights/environmental-social-governance-esg-investing-approach/>

(D) Guidelines on governance factors

Add link:

<https://www.pzena.com/americas/institutional-investors/insights/environmental-social-governance-esg-investing-approach/>

(F) Specific guidelines on climate change (may be part of guidelines on environmental factors)

Add link:

<https://www.pzena.com/americas/institutional-investors/insights/managing-climate-risk-as-a-value-manager/>

(G) Specific guidelines on human rights (may be part of guidelines on social factors)

Add link:

<https://www.pzena.com/modern-slavery-act-statement/>

(J) Guidelines on exclusions

Add link:

<https://www.pzena.com/emea/institutional-investors/funds/>

(K) Guidelines on managing conflicts of interest related to responsible investment

Add link:

<https://www.pzena.com/wp-content/uploads/2025/02/proxy-voting-v3.2.pdf>

(L) Stewardship: Guidelines on engagement with investees

Add link:

<https://www.pzena.com/americas/institutional-investors/insights/2024-stewardship-report-1q-2025/>

(N) Stewardship: Guidelines on engagement with other key stakeholders

Add link:

<https://www.pzena.com/americas/institutional-investors/insights/2024-stewardship-report-1q-2025/>

(O) Stewardship: Guidelines on (proxy) voting

Add link:

<https://www.pzena.com/wp-content/uploads/2025/02/proxy-voting-v3.2.pdf>

- (Q) No elements of our formal responsible investment policy(ies) are publicly available

Additional context to your response(s): (Voluntary)

(B) Guidelines on environmental factors - Please also view our TCFD-aligned approach to managing climate risk at the following link: <https://www.pzena.com/americas/institutional-investors/insights/managing-climate-risk-as-a-value-manager/>.

(C) Guidelines on social factors - Please also view our Modern Slavery Act Statement at the following link : <https://www.pzena.com/modern-slavery-act-statement/>

(D) Guidelines on governance factors - Please also view both our Proxy Voting Policy and Japanese Stewardship Acceptance at their respective links: <https://www.pzena.com/wp-content/uploads/2025/02/proxy-voting-v3.2.pdf> and <https://www.pzena.com/wp-content/uploads/2024/10/japanese-stewardship-code.pdf>

(O) Stewardship: Guidelines on (proxy) voting - Please also view our Proxy Voting Policy at the following link: <https://www.pzena.com/wp-content/uploads/2025/02/proxy-voting-v3.2.pdf>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 4	PLUS	PGS 1	N/A	PUBLIC	Responsible investment policy elements	1 – 6

Does your formal responsible investment policy(ies) identify a link between your responsible investment activities and your fiduciary duties or equivalent obligations?

- (A) Yes

Elaborate:

At Pzena, our role as responsible stewards of capital is as important to us as our fiduciary responsibility to act in our clients' best interests, which we define as maximizing long-term shareholder value. We view environmental, social, and governance (ESG) integration as an intrinsic part of informed investment decision-making, which, in turn, safeguards the interests of our clients. Financially material ESG considerations are analyzed internally, discussed with company management and industry experts, and monitored—as are all key investment issues. Each step of this process contributes to the team's determination of whether to invest and, if we do, at what position size. Once an investment has been made, we continue to regularly engage management as shareholders. Through these ongoing conversations, along with proxy voting and other means of escalation, we seek to exert a constructive influence on the company's trajectory, oriented toward long-term success. Our commitment to incorporating ESG into our investment approach drives us to continually enhance the way we look at ESG issues. As a result, we actively review our ESG approach at least annually to make any necessary updates.

- (B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 5	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

Which elements are covered in your organisation's policy(ies) or guidelines on stewardship?

- (A) Overall stewardship objectives
- (B) Prioritisation of specific ESG factors to be advanced via stewardship activities

- (C) Criteria used by our organisation to prioritise the investees, policy makers, key stakeholders, or other entities on which to focus our stewardship efforts
- (D) How different stewardship tools and activities are used across the organisation
- (E) Approach to escalation in stewardship
- (F) Approach to collaboration in stewardship
- (G) Conflicts of interest related to stewardship
- (H) How stewardship efforts and results are communicated across the organisation to feed into investment decision-making and vice versa
- (I) Other
- (J) None of the above elements is captured in our policy(ies) or guidelines on stewardship

Additional context to your response(s): (Voluntary)

At Pzena, our role as responsible stewards of capital has always been an integral part of our fiduciary responsibility to act in our clients' best interests, maximizing long-term shareholder value.

As value investors, we often find ourselves considering an investment when things have gone wrong, and we rely on fundamental research to assess the likelihood of improvement on these issues. Taking advantage of the gap between a valuation that reflects near-term challenges and the value of the long-term earnings power of the company is at the heart of our investment philosophy. In some cases, the issues or opportunities facing a company fall under the ESG umbrella.

Deep research and extensive engagement can help value investors capitalize on controversy and access this potential source of alpha, making engagement a cornerstone of our investment philosophy and a critical component of our process as long-term active investors.

As we do with all key investment issues, significant ESG considerations are analyzed internally, discussed with company management and industry experts, and monitored. Each step of this process contributes to the team's determination of whether to invest and, if we do, at what position size. Once an investment has been made, we continue to engage management on an ongoing basis. Through these conversations, along with our proxy voting and other escalation options, we seek to exert influence in a constructive way, oriented toward the long-term success of the company.

We engage with company management throughout our due diligence process, and extensively after an investment is made, on all material or potentially material investment issues. As shareholders, we believe we can help guide companies toward long-term value creation, and we therefore prefer engagement over divestment.

If we determine an ESG consideration to be material to our investment thesis, we raise it with the management team. As each company and management team is unique, our approach to management conversations is organic in each case; however, we always seek an open, cooperative dialogue. We prefer to maintain an ongoing dialogue with company management through regular meetings, in-person site visits, and calls. When we engage with companies, we are typically speaking to some combination of the following: the senior management team, members of the board, an ESG or sustainability lead, and investor relations.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 6	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

Does your policy on (proxy) voting include voting principles and/or guidelines on specific ESG factors?

- (A) Yes, it includes voting principles and/or guidelines on specific environmental factors
- (B) Yes, it includes voting principles and/or guidelines on specific social factors
- (C) Yes, it includes voting principles and/or guidelines on specific governance factors
- (D) Our policy on (proxy) voting does not include voting principles or guidelines on specific ESG factors

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 7	CORE	OO 9	N/A	PUBLIC	Responsible investment policy elements	2

Does your organisation have a policy that states how (proxy) voting is addressed in your securities lending programme?

- (A) We have a publicly available policy to address (proxy) voting in our securities lending programme
- (B) We have a policy to address (proxy) voting in our securities lending programme, but it is not publicly available
- (C) We rely on the policy of our external service provider(s)
- (D) We do not have a policy to address (proxy) voting in our securities lending programme
- (E) Not applicable; we do not have a securities lending programme

RESPONSIBLE INVESTMENT POLICY COVERAGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 8	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy coverage	1

What percentage of your total AUM is covered by the below elements of your responsible investment policy(ies)?

Combined AUM coverage of all policy elements

-
- (A) Overall approach to responsible investment
 - (B) Guidelines on environmental factors
 - (C) Guidelines on social factors
 - (D) Guidelines on governance factors
- (7) 100%
-

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 9	CORE	PGS 2	N/A	PUBLIC	Responsible investment policy coverage	1

What proportion of your AUM is covered by your formal policies or guidelines on climate change, human rights, or other systematic sustainability issues?

AUM coverage

(A) Specific guidelines on climate change

(1) for all of our AUM

(B) Specific guidelines on human rights

(1) for all of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10	CORE	OO 8, OO 9, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

Per asset class, what percentage of your AUM is covered by your policy(ies) or guidelines on stewardship with investees?

(A) Listed equity

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

(11) 100%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10.1	CORE	OO 9.1, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

What percentage of your listed equity holdings is covered by your guidelines on (proxy) voting?

(A) Actively managed listed equity

(1) Percentage of your listed equity holdings over which you have the discretion to vote

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%
- (11) 100%

GOVERNANCE

ROLES AND RESPONSIBILITIES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11	CORE	N/A	Multiple indicators	PUBLIC	Roles and responsibilities	1

Which senior level body(ies) or role(s) in your organisation have formal oversight over and accountability for responsible investment?

- (A) Board members, trustees, or equivalent
- (B) Senior executive-level staff, or equivalent

Specify:

Organizational oversight of our firm – and therefore of our ESG approach – is the responsibility of our Executive Committee. This includes both our commitment as a firm and approach to evaluating ESG issues as part of our investment process.

- (C) Investment committee, or equivalent

Specify:

The ESG Steering Committee is a sub-set of Portfolio Managers that meets with the ESG team quarterly to guide priorities at the intersection of ESG and Research. Responsibilities include determining quarterly thematic ESG research and setting external facing priorities, such as publications, interviews, and conference attendance.

- (D) Head of department, or equivalent

Specify department:

Our Director of Research (DOR) is responsible for oversight of the research process, which includes ESG. The Head of ESG, who sits on our investment team and reports to the CEO, maintains the governance of the ESG integration process. Both our DOR and Head of ESG sit on our ESG Operating Committee, which meets at least annually to oversee daily ESG operations, reporting initiatives and regulations, evaluating memberships, and other firm-level ESG initiatives.

- (E) None of the above bodies and roles have oversight over and accountability for responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.1	CORE	PGS 1, PGS 2, PGS 11	N/A	PUBLIC	Roles and responsibilities	1, 2

Does your organisation's senior level body(ies) or role(s) have formal oversight over and accountability for the elements covered in your responsible investment policy(ies)?

(2) Senior executive-level staff, investment committee, head of department, or equivalent

(A) Overall approach to responsible investment	<input checked="" type="checkbox"/>
(B) Guidelines on environmental, social and/or governance factors	<input checked="" type="checkbox"/>
(D) Specific guidelines on climate change (may be part of guidelines on environmental factors)	<input checked="" type="checkbox"/>
(E) Specific guidelines on human rights (may be part of guidelines on social factors)	<input checked="" type="checkbox"/>
(H) Guidelines on exclusions	<input checked="" type="checkbox"/>
(I) Guidelines on managing conflicts of interest related to responsible investment	<input checked="" type="checkbox"/>
(J) Stewardship: Guidelines on engagement with investees	<input checked="" type="checkbox"/>
(L) Stewardship: Guidelines on engagement with other key stakeholders	<input checked="" type="checkbox"/>
(M) Stewardship: Guidelines on (proxy) voting	<input checked="" type="checkbox"/>
(N) This role has no formal oversight over and accountability for any of the above elements covered in our responsible investment policy(ies)	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.2	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1 – 6

Does your organisation have governance processes or structures to ensure that your overall political engagement is aligned with your commitment to the principles of PRI, including any political engagement conducted by third parties on your behalf?

- (A) Yes
- (B) No
- (C) Not applicable, our organisation does not conduct any form of political engagement directly or through any third parties

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 12	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1

In your organisation, which internal or external roles are responsible for implementing your approach to responsible investment?

(A) Internal role(s)

Specify:

We believe that true ESG integration is industry-analyst led; just as industry analysts bear primary responsibility for issue identification and investment due diligence, they also judge the materiality of ESG-related issues and their potential ramifications. The ESG analysts provides specialist support to the industry analyst on company specific issues and material industry and thematic issues that cut across industries and portfolios. Portfolio Managers have oversight on the entire process.

- (B) External investment managers, service providers, or other external partners or suppliers
- (C) We do not have any internal or external roles with responsibility for implementing responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 14	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

Does your organisation use responsible investment KPIs to evaluate the performance of your senior executive-level staff (or equivalent), and are these KPIs linked to compensation?

- (A) Yes, we use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)
- (B) No, we do not use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)

Explain why: (Voluntary)

Since ESG issues are integrated into Pzena's investment philosophy, we do not break this out into a separate compensation-related decision factor. As with our regular research, we do not have specific targets linked to remuneration. We completely avoid the compensation model that is driven by the performance of individual securities as we believe this leads to short-term thinking, which is contrary to our value investment philosophy.

Our stated objective regarding compensation is that superior performers should expect to receive compensation (base salary and discretionary bonus) on the high end of market rates based on their role and experience as measured by one of the asset management industry's largest compensation surveys. Base pay is in line with industry averages and is complemented by a discretionary bonus based on a blend of quantitative and qualitative measures of the analysts' and portfolio managers' bodies of work. The quantitative measure reflects the scope of responsibilities and productivity (e.g., number of companies under coverage, number of new businesses researched). The qualitative measure reflects the quality of investment analysis and decision-making. We compensate the investment team on their ability to identify critical investment issues, including ESG issues that are financially material, engage management on those issues and continually monitor the company throughout the lifecycle of the investment. As material ESG issues are often a critical part of this process, they are also a key part of how we assess and ultimately determine analyst compensation. Our focus in assessing the team is on the quality of the analysis and not on the stock price performance.

Ownership is provided to professionals who have contributed meaningfully to the long-term success of the organization. Partnership eligibility is determined by the firm's Executive Committee, typically requiring a period of employment of five years at the firm. Our overriding criteria on a person's eligibility for partnership is our assessment that we want to work with that individual for the rest of his or her career.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 15	PLUS	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

What responsible investment competencies do you regularly include in the training of senior-level body(ies) or role(s) in your organisation?

(2) Senior executive-level staff, investment committee, head of department or equivalent

(A) Specific competence in climate change mitigation and adaptation	<input checked="" type="checkbox"/>
(B) Specific competence in investors' responsibility to respect human rights	<input checked="" type="checkbox"/>
(C) Specific competence in other systematic sustainability issues	<input type="checkbox"/>
(D) The regular training of this senior leadership role does not include any of the above responsible investment competencies	<input type="radio"/>

EXTERNAL REPORTING AND DISCLOSURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 16	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

What elements are included in your regular reporting to clients and/or beneficiaries for the majority of your AUM?

- (A) Any changes in policies related to responsible investment
- (B) Any changes in governance or oversight related to responsible investment
- (C) Stewardship-related commitments
- (D) Progress towards stewardship-related commitments
- (E) Climate-related commitments
- (F) Progress towards climate-related commitments
- (G) Human rights-related commitments
- (H) Progress towards human rights-related commitments
- (I) Commitments to other systematic sustainability issues
- (J) Progress towards commitments on other systematic sustainability issues
- (K) We do not include any of these elements in our regular reporting to clients and/or beneficiaries for the majority of our AUM

Additional context to your response(s): (Voluntary)

We work with each client to understand their unique reporting requirements rather than setting a standardized approach to ESG reporting across all portfolios.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 17	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, did your organisation publicly disclose climate-related information in line with the Task Force on Climate-Related Financial Disclosures' (TCFD) recommendations?

- (A) Yes, including governance-related recommended disclosures
 - (B) Yes, including strategy-related recommended disclosures
 - (C) Yes, including risk management-related recommended disclosures
 - (D) Yes, including applicable metrics and targets-related recommended disclosures
 - (E) None of the above
- Add link(s):

<https://www.pzena.com/americas/institutional-investors/insights/managing-climate-risk-as-a-value-manager-1q-2025/#:~:text=Pzena%20Investment%20Management%20applies%20a,term%20sustainability%20of%20business%20models.>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 18	PLUS	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, to which international responsible investment standards, frameworks, or regulations did your organisation report?

(A) Disclosures against the European Union's Sustainable Finance Disclosure Regulation (SFDR)

Link to example of public disclosures

<https://www.pzena.com/wp-content/uploads/2025/02/pzena-sfdr-level-2-website-disclosure-2025-02-06.pdf>

(B) Disclosures against the European Union's Taxonomy

(C) Disclosures against the CFA's ESG Disclosures Standard

(D) Disclosures against other international standards, frameworks or regulations

Specify:

Japanese Stewardship Code

Additionally, we maintain an approach to managing climate change risks and opportunities in our portfolios, in line with the industry-leading Taskforce on Climate-Related Financial Disclosures (TCFD) disclosure framework.

Link to example of public disclosures

<https://www.pzena.com/wp-content/uploads/2024/10/japanese-stewardship-code.pdf>

(E) Disclosures against other international standards, frameworks or regulations

(F) Disclosures against other international standards, frameworks or regulations

(G) Disclosures against other international standards, frameworks or regulations

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 19	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, did your organisation publicly disclose its membership in and support for trade associations, think tanks or similar bodies that conduct any form of political engagement?

(A) Yes, we publicly disclosed all of our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement

(B) Yes, we publicly disclosed some of our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement

(C) No, we did not publicly disclose our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement

(D) Not applicable, we were not members in or supporters of any trade associations, think tanks, or similar bodies that conduct any form of political engagement during the reporting year

STRATEGY

CAPITAL ALLOCATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 20	CORE	N/A	N/A	PUBLIC	Capital allocation	1

Which elements do your organisation-level exclusions cover?

- (A) Exclusions based on our organisation's values or beliefs regarding particular sectors, products or services
- (B) Exclusions based on our organisation's values or beliefs regarding particular regions or countries
- (C) Exclusions based on minimum standards of business practice aligned with international norms such as the OECD Guidelines for Multinational Enterprises, the International Bill of Human Rights, UN Security Council sanctions or the UN Global Compact
- (D) Exclusions based on our organisation's climate change commitments
- (E) Other elements
- (F) Not applicable; our organisation does not have any organisation-level exclusions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 21	CORE	N/A	N/A	PUBLIC	Capital allocation	1

How does your responsible investment approach influence your strategic asset allocation process?

- (A) We incorporate ESG factors into our assessment of expected asset class risks and returns
- (B) We incorporate climate change–related risks and opportunities into our assessment of expected asset class risks and returns
- (C) We incorporate human rights–related risks and opportunities into our assessment of expected asset class risks and returns
- (D) We incorporate risks and opportunities related to other systematic sustainability issues into our assessment of expected asset class risks and returns
- (E) We do not incorporate ESG factors, climate change, human rights or other systematic sustainability issues into our assessment of expected asset class risks and returns
- (F) Not applicable; we do not have a strategic asset allocation process

STEWARDSHIP: OVERALL STEWARDSHIP STRATEGY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 22	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

For the majority of AUM within each asset class, which of the following best describes your primary stewardship objective?

(1) Listed equity

(A) Maximise our portfolio-level risk-adjusted returns. In doing so, we seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.

(B) Maximise our individual investments' risk-adjusted returns. In doing so, we do not seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 23	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

How does your organisation, or the external service providers or external managers acting on your behalf, prioritise the investees or other entities on which to focus its stewardship efforts?

We engage directly with each company we invest in and prioritize engagement issues case-by-case depending on the most material issues for a given company.

For ESG issues specifically, we have developed an internal prioritization system – called the Opportunity List. Our belief in our ability to push for better outcomes by engaging with the companies we own was a driving force behind the development and official implementation of our ESG Opportunity List. This is a portfolio-specific list, determined by our investment team, of companies where financially material ESG issues exist and we identify an opportunity for engagement to have a positive impact.

Once a company is placed on the Opportunity List, we create an engagement plan with specific objectives to track progress. In practice, progress against the engagement plan will not manifest all at once, but will appear in incremental steps over the investment time horizon. If we see a company is trending off-track, we have several options to escalate engagement. Persistent failures to address our concerns could lead to our re-evaluation of the investment thesis and potential divestment. At the time we create an engagement plan, we also assign the company a progress rating from 1 to 3. 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 making substantial progress in addressing our objectives and/or are highly engaged in addressing the issues. A company can be a candidate for removal from the Opportunity List at any time pending material improvements in the issues that led us to add them to the Opportunity List in the first place. In particular, companies that are classified as a '3' for 6 months or more can be - though not always - good candidates for removal. The rating system allows us to track the progress of companies on the Opportunity List over time.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 24	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

Which of the following best describes your organisation's default position, or the position of the external service providers or external managers acting on your behalf, concerning collaborative stewardship efforts?

- (A) We recognise the value of collective action, and as a result, we prioritise collaborative stewardship efforts wherever possible
- (B) We collaborate on a case-by-case basis
- (C) Other
- (D) We do not join collaborative stewardship efforts

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 24.1	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

Elaborate on your organisation’s default position on collaborative stewardship, or the position of the external service providers or external investment managers acting on your behalf, including any other details on your overall approach to collaboration.

While we typically prefer to engage directly with the companies we own, occasionally we recognize the potential benefits of collaborative engagement with other investors. In such cases, we may seek to work with other investors, but we will only do so when we believe it is in our clients’ best interests and permissible under applicable laws and regulations.

Situations where we have found collaborative engagement helpful include, but are not limited to, advancing a shared agenda with clients for a particular portfolio company and/or working with other investors to share insights on a particular issue.

Example: Haier Smart Home: Chinese Home Appliances & Consumer Electronics Company We spoke to various other investors and stakeholders, as we were deciding how to approach a corporate governance issue at Haier Smart Home. Haier does not have a fully independent audit committee, and it is our view that a fully independent audit committee is one of the clearest indicators of good governance, because it has the strongest connection to company performance of all governance metrics in the academic literature. We examine this link in our thematic research piece called "Assessing Corporate Governance" which can be found at the following link on our public website:

<https://www.pzena.com/americas/institutional-investors/insights/assessing-corporate-governance-3q-2022/>. When we engaged with Haier management, they told us that we were the only investor with this concern. We decided to speak to other asset managers who are also shareholders of Haier to understand how they were thinking about audit committee independence. We learned that other asset managers did indeed have different priorities for their engagement with Haier, sometimes influenced by the view that Haier was unlikely to change the composition of the audit committee. This did not change our own conviction in ongoing engagement, but it meant we could not amplify our voice through shared messaging with other like-minded investors.

There are also aspects of collaborative engagement efforts that are less well-aligned with our approach and investment philosophy. First, we do not seek to become activists or insiders, nor do we encourage proxy battles. Instead, we prefer to maintain a constructive dialogue with management teams and work collaboratively to achieve the desired outcome. Second, company-specific, bottom-up, ESG-integrated investment analysis is core to our investment philosophy and approach to stewardship. This naturally lends itself to a more company-specific approach to engagement. The perspective we want to bring to management teams is often more nuanced than some collaborative organizations allow. As such, we have not necessarily found collaborative engagement initiatives particularly helpful to advance our agenda with company management. If we were applying ESG themes top-down, it might make more sense to team up with other investors focusing on the same ESG theme. We also find we maintain good access to management teams through our concentrated portfolios, so we have not needed to leverage these collaborative groups for the purpose of seeking an audience with management teams.

That said, we do periodically consider membership of other stewardship and engagement focused organizations and remain open to evolving our approach. Our ESG team has evaluated Climate Action 100+, the IIGCC, Ceres, and the UK Stewardship Code for potential membership. While we have no plans to join any of them at present, we keep them on our radar and remain open to joining any of them in the future. Our ESG team also spends significant time engaging with the ESG community through panels and other means. As members of the Principles for Responsible Investment (PRI) and International Financial Reporting Standards (IFRS) we frequently attend convenings with other members.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 25	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

Rank the channels that are most important for your organisation in achieving its stewardship objectives.

(A) Internal resources, e.g. stewardship team, investment team, ESG team, or staff

Select from the list:

- 1
- 4

- 5
- (B) External investment managers, third-party operators and/or external property managers, if applicable
- (C) External paid specialist stewardship services (e.g. engagement overlay services or, in private markets, sustainability consultants) excluding investment managers, real assets third-party operators, or external property managers
- (D) Informal or unstructured collaborations with investors or other entities**
Select from the list:
 - 2**
 - 4
 - 5
- (E) Formal collaborative engagements, e.g. PRI-coordinated collaborative engagements, Climate Action 100+, or similar**
Select from the list:
 - 3**
 - 4
 - 5
- (F) We do not use any of these channels

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 27	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

How are your organisation’s stewardship activities linked to your investment decision making, and vice versa?

As previously mentioned, our role as responsible stewards of capital has always been an integral part of our fiduciary responsibility to act in our clients’ best interests, maximizing long-term shareholder value. As value investors, taking advantage of the gap between a valuation that reflects near-term challenges and the value of the long-term earnings power of the company is at the heart of our investment philosophy. Deep research and extensive engagement can help value investors capitalize on temporary controversy and access this potential source of alpha, making engagement a cornerstone of our investment philosophy.

Through engagement, along with our proxy voting and other escalation options, we seek to exert influence in a constructive way, oriented toward the long-term success of the company.

We engage with company management throughout our due diligence process, and extensively after an investment is made, on all material or potentially material investment issues. As shareholders, we believe we can help guide companies toward long-term value creation, and we therefore prefer engagement over divestment.

Example: Our decision to not invest in Chemours was driven by several factors, including the environmental and social risks associated with ongoing PFAS-related litigation in the United States and the uncertainty around future regulation. After engaging with management on these issues, we did not find the valuation compelling given the wide range of potential outcomes related to PFAS exposure.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 28	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

If relevant, provide any further details on your organisation's overall stewardship strategy.

Broadly speaking, our discussions with company management have the following purposes in mind:
 Testing assumptions — Engagement is intended to deepen our understanding of issues that we have identified as material or potentially material to the investment. Sometimes we identify these issues at the point of investment, and other times they arise during ownership. In both cases, we discuss the issues with management, solicit their input, assess their response, and evaluate the impact on our investment thesis. To the extent that the issues are ongoing, we continue to follow up until the issue is resolved or no longer relevant.
 Maintaining an informed dialogue — Engagement keeps us apprised of decisions relating to strategic and operational considerations. We routinely meet with management following earnings, strategic business updates, and management transitions.
 Advocacy — Engagement provides an explicit opportunity for us, as shareholders, to advocate for different decisions that we believe will enhance long-term shareholder value. With increasing regularity, companies also proactively seek our input on a range of issues.
 The success of each engagement is measured on a case-by-case basis, depending on the company-specific context and goals of the engagement.

STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 29	CORE	OO 9, PGS 1	N/A	PUBLIC	Stewardship: (Proxy) voting	2

When you use external service providers to give recommendations, how do you ensure those recommendations are consistent with your organisation's (proxy) voting policy?

- (A) Before voting is executed, we review external service providers' voting recommendations for controversial and high-profile votes
 - Select from the below list:
 - (1) in all cases
 - (2) in a majority of cases
 - (3) in a minority of cases
- (B) Before voting is executed, we review external service providers' voting recommendations where the application of our voting policy is unclear
 - Select from the below list:
 - (1) in all cases
 - (2) in a majority of cases
 - (3) in a minority of cases
 - (D) We do not review external service providers' voting recommendations
 - (E) Not applicable; we do not use external service providers to give voting recommendations

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 30	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

How is voting addressed in your securities lending programme?

- (A) We recall all securities for voting on all ballot items
- (B) When a vote is deemed important according to pre-established criteria (e.g. high stake in the company), we recall all our securities for voting**
Provide details on these criteria:
Not Applicable.
- (C) Other
- (D) We do not recall our securities for voting purposes
- (E) Not applicable; we do not have a securities lending programme

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 31	CORE	OO 9.1	N/A	PUBLIC	Stewardship: (Proxy) voting	2

For the majority of votes cast over which you have discretion to vote, which of the following best describes your decision making approach regarding shareholder resolutions (or that of your external service provider(s) if decision making is delegated to them)?

- (A) We vote in favour of resolutions expected to advance progress on our stewardship priorities, including affirming a company's good practice or prior commitment**
- (B) We vote in favour of resolutions expected to advance progress on our stewardship priorities, but only if the investee company has not already publicly committed to the action(s) requested in the proposal
- (C) We vote in favour of shareholder resolutions only as an escalation measure
- (D) We vote in favour of the investee company management's recommendations by default
- (E) Not applicable; we do not vote on shareholder resolutions

Additional context to your response(s): (Voluntary)

We vote in favour of shareholder resolutions if we believe the proposal to be in the best long-term financial interests of the company. There may be times where the topic of the shareholder resolution is one that we think is important but the specifics of the proposal are not what we deem to be in the best long-term financial interests of the company. In these cases, we will engage on the material issue itself but vote against the specific proposal. In cases where there is natural alignment between the details of the shareholder proposal and long-term financial interests of the company, then we will vote in favour of the proposal.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 32	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

During the reporting year, how did your organisation, or your external service provider(s), pre-declare voting intentions prior to voting in annual general meetings (AGMs) or extraordinary general meetings (EGMs)?

- (A) We pre-declared our voting intentions publicly through the PRI's vote declaration system on the Resolution Database

- (B) We pre-declared our voting intentions publicly by other means, e.g. through our website
- (C) We privately communicated our voting decision to investee companies prior to the AGM/EGM
- (D) We did not privately or publicly communicate our voting intentions prior to the AGM/EGM
- (E) Not applicable; we did not cast any (proxy) votes during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 33	CORE	OO 9	PGS 33.1	PUBLIC	Stewardship: (Proxy) voting	2

After voting has taken place, do you publicly disclose your (proxy) voting decisions or those made on your behalf by your external service provider(s), company by company and in a central source?

(A) Yes, for all (proxy) votes

Add link(s):

<https://vds.issgovernance.com/vds/#/MTUyMA==/>

- (B) Yes, for the majority of (proxy) votes
- (C) Yes, for a minority of (proxy) votes
- (D) No, we do not publicly report our (proxy) voting decisions company-by-company and in a central source

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 33.1	CORE	PGS 33	N/A	PUBLIC	Stewardship: (Proxy) voting	2

In the majority of cases, how soon after an investee's annual general meeting (AGM) or extraordinary general meeting (EGM) do you publish your voting decisions?

- (A) Within one month of the AGM/EGM
- (B) Within three months of the AGM/EGM
- (C) Within six months of the AGM/EGM
- (D) Within one year of the AGM/EGM
- (E) More than one year after the AGM/EGM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 34	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

After voting has taken place, did your organisation, and/or the external service provider(s) acting on your behalf, communicate the rationale for your voting decisions during the reporting year?

	(1) In cases where we abstained or voted against management recommendations	(2) In cases where we voted against an ESG-related shareholder resolution
(A) Yes, we publicly disclosed the rationale		
(B) Yes, we privately communicated the rationale to the company	(1) for all votes	(3) for a minority of votes
(C) We did not publicly or privately communicate the rationale, or we did not track this information	○	○
(D) Not applicable; we did not abstain or vote against management recommendations or ESG-related shareholder resolutions during the reporting year	○	○

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 35	PLUS	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

How does your organisation ensure vote confirmation, i.e. that your votes have been cast and counted correctly?

We take our responsibilities as stewards of our clients' capital seriously, and actively voting the shares of companies in which we invest on their behalf is an integrated part of our investment process. We exercise proxy voting to highlight our views on management decisions, including ESG-related items, regardless of whether we agree with management's recommendation.

We have established a Proxy Voting Committee ("the Committee") which is responsible for overseeing the Guidelines. The Committee consists of representatives from Legal, Compliance, Research, and Operations, including our Chief Compliance Officer ("CCO"), Director of Research ("DOR"), and at least one PM (who represents the interests of all Pzena's portfolio managers and is responsible for obtaining and expressing their opinions at committee meetings). The Committee will meet at least once annually and as often as necessary to oversee our approach to proxy voting.

The DOR is responsible for monitoring the analyst's compliance with the Guidelines, the CCO is responsible for monitoring overall compliance with these procedures and an internally-designated "Proxy Coordinator" is responsible for day-to-day proxy voting activities.

Additionally, our Operations department maintains a log tracking upcoming vote deadlines to ensure timely submissions. The team performs share reconciliations prior to each submission for accuracy. Alerts are also set up to avoid missing deadlines and indicate if there have been any rejected ballots. Additionally, the team receives a daily report from the vendor listing the details of all voted meetings as a final confirmation.

STEWARDSHIP: ESCALATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 36	CORE	OO 8, OO 9 HF, OO 9	N/A	PUBLIC	Stewardship: Escalation	2

For your listed equity holdings, what escalation measures did your organisation, or the external investment managers or service providers acting on your behalf, use in the past three years?

(1) Listed equity

(A) Joining or broadening an existing collaborative engagement or creating a new one

(B) Filing, co-filing, and/or submitting a shareholder resolution or proposal

(C) Publicly engaging the entity, e.g. signing an open letter

(D) Voting against the re-election of one or more board directors

(E) Voting against the chair of the board of directors, or equivalent, e.g. lead independent director

(F) Divesting

(G) Litigation

(H) Other

(I) In the past three years, we did not use any of the above escalation measures for our listed equity holdings

(H) Other - (1) Listed equity - Specify:

A written letter to members of the senior management team and/or board members

Additional context to your response(s): (Voluntary)

Other: In instances where issues have not been adequately addressed during our routine engagement with management teams, we may consider the following actions to escalate our concerns:

1. A private meeting with the chairman or other board members
2. A written letter to members of the senior management team and/or board members
3. Voting against members of the board or resolutions at annual general meetings
4. Divestment if the lack of progress changes our view of the investment embedded risk-reward Example: Hooker Furniture: U.S. Furniture Company In April of 2024, we wrote a letter to furniture company Hooker’s Board of Directors encouraging a share buyback program. From our perspective, Hooker was being overly conservative with its balance sheet and should have been redeploying capital for a potentially higher return. We wrote the letter to formalize our recommendations after several in-person conversations with management in which they agreed with our assessment.

STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39	CORE	OO 8, OO 9	PGS 39.1, PGS 39.2	PUBLIC	Stewardship: Engagement with policy makers	2

Did your organisation, or the external investment managers or service providers acting on your behalf, engage with policy makers as part of your responsible investment approach during the reporting year?

- (A) Yes, we engaged with policy makers directly
- (B) Yes, we engaged with policy makers through the leadership of or active participation in working groups or collaborative initiatives, including via the PRI
- (C) Yes, we were members of, supported, or were in another way affiliated with third party organisations, including trade associations and non-profit organisations, that engage with policy makers, excluding the PRI
- (D) We did not engage with policy makers directly or indirectly during the reporting year beyond our membership in the PRI**

Explain why: (Voluntary)

Additional context to your response(s): (Voluntary)

While we didn't directly engage with policy makers, we recognize that ESG issues often become financially material for companies and industries because of regulation. As such, we research and discuss regulatory matters as part of our stewardship activities. In the past year, these discussions have covered the Inflation Reduction Act (IRA), the EU Green Deal, and the 'Fit for 55' package, as well as Japanese and Korean stock market governance reforms.

STEWARDSHIP: EXAMPLES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 40	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Examples	2

Provide examples of stewardship activities that you conducted individually or collaboratively during the reporting year that contributed to desired changes in the investees, policy makers or other entities with which you interacted.

(A) Example 1:

Title of stewardship activity:

Engagement with Management

(1) Led by

- **(1) Internally led**
 - (2) External service provider led
 - (3) Led by an external investment manager, real assets third-party operator and/or external property manager
- (2) Primary focus of stewardship activity
 - (1) Environmental factors**
 - (2) Social factors**
 - (3) Governance factors
- (3) Asset class(es)
 - (1) Listed equity**
 - (2) Fixed income
 - (3) Private equity
 - (4) Real estate
 - (5) Infrastructure
 - (6) Hedge funds
 - (7) Forestry
 - (8) Farmland
 - (9) Other
- (4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Vale was added to the Pzena Opportunity List due to the Mariana (2015) and Brumadinho (2019) dam collapses in Brazil. Our engagements have been focused on the subsequent financial, environmental, social, and reputational losses. MSCI considers Vale to have failed UNGC (UN Global Compact) standards for “impact on local communities,” and the company is on the watchlist for “biodiversity & land-use.” To track these material ESG issues, we will be monitoring the following objectives for Vale:

1. Continue an appropriate pace of tailings de-characterizations and associated spend. The company has completed 16 of 30 de-characterizations and expects to finish by 2035, having spent \$2.3bn on the estimated \$5.0bn program.
2. Reach a final agreement with the Federal Public Prosecutors’ Office regarding Mariana reparations.
3. Have UN Global Compact Principles fail status removed and/or have no other major disasters in the next two years.

Vale has reached a compensation agreement for impacted communities for both dam failures. To avoid future disaster, Vale has begun a de-characterization program in Brazil. The de-characterization program aims to decommission the remaining tailings containments to reintegrate the structure and its contents into the surrounding environment. This highly technical project is unique to each structure; therefore, Vale must come up with customized solutions for each. The company has now completed 16 of 30 de-characterizations and expects to finish by 2035. Importantly, in 2020, Vale had 35 dams at emergency levels. The company has reduced that figure to 16 and expects to reach nine in 2025.

We believe Vale has improved its governance in the intervening period, and the company has begun to revamp its sites in order to meet new regulatory standards. In addition, Vale has a majority independent board, having added a significant number of industry experts/engineers to the board following the 2019 tailings collapse. Vale also has a fully independent audit committee, which is particularly important from our perspective and is not common in the market. Lastly, with regards to governance, executive compensation is linked to specific ESG goals, such as achieving specific sustainability, safety, and risk management targets, which we believe will incentivize long-term improvement. Although there were rumors that the Brazilian government would attempt to interfere with the company’s CEO search process, the board ultimately independently decided to promote Vale’s CFO Gustavo Pimenta to the CEO role.

(B) Example 2:
Title of stewardship activity:

Engagement with Management

- (1) Led by
 - **(1) Internally led**
 - (2) External service provider led
 - (3) Led by an external investment manager, real assets third-party operator and/or external property manager
- (2) Primary focus of stewardship activity
 - (1) Environmental factors
 - (2) Social factors**
 - (3) Governance factors**
- (3) Asset class(es)
 - (1) Listed equity**
 - (2) Fixed income
 - (3) Private equity
 - (4) Real estate
 - (5) Infrastructure
 - (6) Hedge funds

- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Reckitt Benckiser was a recent addition to our Opportunity List because of ongoing litigation alleging an increased risk of necrotizing enterocolitis (NEC) in premature infants consuming Enfamil formula shortly after birth. NEC is a gastrointestinal disease that primarily affects pre-term infants and has a fatality rate of about 15%-40%.

In March 2024, an Illinois jury awarded \$60 million to a plaintiff whose infant died from NEC, finding that Mead Johnson (Reckitt's infant nutrition subsidiary) was negligent and failed to warn of the risk of NEC. This was the first case in the NEC litigation to be tried. Abbott Laboratories, a competitor of Mead Johnson, lost its first trial in July 2024. There are currently ~1,500 cases filed between Abbott and Mead Johnson. Reckitt argues that the scientific literature is clear on the lack of causality between infant formula and NEC. Specifically, it is the absence of breast milk (which protects better against NEC) that results in a higher incidence rate of NEC among pre-term infants. In early October 2024, various U.S. government agencies issued a joint statement reiterating the importance of formula for pre-term infants, corroborating Reckitt's argument.

In discussing this issue with medical professionals, litigation experts, and company management, we believe this argument, although backed by the science, may be too nuanced to be effective in a jury trial setting, which widens the potential range of outcomes in the courtroom. Nevertheless, it is our assessment that Reckitt Benckiser has a good chance of limiting the size of its ultimate financial liability with the scientific evidence on its side. Most recently, the third NEC case to go to trial (in October 2024) resulted in a not guilty verdict for all parties involved. The next NEC trial scheduled will be the first of four bellwether cases in the federal multidistrict litigation (MDL), which will be heard in May 2025. The evidentiary bar for federal MDL pretrial proceedings is much higher, which should work in Reckitt and Abbott's favor. We expect this trial to provide greater insight into this issue as we move forward.

Our engagement objective is to continue to track and assess NEC litigation-related strategy and payments. The Reckitt stock is cheap even assuming a fairly draconian ultimate liability related to NEC.

(C) Example 3:

Title of stewardship activity:

Engagement with Management

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

We engaged with Globe Life to address the short-seller allegations that emerged in April and led to a notable decline in the company's stock value. The short-seller reports alleged widespread insurance fraud within Globe Life's subsidiary, American Income Life. The alleged fraud included kickbacks on agent training fees, harassment by certain agents/agency owners, disreputable accounting, and lack of timely disclosure around a Department of Justice (DOJ) inquiry related to customer abuse and sexual harassment at a major distribution center for American Income Life.

Globe Life's independent audit committee hired the law firm Wilmer Hale and the forensic accounting firm FTI Consulting to review the allegations made by the short sellers. As of July 2024, it was determined there was no merit to the accusations of financial misconduct, and no adjustments to the company's previously issued financial statements were required. Management does not see the short-seller report affecting day-to-day business, and it has not affected the agent recruiting pipeline. As for the separate DOJ inquiry, neither the DOJ nor the SEC has asserted any claims against Globe Life nor indicated that they intend to do so, and management does not believe that it is reasonably possible or probable that this matter will result in a material loss. We will continue to track quarterly and annual KPIs to determine whether there is any lingering reputational damage that could materially affect the underlying business (e.g., agent hiring/turnover, lapse rates).

Given recent stock price weakness, we discussed potential changes to capital allocation priorities, including management's appetite to accelerate share buybacks. We were pleased that management ultimately decided to take advantage of the share price weakness to the benefit of long-term shareholders. We will continue to engage management on capital allocation plans moving forward.

(D) Example 4:

Title of stewardship activity:

Engagement with Management

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

In September 2023, the New York Times published an article detailing serious allegations of child labor at a Tyson Foods plant in Virginia². We take allegations of child labor seriously. It is one of two social issues (the other being human trafficking) that we consistently identify as issues to address, regardless of financial materiality. Tyson, along with peers, outsources a large portion of cleaning services to sanitation firms, which allegedly employed underage workers. Tyson does not permit anyone under 18 to work at its facilities and performs audits and spot checks to ensure compliance, but the allegations raised questions of effectiveness and compliance with these policies. Our investment team has maintained a robust dialogue with Tyson on the issue for the last year, albeit limited by the ongoing Department of Justice (DOJ) investigation, which has yet to determine Tyson's culpability.

Our ongoing engagement with Tyson included discussion of a related shareholder proposal to commission and publish the results of a third-party audit assessing the effectiveness of policies preventing child labor. At first glance, this proposal appeared to be one we would be inclined to support; however, after careful diligence and deliberation, we decided to vote against the specific proposal. Our rationale was that while an independent audit of Tyson's internal policies and procedures could be beneficial, it was not the right time to conduct one. Tyson was complying with an active DOJ investigation and considering changes to its workforce management oversight. An audit at this point would not yield the desired benefit of measuring the effectiveness of ongoing business practices. Once Tyson formalizes an updated set of internal policies and procedures, it will make more sense to pursue an independent audit. Despite voting against the shareholder proposal, we did encourage Tyson to better engage with proponents of shareholder resolutions in the future to share any differing views more directly.

We continue to discuss allegations of child labor with Tyson as part of our Opportunity List and will monitor the outcome of the DOJ investigation to determine if we can conclude – or need to escalate – our engagement. Tyson's latest update was that management was working toward bringing a higher percentage of cleaners in-house to reduce the risk of problems in the supply chain.

(E) Example 5:

Title of stewardship activity:

Proxy Vote Engagement

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

One of the more important votes we cast for companies every year is for the individuals that comprise the board of directors. The board, unlike company management, is primarily elected directly by shareholders to help protect their interests and oversee company management. It is therefore important that the individuals on the board possess the right combination of skills and experience to play this role effectively.

In the case of Travis Perkins, we believed the board had not been effective in its execution of management oversight and decided to vote against the chair. We were concerned with opaque decision-making related to poor capital allocation and abrupt management change in response to operational underperformance. (The former CEO left abruptly without an identified successor in place.) Additionally, we believed the business would benefit from a chair with more relevant industry experience to help the company navigate through a challenging period. We appreciated the chair's decision to step down following the vote, as 23.6% of shareholders opposed his re-election.

Thus far, we are pleased with our engagement with the new board chair, who has relevant experience in the building products industry. It is important during this period of underperformance that the board can identify areas for improvement as well as sources of competitive advantage. We believe the new board chair is better positioned to do this effectively.

CLIMATE CHANGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41	CORE	N/A	PGS 41.1	PUBLIC	Climate change	General

Has your organisation identified climate-related risks and opportunities affecting your investments?

(A) Yes, within our standard planning horizon

Specify the risks and opportunities identified and your relevant standard planning horizon:

Given the nature of our investment approach — to invest in companies that tend to be experiencing some degree of difficulty, which usually takes months or even years to completely resolve — our holding period tends to be long, three to five years. This is naturally aligned with the time horizon over which ESG issues may play out. For example, a long-term investor must consider the risks that climate change poses to many industries that need to undergo costly transitions to pivot legacy business models toward activities that facilitate the energy transition. We believe patience is a crucial element of value investing. When ESG issues are at play, we exercise our active ownership responsibilities by influencing companies along a trajectory to remediate them.

As it relates to climate change, investment considerations may include, but are not limited to:

- Transition risk, such as the stranding of non-useful assets and levying of a price on carbon emissions;
 - Opportunities arising from the energy transition, including technological innovation and new business growth opportunities across sectors;
 - Direct climate risk caused by the physical impacts of climate change, such as the increased severity of hurricanes or frequency of wildfires;
 - Indirect climate risk caused by the physical effects of climate change, such as disruption of a company's suppliers or customer-base.
- When evaluating individual companies, we use a range of forward-looking scenarios at the company and industry level to determine the impact on company profitability. These scenarios may include – but are not limited to – those published by the Intergovernmental Panel on Climate Change (IPCC).

(B) Yes, beyond our standard planning horizon

(C) No, we have not identified climate-related risks and/or opportunities affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41.1	CORE	PGS 41	N/A	PUBLIC	Climate change	General

Does your organisation integrate climate-related risks and opportunities affecting your investments in its overall investment strategy, financial planning and (if relevant) products?

(A) Yes, our overall investment strategy, financial planning and (if relevant) products integrate climate-related risks and opportunities

Describe how climate-related risks and opportunities have affected or are expected to affect your investment strategy, financial planning and (if relevant) products:

As value managers, we invest in companies where we are underpaying relative to our expected long-term earnings potential. We analyze and incorporate material risks and opportunities into our decision-making for every investment. Consequently, understanding climate risks and opportunities, as long-term drivers of business outcomes, is central to our investment philosophy; they are analyzed and priced in to help inform our investment thesis, just like any other issues. As a result, we may choose not to invest in a company if we think exposure to climate-related risks will impair future earnings and the valuation does not reflect the potential impairment. On the flip side, we might invest in a company with a higher-than-average carbon footprint if we see potential for it to manage the energy transition effectively and the valuation does not reflect the improvement potential.

Additionally, we have launched a new Global Value Climate portfolio. For clients that decide to invest in this strategy, we have more explicit climate-related metrics and targets aligned with the Paris Aligned Investment Initiative Net Zero Framework.

- (B) No, our organisation has not yet integrated climate-related risks and opportunities into its investment strategy, financial planning and (if relevant) products

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 42	PLUS	N/A	N/A	PUBLIC	Climate change	General

Which sectors are covered by your organisation’s strategy addressing high-emitting sectors?

- (A) Coal**
Describe your strategy:
- (B) Gas**
Describe your strategy:
- (C) Oil**
Describe your strategy:
- (D) Utilities**
Describe your strategy:
- (E) Cement**
Describe your strategy:
- (F) Steel**
Describe your strategy:
- (G) Aviation**
Describe your strategy:
- (H) Heavy duty road**
Describe your strategy:
- (I) Light duty road**
Describe your strategy:
- (J) Shipping**
Describe your strategy:
- (K) Aluminium**
Describe your strategy:
- (L) Agriculture, forestry, fishery**
Describe your strategy:
- (M) Chemicals**
Describe your strategy:
- (N) Construction and buildings**
Describe your strategy:
- (O) Textile and leather**
Describe your strategy:
- (P) Water**
Describe your strategy:
- (Q) Other
- (R) We do not have a strategy addressing high-emitting sectors

Additional context to your response(s): (Voluntary)

Our strategy for addressing high-emitting sectors is aligned with our overall goal of seeking improvement in material ESG issues facing companies in our investment portfolios. For high emitting sectors there is usually some embedded transition risk. The degree of transition risk exposure depends on many factors, including the emissions intensity of the business, regulatory regime(s) the company is exposed to and economic criticality of the industry itself. There is no one-size-fits-all approach to the energy transition and therefore these are issues we research bottom-up on a case-by-case basis. We add the highest emitters to our Opportunity List and continue to discuss decarbonization options and associated costs. We do not have explicit carbon targets for our portfolios unless so-directed by a client. We prefer to focus our efforts at the company level, encouraging portfolio companies to achieve real economy emissions reductions over time and capitalize on opportunities in the energy transition where they have a competitive advantage.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 43	CORE	N/A	N/A	PUBLIC	Climate change	General

Has your organisation assessed the resilience of its investment strategy in different climate scenarios, including one in which the average temperature rise is held to below 2 degrees Celsius (preferably to 1.5 degrees Celsius) above pre-industrial levels?

- (A) Yes, using the Inevitable Policy Response Forecast Policy Scenario (FPS) or Required Policy Scenario (RPS)
- (B) Yes, using the One Earth Climate Model scenario
- (C) Yes, using the International Energy Agency (IEA) Net Zero scenario
- (D) Yes, using other scenarios**
Specify:

When evaluating high emitting companies, we use a range of forward-looking scenarios at the company and industry level to determine the impact on company profitability. These scenarios may include – but are not limited to – those published by the IPCC., e.g. we develop different scenarios for oil and gas demand based on the potential progress towards decarbonizing and then assess the robustness of our investment thesis for a given company under these scenarios.

However, we do think that assessing our portfolios against various temperature outcomes is a particularly useful exercise for a variety of reasons –

1. Temperature outcomes are removed from what asset managers can directly control or influence. A temperature outcome would be the result of a series of policies and/or coordinated actions by various industries. We think it is therefore most important to focus our analysis of policy at the company/industry-level.

2. There are significant limitations with available climate-related metrics, especially availability, consistency, and reliability. We question the utility of many of the scenario analysis datasets available from third parties because they rely heavily on forward-looking estimations. We have trialled various scenario analysis providers and the results vary widely depending on the assumptions used. At this time we do not consider any of them decision-useful for our investments.

3. We think it is more important to focus on real-world decarbonization at the company level rather than focusing on hypothetical temperature scenarios that, at this time, appear fairly unlikely to materialize.

- o (E) No, we have not assessed the resilience of our investment strategy in different climate scenarios, including one that holds temperature rise to below 2 degrees

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 44	CORE	N/A	N/A	PUBLIC	Climate change	General

Does your organisation have a process to identify, assess, and manage the climate-related risks (potentially) affecting your investments?

- (A) Yes, we have a process to identify and assess climate-related risks**
(1) Describe your process

At Pzena, we think about and manage climate risks the same way we consider any fundamental investment issues. First and foremost, we define risk as the permanent impairment of capital, taking seriously any issue that has this potential, and climate change falls into this category. Risk controls are embedded throughout the investment process, from research to portfolio construction to trading. The most meaningful risk management technique we employ is our commitment to research depth. As bottom-up value investors, we place a particularly strong focus on downside risk in the companies in which we invest. We look to minimize risk mainly through our bottom-up company research, as we seek to determine the nature of a company's undervaluation, the quality of its operations, and the strength of its balance sheet. Our analysts track material news affecting the industries and/or companies they cover and incorporate key developments into our company-specific financial models, including physical and transition climate risk. This analysis is informed by our ongoing engagement with company management, and it helps to structure our engagement agenda.

As an extra layer of due diligence, our ESG team is responsible for helping to ensure consistency across the research team, thinking about how material issues such as climate change cross-cut various industries. While climate change poses significant risks to most global industries, we believe there are a few key industries where the changes will be felt earlier, with greater implications for company earnings potential. The ESG team led a deep dive on the topic of net zero, providing the research team with a framework to assess the credibility of company net zero plans. Research analysts have since conducted net zero assessments for companies under their coverage with exposure to material climate transition risk. These companies are also typically on our Opportunity List, which means we are consistently monitoring and updating associated company engagement plans.

Companies and, by extension, industries receive higher weightings in the portfolio when the valuation discount is high and we can reasonably judge the range of potential business outcomes to be narrow. The ideal investment is a company that, based on our estimate of normalized earnings, trades at a significant discount to the market and where we believe we have properly assessed the downside risk.

(2) Describe how this process is integrated into your overall risk management

ESG is an integral part of our investment process, which is itself one of the most important components of our approach to risk management. We define investment risk as the potential for permanent impairment of capital. That is why we conduct deep, fundamental research on the companies and industries in which we invest. Through this rigorous research process, we can effectively monitor and assess various aspects of investment risk, including ESG issues when they arise.

As long-term investors, the time horizon for our investments naturally aligns with many of the ESG risks and opportunities that impact the companies and industries in which we invest in. For example, climate change poses a significant threat to long-term capital appreciation, as many industries must undergo costly transitions to adapt legacy business models. At the same time, emerging clean tech must also be scaled commercially to replace fossil fuels over time as part of the energy transition. It is essential for our research team to have in-house expertise to assess, mitigate, manage, and monitor these risks when they appear in our portfolios.

In addition to the expertise of our research analysts and portfolio managers, our ESG team acts as an internal consultant to ensure sufficient breadth and depth in our analysis of ESG issues, which often span across the industries and companies in which we invest. The ESG team is also responsible for managing our Opportunity List, including biannual reviews of progress made against stated engagement objectives.

We also integrate ESG into our risk management tools and systems. We have access to the following ESG data points in StockAnalyzer (our proprietary screening model): company carbon emissions intensity, MSCI ESG scores, compliance with UN Global Compact Principles (UNGC), and audit committee independence. Additionally, we track all Opportunity List scores, as well as engagement objectives and updates, in our Research Management System (RMS) versus downside evolve.

- (B) Yes, we have a process to manage climate-related risks
- (C) No, we do not have any processes to identify, assess, or manage the climate-related risks affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 45	CORE	N/A	N/A	PUBLIC	Climate change	General

During the reporting year, which of the following climate risk metrics or variables affecting your investments did your organisation use and publicly disclose?

- (A) Exposure to physical risk**
 - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
 - (1) Metric or variable used**
 - (2) Metric or variable used and disclosed
 - (3) Metric or variable used and disclosed, including methodology
- (B) Exposure to transition risk**
 - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
 - (1) Metric or variable used**
 - (2) Metric or variable used and disclosed
 - (3) Metric or variable used and disclosed, including methodology
- (C) Internal carbon price**
 - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
 - (1) Metric or variable used**
 - (2) Metric or variable used and disclosed
 - (3) Metric or variable used and disclosed, including methodology
- (D) Total carbon emissions**

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
 - (1) Metric or variable used
 - (2) Metric or variable used and disclosed
 - (3) Metric or variable used and disclosed, including methodology
- (E) Weighted average carbon intensity
 - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
 - (1) Metric or variable used
 - (2) Metric or variable used and disclosed
 - (3) Metric or variable used and disclosed, including methodology
- (F) Avoided emissions
- (G) Implied Temperature Rise (ITR)
- (H) Non-ITR measure of portfolio alignment with UNFCCC Paris Agreement goals
- (I) Proportion of assets or other business activities aligned with climate-related opportunities
 - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
 - (1) Metric or variable used
 - (2) Metric or variable used and disclosed
 - (3) Metric or variable used and disclosed, including methodology
- (J) Other metrics or variables
 - (K) Our organisation did not use or publicly disclose any climate risk metrics or variables affecting our investments during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 46	CORE	N/A	N/A	PUBLIC	Climate change	General

During the reporting year, did your organisation publicly disclose its Scope 1, Scope 2, and/or Scope 3 greenhouse gas emissions?

- (A) Scope 1 emissions
- (B) Scope 2 emissions
- (C) Scope 3 emissions (including financed emissions)
- (D) Our organisation did not publicly disclose its Scope 1, Scope 2, or Scope 3 greenhouse gas emissions during the reporting year

Additional context to your response(s): (Voluntary)

We do not disclose our scope 1 and 2 emissions because they are not material to our industry. While scope 3 emissions from our investment portfolios would technically be our most material source of emissions, portfolio decarbonization has no effect on real economy emissions reductions. We prefer to focus our efforts engaging with companies to help them achieve real economy emissions reductions. We do report the carbon emissions intensity for individual portfolios upon client request. For a detailed explanation of how we evaluate carbon metrics, please refer to our thought leadership piece, Alternative Methodology for Reporting Carbon Emissions, available on our website: <https://www.pzena.com/americas/institutional-investors/insights/alternative-methodology-for-reporting-carbon-emissions-1q-2022/>

SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47	CORE	N/A	Multiple indicators	PUBLIC	Sustainability outcomes	1, 2

Has your organisation identified the intended and unintended sustainability outcomes connected to its investment activities?

- (A) Yes, we have identified one or more specific sustainability outcomes connected to our investment activities
- (B) No, we have not yet identified the sustainability outcomes connected to any of our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.1	CORE	PGS 47	N/A	PUBLIC	Sustainability outcomes	1, 2

Which widely recognised frameworks has your organisation used to identify the intended and unintended sustainability outcomes connected to its investment activities?

- (A) The UN Sustainable Development Goals (SDGs) and targets
- (B) The UNFCCC Paris Agreement**
- (C) The UN Guiding Principles on Business and Human Rights (UNGPs)
- (D) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
- (E) The EU Taxonomy
- (F) Other relevant taxonomies
- (G) The International Bill of Human Rights
- (H) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- (I) The Convention on Biological Diversity
- (J) Other international framework(s)
- (K) Other regional framework(s)
- (L) Other sectoral/issue-specific framework(s)**
Specify:

Sustainability Accounting Standards Board (SASB)

- (M) Our organisation did not use any widely recognised frameworks to identify the intended and unintended sustainability outcomes connected to its investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.2	CORE	PGS 47	PGS 48	PUBLIC	Sustainability outcomes	1, 2

What are the primary methods that your organisation has used to determine the most important intended and unintended sustainability outcomes connected to its investment activities?

- (A) Identify sustainability outcomes that are closely linked to our core investment activities**
- (B) Consult with key clients and/or beneficiaries to align with their priorities**
- (C) Assess which actual or potential negative outcomes for people are most severe based on their scale, scope, and irreparable character
- (D) Identify sustainability outcomes that are closely linked to systematic sustainability issues
- (E) Analyse the input from different stakeholders (e.g. affected communities, civil society, trade unions or similar)
- (F) Understand the geographical relevance of specific sustainability outcome objectives**
- (G) Other method
- (H) We have not yet determined the most important sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48	CORE	PGS 47.2	PGS 48.1, SO 1	PUBLIC	Sustainability outcomes	1, 2

Has your organisation taken action on any specific sustainability outcomes connected to its investment activities, including to prevent and mitigate actual and potential negative outcomes?

- (A) Yes, we have taken action on some of the specific sustainability outcomes connected to our investment activities
- (B) No, we have not yet taken action on any specific sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48.1	PLUS	PGS 48	N/A	PUBLIC	Sustainability outcomes	1, 2

Why has your organisation taken action on specific sustainability outcomes connected to its investment activities?

- (A) We believe that taking action on sustainability outcomes is relevant to our financial risks and returns over both short- and long-term horizons
- (B) We believe that taking action on sustainability outcomes, although not yet relevant to our financial risks and returns, will become so over a long-time horizon
- (C) We have been requested to do so by our clients and/or beneficiaries
- (D) We want to prepare for and respond to legal and regulatory developments that are increasingly addressing sustainability outcomes
- (E) We want to protect our reputation, particularly in the event of negative sustainability outcomes connected to investments
- (F) We want to enhance our social licence-to-operate (i.e. the trust of beneficiaries, clients, and other stakeholders)
- (G) We believe that taking action on sustainability outcomes in parallel to financial return goals has merit in its own right
- (H) Other

LISTED EQUITY (LE)

OVERALL APPROACH

MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 1	CORE	OO 21	N/A	PUBLIC	Materiality analysis	1

Does your organisation have a formal investment process to identify and incorporate material ESG factors across your listed equity strategies?

(3) Active - fundamental

(A) Yes, our investment process incorporates material governance factors

(1) for all of our AUM

(B) Yes, our investment process incorporates material environmental and social factors

(1) for all of our AUM

(C) Yes, our investment process incorporates material ESG factors beyond our organisation's average investment holding period

(1) for all of our AUM

(D) No, we do not have a formal process. Our investment professionals identify material ESG factors at their discretion

○

(E) No, we do not have a formal or informal process to identify and incorporate material ESG factors

○

Additional context to your response(s): (Voluntary)

Given the nature of our investment approach — to invest in companies that tend to be experiencing some degree of distress, which usually takes months or even years to completely resolve — our holding period tends to be long, three to five years. This is naturally aligned with the time horizon over which ESG issues may play out. For example, a long-term investor must consider the risks that climate change poses to many industries that need to undergo costly transitions to pivot legacy business models toward activities that facilitate the energy transition. We believe patience is a crucial element of value investing. When ESG issues are at play, we exercise our active ownership responsibilities by influencing companies along a trajectory to remediate them.

MONITORING ESG TRENDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 2	CORE	OO 21	N/A	PUBLIC	Monitoring ESG trends	1

Does your organisation have a formal process for monitoring and reviewing the implications of changing ESG trends across your listed equity strategies?

(3) Active - fundamental

(A) Yes, we have a formal process that includes scenario analyses

(B) Yes, we have a formal process, but it does not include scenario analyses

(1) for all of our AUM

(C) We do not have a formal process for our listed equity strategies; our investment professionals monitor how ESG trends vary over time at their discretion

o

(D) We do not monitor and review the implications of changing ESG trends on our listed equity strategies

o

PRE-INVESTMENT

ESG INCORPORATION IN RESEARCH

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 3	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

How does your financial analysis and equity valuation or security rating process incorporate material ESG risks?

(2) Active - fundamental

(A) We incorporate material governance-related risks into our financial analysis and equity valuation or security rating process

(1) in all cases

(B) We incorporate material environmental and social risks into our financial analysis and equity valuation or security rating process

(1) in all cases

(C) We incorporate material environmental and social risks related to companies' supply chains into our financial analysis and equity valuation or security rating process

(1) in all cases

(D) We do not incorporate material ESG risks into our financial analysis, equity valuation or security rating processes

o

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 4	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

What information do you incorporate when you assess the ESG performance of companies in your financial analysis, benchmark selection and/or portfolio construction process?

(3) Active - fundamental

(A) We incorporate qualitative and/or quantitative information on current performance across a range of material ESG factors	(1) in all cases
(B) We incorporate qualitative and/or quantitative information on historical performance across a range of material ESG factors	(1) in all cases
(C) We incorporate qualitative and/or quantitative information on material ESG factors that may impact or influence future corporate revenues and/or profitability	(1) in all cases
(D) We incorporate qualitative and/or quantitative information enabling current, historical and/or future performance comparison within a selected peer group across a range of material ESG factors	
(E) We do not incorporate qualitative or quantitative information on material ESG factors when assessing the ESG performance of companies in our financial analysis, equity investment or portfolio construction process	o

ESG INCORPORATION IN PORTFOLIO CONSTRUCTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 5	PLUS	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

Provide an example of how you incorporated ESG factors into your equity selection and research process during the reporting year.

ArcelorMittal (MT) was added to the Pzena Opportunity List (OL) in part because of safety concerns following an explosion at the Kostenco coal mine in Kazakhstan. The OL is a portfolio-specific list, determined by our investment team, of companies where financially material ESG issues exist and we identify an opportunity for engagement to have a positive impact. Since adding to the OL, MT has since conducted a worldwide safety audit and sold the asset where the accident occurred, and we consider our safety concerns related to this matter to be resolved.

One key objective of MT's engagement plan was to understand how the company had thought about health & safety prior to and immediately following the accident. Initial discussions revealed that MT had explicitly prioritized safety in recent years—deploying additional consultants, adopting best practices from high-performing sites, and shifting toward predictive risk management. Despite these efforts, Kazakhstan remained a safety outlier due to complex geology and operational risks. MT had invested in degassing systems and real-time worker location tracking to mitigate these risks. Unfortunately, these actions had not prevented the accident from occurring.

Following the accident, a global third party (DSS) audit began in December 2023, focusing on fatality prevention, process risk management, and safety governance. DSS conducted site visits, process reviews, and interviews with executives and employee focus groups. We engaged with MT on the audit findings, which highlighted the importance of predictive safety approaches and cultural integration of risk awareness. While a regrettable incident, we think MT took the appropriate remediation measures and we remain invested in the company.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 6	CORE	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

How do material ESG factors contribute to your stock selection, portfolio construction and/or benchmark selection process?

(3) Active - fundamental

(A) Material ESG factors contribute to the selection of individual assets and/or sector weightings within our portfolio construction and/or benchmark selection process

(1) for all of our AUM

(B) Material ESG factors contribute to the portfolio weighting of individual assets within our portfolio construction and/or benchmark selection process

(1) for all of our AUM

(C) Material ESG factors contribute to the country or region weighting of assets within our portfolio construction and/or benchmark selection process

(1) for all of our AUM

(D) Other ways material ESG factors contribute to your portfolio construction and/or benchmark selection process

(E) Our stock selection, portfolio construction or benchmark selection process does not include the incorporation of material ESG factors

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POST-INVESTMENT

ESG RISK MANAGEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 10	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

For the majority of your listed equity assets, do you have a formal process to identify and incorporate material ESG risks and ESG incidents into your risk management process?

(2) Active - fundamental

(A) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for individual listed equity holdings



(B) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for other listed equity holdings exposed to similar risks and/or incidents



(C) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for our stewardship activities



(D) Yes, our formal process includes ad hoc reviews of quantitative and/or qualitative information on severe ESG incidents



(E) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process; our investment professionals identify and incorporate material ESG risks and ESG incidents at their discretion

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(F) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process

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PERFORMANCE MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 11	PLUS	OO 21	N/A	PUBLIC	Performance monitoring	1

Provide an example of how the incorporation of ESG factors in your listed equity valuation or portfolio construction affected the realised returns of those assets.

Akbank: large Turkish bank

We identified the independence of the audit committee as an important thematic focus based on our survey of the academic literature on governance standards. The academic literature suggests that the independence of the audit committee had the strongest correlation to company performance of all standard governance metrics. This makes sense given that company performance is directly tied back to company financials, the direct purview of the audit committee. It is the role of the audit committee to provide objective oversight of company financials and the financial auditor. If the audit committee is fully independent, it is logical that they will be better able to fulfil their intended function, specifically providing: an objective check-and-balance, overseeing and as-needed taking a critical look at the decisions of management and the opinion of the external auditor; and transparency and trust in the company's financial reporting and audit process.

Based on this research, we added Akbank to our Opportunity List, with the objective of encouraging a fully independent audit committee. We have engaged directly with the CEO, CFO and IR on multiple occasions to express our preference for the former Head of Internal Audit to be removed from the audit committee. We believe his prior role presents a conflict of interest and prevents him from exercising fully independent oversight. We also discussed our intention to use our proxy vote accordingly. We will continue to engage on this matter and will escalate our engagement as needed.

CONFIDENCE-BUILDING MEASURES (CBM)

CONFIDENCE-BUILDING MEASURES

APPROACH TO CONFIDENCE-BUILDING MEASURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 1	CORE	N/A	Multiple indicators	PUBLIC	Approach to confidence-building measures	6

How did your organisation verify the information submitted in your PRI report this reporting year?

- (A) We conducted independent third-party assurance of selected processes and/or data related to the responsible investment processes reported in our PRI report, which resulted in a formal assurance conclusion
- (B) We conducted a third-party readiness review and are making changes to our internal controls or governance processes to be able to conduct independent third-party assurance next year
- (C) We conducted an internal audit of selected processes and/or data related to the responsible investment processes reported in our PRI report
- (D) **Our board, trustees (or equivalent), senior executive-level staff (or equivalent), and/or investment committee (or equivalent) signed off on our PRI report**
- (E) **Our responses in selected sections and/or the entirety of our PRI report were internally reviewed before submission to the PRI**
- (F) We did not verify the information submitted in our PRI report this reporting year

INTERNAL REVIEW

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 6	CORE	CBM 1	N/A	PUBLIC	Internal review	6

Who in your organisation reviewed the responses submitted in your PRI report this year?

- (A) Board, trustees, or equivalent
- (B) **Senior executive-level staff, investment committee, head of department, or equivalent**
Sections of PRI report reviewed
 - (1) **the entire report**
 - (2) selected sections of the report
- (C) None of the above internal roles reviewed selected sections or the entirety of the responses submitted in our PRI report this year