



**PUBLIC TRANSPARENCY REPORT**

**2023**

**Pzena Investment Management, LLC**

Generated 15-12-2023

# 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 2023 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

### 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 2023 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

2022 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 Pzena Opportunity List seeks to systematically identify opportunities in our portfolio where material ESG issues exist and engagement could have a positive impact. Once a company is placed on the Opportunity List, we create an engagement plan with specific objectives and milestones to track progress.
- Effective stewardship activities require appropriate documentation. We have made various enhancements to the way in which we aggregate and track stewardship-related information. For example, we implemented a new research management system for documenting and storing stewardship updates for our investments.
- We published an inaugural 2022 Stewardship Report. The report highlights notable instances of engagement and proxy voting throughout the calendar year. It also summarizes our overall approach to stewardship in detail.
- We published our proxy votes online for the first time to improve transparency in our voting decisions.
- We made enhancements to our proxy data to provide clients information on significant votes.

Other milestones of our ESG program in the reporting year:

- Developed thematic ESG research to supplement the company-specific ESG research that we continue to do for all investments.
- Hosted quarterly ESG Research team meetings to share insights and learnings across the team.
- Became a signatory to the Net Zero Asset Manager initiative (NZAMi) and launching a dedicated Global Value Climate (GVC) strategy for interested clients
- Expanded our offering of Article 8 UCITS funds.
- Grew the ESG team to include a full-time resource focused on ESG reporting, bringing the total size of the ESG team to 3 people (Head of ESG, ESG Research Analyst, Senior ESG Reporting Associate). The ESG team also now reports directly to the CEO.
- Evaluated and reported our ongoing alignment to the principles of the Japanese Stewardship Code.
- Secured a finalist spot in the 'Excellence in ESG Research' Category at the UK based ESG Investing Awards.
- Continued to develop ESG intellectual property, particularly at the intersection of ESG and value investing.
- Spoke at ESG focused events to further build Pzena's reputation and collaborate/knowledge share with peers in the industry.
- Conducted several academic literature reviews to better understand where there is empirical evidence of ESG issues directly enhancing company performance.

### 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 new ESG-related 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:

1. Further enhancing our external ESG reporting, including an inaugural Pzena Sustainability Report to be published at the end of 2023 to reflect the broader firm's commitment to sustainability issues beyond just our investment process.
2. Initiating thematic ESG engagements related to emerging ESG issues where we are still exploring the financial materiality for specific investments e.g. water and biodiversity.
3. Evaluating how the ESG team can support and improve our proxy voting process and board engagement.
4. Exploring the development of an in-house proprietary ESG data dashboard.
5. Continuing to consider additional ways we could incorporate ESG into future product development.
6. Continuing to enhance the annual and quarterly reporting we provide to our clients on ESG issues.
7. Understanding and as-needed complying with emerging and evolving ESG regulation.
8. 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'.**

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# 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	2022

## 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

## 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, and excluding the AUM subject to execution, advisory, custody, or research advisory only

US\$ 48,600,000,000.00

(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\$ 2,800,000,000.00

### 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

(B) Yes, through service providers

(C) Yes, through external managers

(D) We do not conduct  
stewardship

○

## 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	○

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%
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## 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 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 AUM that your ESG and/or sustainability-marketed products or funds represent:

0.0005%

- (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 information: (Voluntary)

We are in the early stages of marketing our Global Value Climate (GVC) strategy which in addition to our ESG integrated approach, involves a thematic focus on climate transition and some limited exclusions. Currently, we have only internal seed capital in the strategy but have received interest from several clients. We continue to categorize our ESG approach as 100% integrated for our current AUM. This will change as we grow assets in the GVC strategy.

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

## SUMMARY OF REPORTING REQUIREMENTS

### SUMMARY OF REPORTING REQUIREMENTS

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/environmental-social-governance-esg-investing-approach/>

**(B) Guidelines on environmental factors**

Add link:

[https://www.pzena.com/wp-content/uploads/2022/07/Pzena-Managing-Climate-Risk\\_5.30.23\\_STAMPED-1.pdf](https://www.pzena.com/wp-content/uploads/2022/07/Pzena-Managing-Climate-Risk_5.30.23_STAMPED-1.pdf)

**(C) Guidelines on social factors**

Add link:

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

**(D) Guidelines on governance factors**

Add link:

<https://www.pzena.com/wp-content/uploads/2023/06/Proxy-Voting-v3.1.pdf>

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

Add link:

[https://www.pzena.com/wp-content/uploads/2022/07/Pzena-Managing-Climate-Risk\\_5.30.23\\_STAMPED-1.pdf](https://www.pzena.com/wp-content/uploads/2022/07/Pzena-Managing-Climate-Risk_5.30.23_STAMPED-1.pdf)

**(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/environmental-social-governance-esg-investing-approach/>

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

Add link:

<https://www.pzena.com/wp-content/uploads/2023/06/Proxy-Voting-v3.1.pdf>

**(L) Stewardship: Guidelines on engagement with investees**

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

Add link:

<https://www.pzena.com/2022-stewardship-report/>

**(O) Stewardship: Guidelines on (proxy) voting**

Add link:



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

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 believe is maximizing long-term shareholder value. We view environmental, social, and governance (ESG) integration as an integral part of informed investment decision-making which, in turn, safeguards the interests of our clients. Our approach to ESG analysis is therefore best described as integrated, whereby financially material ESG risks and opportunities are a primary and transparent part of our investment philosophy.

- (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

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:

A sub-set of Portfolio Managers 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. In 2023, this committee was formally renamed the ESG Steering Committee. You may see it referenced as such in our external materials.

**(D) Head of department, or equivalent**

Specify department:

Our Director of Research 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 sit on our ESG Committee, which meets at least one annually to oversee daily operations of ESG efforts. Responsibilities include overseeing ESG reporting initiatives and regulations, evaluating membership or organizations 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

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

(M) Stewardship: Guidelines on (proxy) voting

(N) This role has no formal oversight over and accountability for any of the above elements covered in our responsible investment policy(ies)

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 whole 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)

At Pzena, we view the incorporation of material ESG risks and opportunities as paramount to overall investment excellence however, we do not translate to specific KPIs.

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

(D) The regular training of this senior leadership role does not include any of the above responsible investment competencies

## 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

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



Add link(s):

[https://www.pzena.com/wp-content/uploads/2022/07/Pzena-Managing-Climate-Risk\\_5.30.23\\_STAMPED-1.pdf](https://www.pzena.com/wp-content/uploads/2022/07/Pzena-Managing-Climate-Risk_5.30.23_STAMPED-1.pdf)

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/regulatory-disclosures/>

- (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
- (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 our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement
- (B) 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
- (C) 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?

The belief in our ability to push for better outcomes by engaging with the companies we own has been a driving force behind the development and application of the Pzena Opportunity List.

The Opportunity List seeks to systematically identify opportunities in our portfolio where material ESG issues exist and engagement could have a positive impact. Naïve screening criteria help us identify areas where material ESG issues may exist. If we choose to add a company to the Opportunity List, it means there is significant room for improvement on material ESG considerations.

Once a company is placed on the Opportunity List, we create an engagement plan with specific objectives and milestones 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 reevaluation of the investment thesis and potential divestment.

In some cases, removal from the Opportunity List will come with the gradual resolution of the ESG issue(s) over time and/or only requires discreet changes, such as the resolution of a pending litigation. In many cases, removal is more nuanced and requires continuous research, engagement, and monitoring. Regardless, all investments require us to be in dialogue with management and to respond to changes that may impact the range of investment outcomes.

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 only 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 client for a particular portfolio company, and/or working with other investors to share insights on a particular issue. For example, we spoke to various other investors and stakeholders as we were deciding how to approach a corporate governance issue at Danieli Group, an Italian supplier of equipment and plants to the metal industry. These discussions were an opportunity to share our views with other investors and amplify our message to Danieli through those who were like-minded.

There are also aspects of collaborative engagement efforts that are less well-aligned with our approach and investment philosophy. Firstly, 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.

Secondly, 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 for. As such, we have not necessarily found collaborative engagement initiatives very helpful in advancing 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 and therefore 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 in some of these collaborative organizations and remain open to evolving our approach. Our ESG team has evaluated Climate Action 100+, the IIGCC, Ceres and CII for potential membership. While we have no plans to join any 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 PRI, the SASB Alliance, and NZAMi, we frequently attend convenings with other members. As a PRI signatory, we have access to their "Collaboration Platform" which allows signatories to pool resources, share information, and enhance their influence on ESG issues.

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?

At Pzena, our role as responsible stewards of capital is 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 in situations where something has 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 compared to the value of the long-term earnings power of the company is 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 have the opportunity to help guide companies toward long-term value creation, and 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. Each company and management team is unique. Consequently, 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: senior management team, members of the board, ESG or sustainability lead, and investor relations

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 — 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 — whereby we keep apprised of decisions relating to strategic and operational considerations. We routinely meet with management following earnings, strategic business updates, and management transitions.

Advocacy – 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. Below are some examples of different engagements we have had with companies with one or more of the above purposes in mind.

## 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
- (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



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	○	○

## STEWARDSHIP: ESCALATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 36	CORE	OO 8, 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

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

o

## 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)

## 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.

We view Edison International as an overall above-average. ESG performer in the industry. Edison has a history of generally positive trends in resource intensity and workforce safety, in addition to well-articulated decarbonization strategies in line with California's ambitious climate change and air quality goals. It is exposure to wildfire-related liabilities that led us to add Edison to the Opportunity List. This exposure, while presenting a valuation opportunity, will also likely imply structurally higher risk going forward given increasing wildfire frequency and severity, associated (in large part) with climate change.

The challenge of navigating the shifting complexities of wildfire liability offers Edison unique potential opportunities to collaborate with the state of California in reducing wildfire risk and mitigating financial impact. We believe Edison is well positioned, given its reputation and strong business, including a robust operational and technological approach to building a climate-resilient energy system.

In recent years, Edison management has noted highly risky conditions continue; however, catastrophic wildfires have quelled. Edison attributes the 65-70% risk reduction to their mitigation investments. These include fire prevention capex, targeted shutoffs, situational awareness, vegetation management and partnerships on suppression.

We continuously engage Edison about their capex project to deploy miles of covered conductor to the high-risk areas. In the last few years, we have been pleased to see progress towards objectives put in place early on. The aim is 10,000 miles of covered conductor in total (5000 by 2023), 3,600 of which has been deployed so far. Edison has worked for approval from the California Public Utilities Commission for certain permissions around how much conductor they may deploy. We anticipate the partnership will continue, and additional filings will be approved.

Leveraging this partnership has proven successful for an even more effective risk mitigation strategy than Edison acting alone. We continue to engage with the objective of tracking and assessing Edison's success with their capex goals and the overall ongoing wildfire mitigation plans.

(B) Example 2:

Title of stewardship activity:

Engagement and Escalation

(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.

As an Opportunity List name, Bangkok Bank is a high priority for engagement. We wrote a formal letter to Bangkok Bank criticizing company governance standards (mainly board composition) and a lack of communication and transparency with investors. We received no response to our initial letter, but, in a subsequent engagement where we referred to our formal letter, we noted a more positive tone from the board, along with an offer to set up a call with the CEO. However, this meeting has still proven difficult to actualize, so we are considering additional engagement escalation steps. It can be more challenging in some markets than others to make progress through engagement, particularly on governance matters. We believe it is important to try to continue to raise the standard as much as possible, and, in some ways, persevering with stewardship activities is even more important in these contexts.

(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.

Labor is both a critical business resource and potential risk factor for Hon Hai. From a business perspective, ensuring a supply chain that meets international standards is critical to the long-term success of the company. For example, Hon Hai has been subject to inspection of its facilities and practices by customers, including Apple, for which it is a major supplier. There is a risk that Apple will choose to diversify if Hon Hai is seen to mismanage its workforce. We therefore consider social issues a tail risk that we continue to monitor. In 2022, there have been several labor-related issues which have required an ongoing dialogue with Hon Hai, and we therefore added Hon Hai to the Opportunity List.

In early 2020, Hon Hai was accused of using controversial Uighur labor by an Australian think tank report. We took these allegations seriously and engaged with Hon Hai. In so doing, we could not find any evidence of complicity in the mistreatment of Uighur and other minorities inside and outside Xinjiang. Hon Hai, along with a wide range of manufacturers in China, participated in the government's poverty alleviation' program and employed Uighur workers in its factories in the past. However, as the program generated significant controversy, Hon Hai Investor Relations indicated to us that they have discontinued participation in the program. However, this issue resurfaced in late 2022 when other organizations picked up on the same 2020 report. We reengaged with Hon Hai and believe there is no new information, as the 2022 reports were referring to the prior 2020 report. Hon Hai has since conducted a series of independent third party audits of its facilities, and none of them have evidence of forced labor at Hon Hai campuses.

In early 2022, we engaged with Hon Hai on allegations that worker dormitories and dining rooms in Indian facilities did not meet required standards. Indian operations account for less than 2% of Hon Hai's total production, though this incident led to Apple putting Hon Hai on probation as a supplier. Our assessment was that, while regrettable, it was an isolated incident, and we were pleased with Hon Hai's corrective actions. These actions included raising its code of conduct and operating practices to global standards and replacing the local operating team that presided over this issue.

Most recently in November 2022, worker protests erupted at Hon Hai's Zhengzhou campus in response to strict COVID lockdown measures and delayed incentive payments. It appears these were caused in part by a technical error in the Hon Hai payments system. We engaged with Hon Hai and learned that there may also have been shortcomings in the recruitment process, including miscommunication of the timeline of incentive payments and hiring too many new workers for one campus at one time. Our assessment is that this is another regrettable incident, but not necessarily one indicative of broken corporate culture or management practices. Hon Hai emphasized the negative impact strict COVID-19 policies have had on employee relations and the ongoing importance of anonymous channels by which employees can report any concerns. While we see scope for improvement at Hon Hai, we recognize the unique challenge of operating a massive and highly labor-intensive process in the chaotic and uncertain environment under the zero COVID policy. We continue to advocate for increased transparency of reporting on these issues, and, while we are disappointed to see a recurrence of labor-related issues, we are pleased that Hon Hai is more proactive in disclosing information

and discussing these incidents with shareholders. It is our assessment that management is focused on compliance with best practice operating standards, including a commitment to human rights and equal treatment of workers. We maintain an ongoing dialogue with the company on labor issues and will only consider removing Hon Hai from the Opportunity List once we feel more confident these issues are behind the company and the risk of losing market share is reduced.

(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.

From a third-party ESG ratings perspective, Volkswagen is a poor performer. These ratings are largely reactive to the 2015 “Dieselgate” emissions scandal, one of the worst ESG-related controversies in corporate history from a cost perspective. ESG improvement has been central to our investment thesis for Volkswagen, which made it a natural candidate for our Opportunity List. We spend considerable time engaging with management on the two most material ESG considerations: electrification and corporate governance. Overall, we are pleased with Volkswagen’s electrification strategy and the pace at which it is being rolled out across Europe. As part of the Opportunity List, we are continually tracking how the strategy may need to evolve with tightening EU emissions standards.

Volkswagen (along with many peers) did not meet its 2020 emissions targets, which resulted in a costly fine of more than 100 million Euro. While Volkswagen met 2021 emissions standards and expects to comply with targets set by the government for the next couple of years, 2025 is the year to watch, as it is when the targets become significantly more challenging. We will continue to monitor progress and engage management to make sure we continue to agree with their strategic decisions. With corporate governance arguably foundational to sound business strategy, it is unfortunate that there are clearly several governance shortcomings at Volkswagen. These include a lack of a fully independent audit committee, the entrenched power of the Porsche family, and labor unions that are often opposed to necessary business transformation initiatives. We continue to engage on these topics in the hope that we see some improvements. There have been select yet notable improvements in corporate governance, including conformity with the German Corporate Governance Code and long-term equity grants for the top 7,000 managers so that decisions may be better aligned with shareholder interests. We hope to influence additional incremental governance improvements through our ongoing engagement efforts.

(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.

Executive compensation is a common issue we are faced with during proxy season. Analysts are tasked with judging management pay levels and awards within the scope of company performance, balancing the need to attract and retain key talent without deteriorating shareholder value.

Institutional Shareholder Services (ISS), which we use as a third-party resource on proxy voting issues, flagged several components of SS&C's advisory vote on executive compensation as potentially problematic. The matters of concern arose from a severance payout to a departing executive and relatively high compensation awards for both the COO and the Founder/CEO. Often, we find that the company-specific context is not well-understood by proxy advisors who have limited means of engaging with the companies they cover. This is a critical reason why we believe there is no substitute for the relationships we maintain with management teams.

After engaging with SS&C's CEO, General Counsel, and an Independent Director, we learned that the flagged severance payout was a contractual obligation owed to the departing executive and was therefore improperly handled by ISS. On the issue of COO compensation, the team at SS&C provided us with their rationale for the outsized compensation award, citing his skillset and experience as attractive to many of their competitors who may seek to poach him and thus warranted additional incentives to retain his talents. Our engagements enabled us to feel at ease with the company's decision-making on these components of the advisory vote.

Occasionally, however, the ISS flag may help draw our attention to problematic issues that we are subsequently able to explore in greater depth by engaging with the company. On the issue of CEO compensation, despite an increase in the performance oriented component of equity, the compensation was excessive and was far outside the range of peers. Even after engagement, we remained convinced that the award was too high to offer our support. Extreme bonus payouts such as this are at the expense of shareholders and led us to vote against the advisory vote on compensation.

## 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:

As long-term investors the time horizon over which many ESG issues play out is naturally aligned with our investment time horizon. 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 names, 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.

As part of our commitment to the NZAMi, 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 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 individual names, 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., i.e 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 name under these scenarios.

As an example of how we quantify transition risk, we have developed a proprietary set of carbon pricing scenarios that cover our primary investing regions across developed and emerging markets. These scenarios consist of a base-case and likely future state carbon price based on our knowledge and understanding of the ambition of various regulatory frameworks around the world. In that way:

1. The climate transition risk can be quantified by calculating the potential cost or benefit carbon price implies for an estimate of effected companies' future earnings power
2. The required future capital spending and the potential return on that investment can be estimated
3. Scenario analysis can be run to consider the impact of various carbon price assumptions in different regions and better financialize downside case scenarios

We have also run different scenarios for the purpose of developing a thesis on the investability of a given industry. We published a whitepaper that explores the risk of asset stranding using the IEA Sustainable Development Scenario and the BP Rapid Transition Scenario.

Without good data it is impossible to accurately assess and quantify the impact of climate change on our investments. There are significant limitations with available climate-related metrics, especially availability, consistency, and reliability. In particular, we question the utility of many of the scenario analysis datasets available from third parties because they rely heavily on forward-looking estimations.

- (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; 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 where we seek to determine the nature of a company's undervaluation, the quality of its operations, and the strength of its balance sheet. We look to minimize risk mainly through our fundamental company research, where our analysts seek to determine the nature of a company's undervaluation. Our analysts track any material news affecting the industry 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 analysts are 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 coverage with exposure to material climate transition risk. These companies are also typically on our Opportunity List, which means we are constantly monitoring and updating associated company engagement plans.

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

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. Risk management is implemented at the portfolio management level by the portfolio managers and the portfolio implementation group. Portfolio Review meetings are generally held every other week. All portfolio managers and those involved in the administration of client portfolios review the investment strategy and current holdings in each portfolio. Issues such as turnover, security weighting, and sector weighting are all reviewed to be sure we are following both firm and client guidelines. Model changes, priority buys, sells, and trims are set at these meetings. Risk management is also incorporated into our subsequent trading procedures, including abiding by limits determined by the portfolio implementation process and limiting the volume of trading so as not to impact prices. Through the firm's proprietary screening model, StockAnalyzer, along with third party risk management tools (e.g., FactSet, MSCI Barra), we regularly review individual stocks and aggregate portfolio-level risk factors. As it pertains to climate change, these risk factors include, but are not limited to, company carbon emissions intensity, MSCI ESG score, and a failure of UN Global Compact Principles (UNGCP). Reports are run by the portfolio administrators and monitored by the portfolio managers. This review may result in additional company-level analysis, further engagement with company management, and adjustments to position sizes where necessary, as estimates of expected upside

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 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 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 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 disclose its Scope 1, Scope 2, or Scope 3 greenhouse gas emissions during the reporting year**

## 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:  
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

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

o

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

o

## 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

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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

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## 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.**

We passed on an investment in Ericsson given the wide range of outcomes surrounding the company's issues with the US Department of Justice (DOJ). Specifically, the violation / lack of proper disclosure both before and after Ericsson signed its 2019 Deferred Prosecution Agreement (DPA) with the DOJ raises concerns about a material financial penalty, potential material governance / management changes (i.e. leadership & the Board of Directors), as well as increased monitoring / scrutiny of the company. Furthermore, the specific allegations that Ericsson may have financed ISIS / terrorism in Iraq are also concerning. The aforementioned reasons led us to pass on an investment in Ericsson despite the stock trading a cheap valuation for an industry leader, who's core business is performing very well.

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

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(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

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(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

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(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

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

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

o

## 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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# 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) We conducted an external ESG audit of our holdings to verify that our funds comply with our responsible investment policy
- (F) We conducted an external ESG audit of our holdings as part of risk management, engagement identification or investment decision-making
- (G) Our responses in selected sections and/or the entirety of our PRI report were internally reviewed before submission to the PRI**
- (H) 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