

Engagement Policy

1. Purpose

This Engagement policy (“**The Policy**”) sets out how Natixis Investment Managers UK Limited (herein referred to “**The Firm**”) and its affiliated investment manager entities, located in EU and non-EU jurisdictions (the “**Delegate Managers**”) undertake stewardship and shareholder engagement for its investment strategies.

This Policy has been written in accordance with the requirements of Directive (EU) 2017/828 and its implementing measures (together, the “**Shareholders Rights Directive II**”). Under the requirements of SRD II and the FCA handbook, firms are required to develop and publicly disclose an engagement policy, which describes how they integrate shareholder involvement in their investment strategy or, publicly disclose a clear and reasoned explanation about why they have chosen not to do so.

This Engagement Policy complements and supplements other voting, engagement and stewardship information available on the Firm’s and its Delegate Managers websites.

2. Overview

Natixis Investment Managers UK Limited is authorised and regulated by the Financial Conduct Authority (“**FCA**”). This Policy applies to investment services rendered to clients of the Firm and to any financial instruments covered by the FCA Rules.

Subject to compliance with applicable laws and regulations and any contractual limitations, the Firm delegates the investment management of its clients’ portfolios to one or more of its affiliated investment manager entities, located in EU and non-EU jurisdictions (the “**Delegate Managers**”). Delegate Managers report to the Firm on matters such as processes for monitoring corporate events, voting outcomes, engagement, compliance, risk and conflicts of interest.

This Engagement Policy applies to the mandates managed by Delegate Managers¹ (Harris Associates (“Harris”) and Mirova U.S (“Mirova”). Further information on engagement and voting can be found on the individual websites of the respective Delegate Managers.

The Firm’s approach to stewardship is constructive and pragmatic with the extent of any intervention determined on a case-by-case basis. This is achieved through the investment approach of the Delegate Managers and business processes, which prioritise high standards of stewardship, clear accountability, striving for best practice and compliance with regulatory standards.

The Firm does not manage client assets directly and therefore does not engage and/or vote itself.

¹ As at Nov 2023.

3. Engagement

Delegate Managers undertake engagement and monitoring activities that feed into their investment decision-making processes. The Delegate Managers routinely engage with potential and actual investee companies. The Delegate Managers treat votes as valuable assets and act accordingly in exercising them when authorised by clients. The size of the investee shareholding, the intended length of ownership and the materiality of any issue will determine the level of engagement undertaken.

Harris

Harris aims to see large companies periodically and once a year for mid and small sized companies. Companies are also approached where a contentious issue arises, including reputational matters. This engagement provides Harris with opportunities to ask questions and challenge their strategy, performance, capital structure, risk or other relevant issues in a constructive manner, which in turn may influence the likely value of clients' investments.

Harris may from time to time have discussions with other institutional investors, where legally permitted and appropriate, regarding various issues concerning an investee company. Further, Harris may act collectively with other investors if they believe such action is in the best interests of their clients, is likely to enhance their ability to engage with the company and is permitted by applicable law and regulation.

Mirova

Mirova selects companies with whom they engage on a regular basis based on various factors. Aligned with their Sustainability Research Methodology, they engage with companies to maximize the sustainability opportunities delivered by the business or/and to improve risks management processes and transparency. They use these dialogues to push for progress in distinct areas that they feel are critical to the long-term impact of the company.

This engagement applies to all active listed equity funds. Thus, they prioritize their engagement with companies where:

- 1.) They have identified sustainability related concerns that deserve their heightened awareness.
- 2.) They require an in-depth review of their approach to fair distribution of value.
- 3.) They estimate their expertise can help guide and build on the company's sustainability journey.

In addition, their selection is further refined based on criteria such as company's size, market capitalisations, geographies, or size of holdings.

4. Environmental, Social and Governance (“ESG”)

Natixis Investment Managers: Natixis Investment Managers (“**The Group**”) is one of the world's largest asset management firms, dedicated to active management. The Group has more than 20 affiliated investment managers, each with its own culture and investment

strategy. This multi-affiliate structure allows affiliates to specialise, and to concentrate on areas where they have proven expertise. The Group has made a firm commitment to implementing ESG practices that takes into account its own standards and governance in this area.

The Group define “active ownership” as exercising responsibilities as investors in the governance of the entities we invest in, whether through engagement with management or through proxy voting; active ownership takes into account ESG considerations where material. The Group is proactive in the debate about responsible investment, sustainability and ESG in achieving a better understanding of sustainable finance issues. The Group combines passion for sustainability with a rational, evidence-based approach. In line with its Active Thinking philosophy the group aims to understand motivations behind ESG activities and initiatives, and to distinguish between different objectives:

- alignment with client values;
- risk management;
- generating alpha;
- influencing investee company behaviour; and
- achieving societal impact.

The group manages clients’ and stakeholders’ expectations on its ability to meet these objectives. Diversity of opinion is valued and external experts are involved from outside the investments / sustainability field where it is felt they can contribute to the group’s understanding and challenge our thinking.

Diversity & Inclusion (D&I) is a key part of the group’s drive to demonstrate a best-in-class approach to supporting clients, staff and other stakeholders, and to drive the correct culture and values into the business generally. Supported by the global CEO, a global D&I Steering Group meets monthly to define and set overall strategy, policy and initiatives, which can then be implemented locally, including in the UK. An International ²D&I Committee has been set up to support the UK business directly, as well as other non-US offices (the US office has its own D&I Committee). Where necessary, the Firm will enlist the help of external specialists to assist with specific projects or strategic plans, while it also subscribes to a number of third-party reports to gain an understanding of market practices and initiatives, for example the Investment Association, the Diversity Project, Government and policy makers.

A group wide ESG Framework describes the approach to ESG and related areas such as Diversity, Sustainability, Corporate Social Responsibility and Climate change.

Harris

Harris focuses on identifying material ESG risks and opportunities. In conjunction with proprietary resources, Harris uses external providers web-based ESG Platforms tool (“**web based tool**”) to build a mosaic of all relevant risks and opportunities. With that knowledge, the analysts can price ESG factors into each valuation model. This produces a business quality and management quality ranking as well as a thorough understanding of these material issues. Harris utilises the web-based tool when a client limits its investible universe based on SRI/ESG criteria. For each company with a CCC rating per the web-based tool, analysts provide a rationale in writing for why Harris owns the stock.

² This refers to the Natixis Investment Managers International Distribution entities, which do not include the Natixis Investment Managers LLC.

Harris engaged an independent proxy voting service provider, ISS, to assist in voting proxies and with carbon analytics. ISS's governance analytics service provides the Delegate Manager with information concerning shareholder meetings, electronic voting capabilities, record keeping and reporting services, research with respect to companies, and proxy voting guidance and recommendations. This third-party service provides carbon data on each of the Delegate Manager's portfolio holdings, enabling climate change scenario analysis and reporting on the portfolio's carbon footprint.

Investment staff are trained on the web-based tool and in addition, the web based tool provides educational materials for all investment staff. Harris has a dedicated team that is responsible for assisting investment personnel in implementing the firm's ESG policy. The team also serves as a resource to clients, prospects, consultants and service providers for information regarding the firm's approach to ESG issues. The team consists of delegate(s) from the International Investment Team, delegate(s) from the U.S. Investment Team, delegate(s) from Legal & Compliance, a Client Portfolio Manager, a Product Specialist and a Chartered SRI Counsellor™.

Mirova

Mirova has chosen to rely on the Sustainable Development Goals ("SDG") both in assessing the contributions of issuers to the transition to a more sustainable economy and in evaluating the financial implications of these new challenges. In order to best reflect this double materiality across the full spectrum of SDGs, they seek to respect three main principles in terms of ESG assessment.

Positive impact / residual risk approach: Contributions to the SDGs can be grouped in two main categories, which are often complementary.

- The "activities" of entities (i.e.. the products and services they offer) may make different positive contributions to achieving the SDGs.
- As part of the way they operate, entities can also contribute through their "practices" to the achievement of SDGs, i.e.. by contributing to create sustainable and inclusive jobs, or by having strong commitments to net zero targets beyond their green products offerings, etc.

Contributing to some SDGs cannot be done at the expense of other environmental and social issues. Therefore, identifying and minimising ESG risks linked to their investments is equally important in their assessments.

5. Monitoring

Harris

Harris has a team of investment managers who rigorously monitor companies in which they decide to invest. This process involves meeting management teams, analysis of company announcements and news flows, investment screening and analytical research, external reviews, employment of traditional financial analysis of companies and mostly in-depth analysis of how they adopt Environmental, Social and Corporate Governance processes and the risks of these to their activities.

For equity investments, Harris pulls together all the sources stated above, in a checklist note written on all investee companies. The checklist relies on the analysis of over 20 years of each

company's data for initial background assessments of the company's strategy, competitive positioning, capital structure, valuation and prospects as well as more recently ESG factors.

Mirova

Mirova systematically document engagement discussions and communications in their in-house engagement platform. They monitor qualitatively the progress delivered over time by companies.

Their engagement program is explicitly designed to articulate specific, measurable, timebound goals that are relevant to each specific company their team has identified and they follow the impact based on those targets.

6. Voting

Neither Harris nor Mirova have been delegated voting rights for NIM UK mandates. There is therefore no expectation of any conflicts of interest, or that co-operation with other shareholders is likely to be an issue.

7. SRD II Scope for Natixis Investment Management UK

The Firm does not invest in assets such as shares of companies traded on a regulated market. The Firm encourages Delegate Managers to have in place engagement policies and processes in accordance with Article 3g (1)(a) (and COBS 2.2B.6R of the FCA Handbook) of the Shareholder Rights Directive II (SRD II).

Reviewed – November 2023