FOR PROFESSIONAL CLIENTS AND QUALIFIED INVESTORS ONLY
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Stewardship Policy

April 2024

Insight INVESTMENT

BNY MELLON | INVESTMENT MANAGEMENT

Overview

Our purpose is to support our clients in meeting their investment objectives. We aim to do so by overseeing our clients' capital in a responsible manner, and by creating value for our clients as specified in our agreements with them.

The mandates we operate vary across asset type and geography, but are underpinned by our belief that well-managed entities are likely to be better investments; in our view they are less likely to have potential downside risk and will therefore help achieve investors' desired outcomes with greater certainty. To effectively manage investments on behalf of our clients, we seek to take account of factors that drive investment returns, work with issuers in which we invest to help ensure these factors are appropriately and prudently managed, and collaborate with stakeholders in and beyond the investment industry to create the conditions for long-term investors and their clients to thrive.

As investors acting as agents on behalf of our clients, we have a range of formal rights and informal influence. Consistent with our fiduciary obligations, we seek to use these rights and influence as important tools to support our efforts to enhance client outcomes. We refer to this activity as stewardship.

We conduct stewardship to shape and inform our broader views of issuers, and to encourage issuers to manage and mitigate risks more effectively.

Scope

This Stewardship Policy applies to the global business of Insight Investment Management, in particular, Insight Investment Management (Global) Limited, Insight Investment Management (Europe) Limited, Insight Investment International Limited and Insight North America LLC, collectively known as "Insight".

Our approach to stewardship varies depending on asset class and investment strategy, in part due to the nature of specific securities and practices that may apply in the context of a specific investable universe. We seek to focus our engagements on activity we expect to have a meaningful impact, such as improved client outcomes. Our activity will be consistent with regulatory requirements and with the investment mandates and terms agreed with our clients.

Our approach to stewardship

Financial materiality drives our approach to stewardship. A financially material factor is one that is likely to have a positive or negative impact on the financial value of an investment. In line with our fiduciary obligations, Insight assesses and identifies what we believe to be financially material factors. The importance of specific factors differs between individual investments and different types of investment strategies and these factors may include, but are not limited to business strategy, capital allocation, competitive positioning, wider market and economic conditions, corporate governance, environmental risks and regulation focused on social impacts. Essentially, these factors – which may include what are commonly referred to as environmental, social and governance (ESG) factors – comprise the mosaic of factors that we believe can be relevant for effective financial analysis. We recognise that these factors play out over different timeframes, and therefore tend to view them in two broad groups.

- **Issues that are relevant to the near-term prospects of the companies or entities in which we invest:** These tend to include factors such as mismanagement, disclosure gaps, poor manufacturing practices, and issues that are the subject of imminent regulation.
- **Issues that are relevant to the longer-term prospects of the companies or entities in which we invest:** These could include changing regulations or consumer/public attitudes to social or environmental issues, and systemic risks (e.g., climate change, natural capital depletion) that could create economic disruption or prevent our clients from achieving their longer-term goals.

For issues that can be described in quantitative, financial terms, it is typically straightforward to define whether to engage and the objective of engagement.

For issues that are challenging to assess in such terms, perhaps because the financial impact and timeframes are uncertain, we first seek to better understand the issue. Where relevant, we may seek to engage to encourage prudent actions that create long-term value for our clients and/or reduce the uncertainty of meeting client outcomes.

Engagement activity may also be driven by specific mandates and/or requests by clients. It may therefore be conducted on behalf of specific clients rather than Insight as a whole.

How we engage

Interactions and engagements with issuers

Fundamental interactions with issuers may take place in direct meetings; within group settings such as conferences, collaborative group meetings and roadshows; and via direct contact with investee institutions. These interactions typically occur to help us gain a better understanding of the investments we are making for our clients and can be an important element of the fundamental analysis that underpins our investment decisions.

ESG engagement activity, which comprises a subset of these interactions, seeks to achieve an objective relevant to financial materiality or a client-specified goal. We use factors such as the size of our holding and the financial materiality of the issue in question to prioritise issuers for such engagements. The specific engagement strategies we use depend on the particular features of the entity in which we invest; for example, whether we have formal rights, the nature of our engagement access point, and the importance of the issue to the entity in question and to our portfolios as a whole.

We decide on our engagement approach and communicate the objective to the entity. For corporate holdings, we assign ratings for the level of progress relative to our objectives and have a process for escalation if we believe there is insufficient progress. If constructive dialogue is unproductive, we will escalate through various stages: to monitor progress; conduct structured communication; place the issuer on an internal watchlist; and, in extreme circumstances, we may exclude, divest or reduce exposure to the issuer. Such restrictions are seen as the last resort in any escalation process and would typically be considered when all forms of escalation have been exhausted and a clear financial rationale exists for the decision. This escalation process reflects that engagement objectives are aspirational and may not be achieved.

Engagement on systemic issues

We seek to identify and respond to market-wide and systemic risks to promote a well-functioning financial system. Where relevant, we may engage with regulators and policymakers to represent the interests of our clients and our own business. We prioritise issues that we believe represent risks to the successful achievement of our clients' long-term investment outcomes. This activity includes supporting the development of market architecture including index construction and the development of new financial instruments.

Conflicts of interest

Effective stewardship requires protecting our clients against any potential conflicts of interest and managing them with appropriate governance. To comply with applicable legal and regulatory requirements, Insight believes managing perceived conflicts is as important as managing actual conflicts. We have a Conflicts of Interest Policy, ultimately overseen by Insight's Executive Management Committee, that details the processes to reduce conflicts from arising and the guiding principles used in their resolution.

Review

This Stewardship policy is reviewed annually by the Insight Responsibility Oversight Committee.

Supporting materials

This policy should be read in conjunction with our wider suite of responsible investment policies, which can be accessed here. Of particular relevance are our:

- Responsible Investment Policy
- Conflicts of Interest Policy
- Proxy Voting Policy

Full details of how Insight invests responsibly and exercises stewardship are published on our website (www.insightinvestment.com).

Key terms in this document are defined in our ESG and responsible investment glossary, available here.

Risk disclosures

Investment in any strategy involves a risk of loss which may partly be due to exchange rate fluctuations.

Associated investment risks

ESG

- **Investment type**: The application and overall influence of ESG approaches may differ, potentially materially, across asset classes, geographies, sectors, specific investments or portfolios due to the nature of the specific securities and instruments available, the wide range of ESG factors which may be applied and ESG industry practices applicable in a particular investable universe.
- **Integration**: The integration of ESG factors refers to the inclusion of ESG risk factors alongside financial risk factors in investment analysis and research to judge the fair value of a particular investment and may also include the monitoring and reporting of such risks within a portfolio. Integrating ESG factors in this way will not typically restrict the potential investable universe, but rather aims to ensure that relevant and material ESG risks are taken into account by analysts and/or portfolio managers in their decision-making, alongside other relevant and material financial risks.
- **Ratings**: The use and influence of our ESG ratings in specific investment strategies will vary, potentially significantly, depending on a number of factors including the nature of the asset class and the structure of the investment mandate involved. For an investment portfolio with a financial objective, and without specific ESG or sustainability objectives, a high or low ESG rating may not automatically lead to a buy or sell decision: the rating will be one factor among others that may help a portfolio manager in evaluating potential investments consistently.
- **Engagement activity**: The applicability of Insight firm level ESG engagement activity and the outcomes of this activity relating to buy, hold and sell decisions made within specific investment strategies will vary, potentially significantly, depending on the nature of the asset class and the structure of the investment mandate involved.
- **Reporting**: The ESG approach shown is indicative and there is no guarantee that the specific approach will be applied across the whole portfolio.
- **Performance/quality**: The influence of ESG criteria on the overall risk and return characteristics of a portfolio is likely to vary over time depending on the investment universe, investment strategy and objective and the influence of ESG factors directly applicable on valuations which will vary over time.
- **Costs**: The costs described will have an impact on the amount of the investment and expected returns.
- **Forward looking commitments and related targets**: Where we are required to provide details of forward-looking targets in line with commitments to external organisations, e.g. Net Zero Asset Managers Initiative, these goals are aspirational and defined to the extent that we are able and in accordance with the third party guidance provided. As such we do not guarantee that we will meet them in whole or in part or that the guidance will not evolve over time. Assumptions will vary, but include whether the investable universe evolves to make suitable investments available to us over time and the approval of our clients to allow us to align their assets with goals in the context of the implications for their investments and issues such as their fiduciary duty to beneficiaries.

Insight applies a wide range of customised ESG criteria to mandates which are tailored to reflect individual client requirements. Individual investor experience will vary depending on the investment strategy, investment objectives and the specific ESG criteria applicable to a Fund or portfolio. Please refer to the investment management agreement or offering documents such as the prospectus, Key Investor Information Document (KIID) or the latest Report and Accounts which can be found at www.insightinvestment.com and where applicable information in the following link for mandates in scope of certain EU sustainability regulations https://www.insightinvestment.com/regulatory-home/sustainability-regulations/; alternatively, speak to your main point of contact in order to obtain details of specific ESG parameters applicable to your investment.

Other disclosures

This document is a financial promotion/marketing communication and is not investment advice.

This document is not a contractually binding document and must not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or otherwise not permitted. This document should not be duplicated, amended or forwarded to a third party without consent from Insight Investment.

Insight does not provide tax or legal advice to its clients and all investors are strongly urged to seek professional advice regarding any potential strategy or investment.

For a full list of applicable risks, investor rights, KIID/KID risk profile, financial and non-financial investment terms and before investing, where applicable, investors should refer to the Prospectus, other offering documents, and the KIID/KID which is available in English and an official language of the jurisdictions in which the fund(s) are registered for public sale. Do not base any final investment decision on this communication alone. Please go to www.insightinvestment.com.

Unless otherwise stated, the source of information and any views and opinions are those of Insight Investment.

Telephone conversations may be recorded in accordance with applicable laws.

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