

MUFG AM: GLOBAL ENGAGEMENT POLICY

1. INTRODUCTION

MUFG Asset Management (MUFG AM) is the global brand of Mitsubishi UFJ Trust and Banking Corporation, Mitsubishi UFJ Asset Management Co., Mitsubishi UFJ Real Estate Asset Management Co., Ltd., Mitsubishi UFJ Asset Management (UK) Ltd. and Mitsubishi UFJ Alternative Investments Co., Ltd.

MUFG AM's Global Engagement Policy describes its approach to engagement with investee companies and with policy makers globally (ex. Japan).

2. SCOPE

This policy applies to MUFG AM's passively managed global equities strategies (ex. Japan). The policy should be read in conjunction with the following policies:

- MUFG AM's Sustainable Investing Policy
- MUFG's Conflicts of Interest Management Policy

3. ENGAGEMENT PHILOSOPHY

MUFG AM's vision "Investing for our Sustainable Future" underpins its approach to investment and stewardship. At MUFG AM, we believe that sustainable investing involves building a better society for future generations by focusing on the medium to long-term impacts of investments on the environment and society, instead of pursuing short-term profits. Over the longer term and in aggregate, our interests and those of our clients converge with the interests of our investee companies and we share a purpose in contributing to the health and wealth of economies, societies and the environment.

MUFG AM believes that good stewardship involves managing risks, identifying opportunities and building trusting relationships with investee companies and other entities to promote long-term sustainable wealth creation, in alignment with our fiduciary duty as a steward of client capital. Engagement is a key element of our approach to stewardship and is important in understanding the risks and opportunities that are material to the companies in which MUFG AM invests on behalf of its clients, including those regarding sustainability-related topics and other longer-term themes.

4. APPROACH TO ENGAGEMENT

MUFG AM distinguishes between two kinds of engagement:

- **engagement for change**, which usually involves a series of meetings and correspondence, where we have one or more defined objectives, and we track progress relative to these objectives; and
- **engagement for information**, which is typically a meeting with an agenda and a two-way exchange of information. We expect such meetings to be influential and beneficial, by signalling iteratively and over time what we consider to be important.

Occasionally, an engagement for change will be collaborative, meaning that MUFG AM will be formally engaging alongside other investors. We may also undertake public policy engagement, for example, by responding to policy consultations or providing input based on MUFG AM's expertise in asset management and stewardship via regulatory working groups.

5. WHAT CONSTITUTES GOOD ENGAGEMENT

MUFG AM generally prefers a constructive and supportive approach to engagement, as it believes this often results in better outcomes. This involves considering any problem, challenge, or opportunity together with our investee companies, rather than as an adversary. We encourage the companies and other issuers in which we invest to address material risks and opportunities to their benefit and that of our clients as long-term investors. We take a holistic approach and consider any material factors, including those relating to sustainability that might impact the long-term value of the company.

When engaging with a company, we will often approach senior management or board members. However, depending on the issue we may also engage other key individuals within the company.

6. MONITORING COMPANIES ON RELEVANT MATTERS

We carry out company research as input to our engagement activities and in our ongoing monitoring of companies. Our engagement teams monitor companies through company meetings and publicly available materials, such as financial statements, regulatory filings, and press releases, supported by data from external providers. In our research and monitoring of companies, we assess a broad set of information, including on strategy, financial and non-financial performance and risk, capital structure, and environmental, social and governance topics, which may affect company value in the long run.

When analysing sustainability and ESG-related topics, we believe that it is important that these are understood in terms of their materiality and impact on the companies' financial and competitive position and their ability to deliver value in the longer-term. MUFG AM seeks to identify those issues that are considered most material for companies operating within different industries and does not apply a blanket approach.

7. SELECTING COMPANIES FOR ENGAGEMENT

MUFG AM applies a structured and analytical approach to its selection of companies for

engagement, using its internal engagement resources and capabilities and external tools and data to assess a broad range of factors that may impact its decision to engage. Furthermore, MUFG AM always seeks to apply its engagement resources where they can be most effective.

See attachment “MUFG AM’s engagement selection process” for more details.

8. UNDERTAKING COMPANY ENGAGEMENT

MUFG AM records engagements in an engagement management system, which enables its engagement teams to record and manage engagement objectives, actions, and outcomes, enabling more effective and efficient sharing of information and reporting to clients and other key stakeholders. When undertaking engagement for change we track progress by recognising the following stages:

- Stage 1: Initiate engagement with company
- Stage 2: Company acknowledges the issue
- Stage 3: Company starts an action to address the issue
- Stage 4: Continued monitoring for the action

When initiating a new engagement with a company, we determine one or more objectives in relation to the identified risks and/or opportunities, which are recorded in the engagement management system.

We prefer to engage with the most senior management or board members, depending on the issue, but initially we may also engage with investor relations, corporate sustainability, legal and other staff, as appropriate. We prefer to meet with companies for engagement and always seek to follow up in writing, confirming our understanding of the issue and ensuring that we obtain commitments and evidence for change in writing. Our approach may vary by geography, as we take account of the different contexts of local market practice and cultural norms to maximise our effectiveness.

If an engagement for change with an investee company is making insufficient progress, we may consider *escalating* the engagement. This may involve intensifying the engagement by applying different methods and deploying additional resources to the engagement. Any decision to escalate an engagement with an investee company will be taken in the context of the individual company’s circumstances and pursued where we consider this to be in our clients’ best interests.

9. THE LINK BETWEEN ENGAGEMENT AND VOTING

MUFG AM believes that voting is a key ownership responsibility. MUFG’s affiliated asset management firms have developed their own voting guidelines, which guide their approaches to voting. Information gathered through engagements undertaken by MUFG AM may be shared with the affiliated asset management firms and taken as input to their voting activities.

10. COLLABORATIVE ENGAGEMENT

We may work alongside our peers to engage with companies and regulators, recognising that this can be an effective way to pool resources, share information, and maximise our influence. Collaborative engagement may also be useful as a method for escalating an engagement with a company that has shown insufficient progress in meeting our objectives. This may involve leading or participating in engagements alongside other investors or joining larger existing collaborations.

11. CONFLICTS OF INTEREST

MUFG AM recognises that conflicts of interest may arise in relation to its engagement activities. Examples of such conflicts that could arise include circumstances in which:

- A company selected for engagement is related to one of MUFG AM's clients.
- A company selected for engagement in which staff members or outside directors have a personal interest.
- Conflicts arise between clients, for example, where clients' have differences in engagement preferences.
- If MUFG or its affiliates share a director with a company in which MUFG AM invests.

Preventing and managing such conflicts are important in protecting the best interests of MUFG AM's clients.

More information can be found in our MUFG's Conflicts of Interest Management Policy at <https://www.mufg.jp/english/coi/index.html>.

12. RECORD KEEPING

Clear accountability and transparency are important elements of MUFG AM's engagement approach. Our Global Engagement Team records all information from meetings, conference calls and other company interactions on our engagement management system.

13. OWNERSHIP

Any updates to this policy are subject to approval by the Sustainable Engagement Meeting, which the Stewardship committee monitors on a regular basis.

(Established in July 2024)

ATTACHMENT

MUFG AM's engagement selection process

MUFG AM's global engagement for companies brings its approach to dialogue with a focus of globally recognized sustainability-related issues. Target companies are to be selected through the process of screening the identified companies from a universe. A range of factors impact MUFG AM's decision to engage, including how likely each individual company is to address the risk and/or opportunity and how likely it is that the company will respond to engagement by MUFG AM. The former may involve considering the company's business model and behaviours, its board structure, financial strength, and share structure, while the latter may involve considering the proportion of equity held by MUFG AM, our expertise in relation to the issue concerned, and cultural barriers. We will set specific targets, and support initiatives related to sustainability by managing stage assessments and their progress according to the status of the company's initiatives.

Through these activities, we will resolve sustainability issues at the companies and contribute to enhancing corporate value in the medium to long term. We believe that by combining resources that specialise in sustainability, we can both improve corporate value and contribute to resolving sustainability issues and reducing negative externalities.

(Established in July 2024)