

Principal Global Investors

Shareholder Engagement Statement

Principal Global Investors LLC (“PGI”) is the institutional asset management arm and wholly-owned, indirect subsidiary of Principal Financial Group. As a multi-boutique firm, the firm brings a focused perspective and offers expertise across a host of investment capabilities: fixed income, equities, real estate, asset allocation, currency, stable value, and other structured investment strategies.

Environmental Social and Governance

PGI began managing Socially Responsible Investing (SRI) portfolios and strategies in the early 1990’s with the specific creation of exclusionary strategies and the implementation of our current research process. PGI has been a signatory to The Principles for Responsible Investment (“PRI”) since 2010, highlighting the firm’s dedication to Environmental Social and Governance (“ESG”) issues. PRI works to provide a sustainable global financial system by encouraging adoption of six principles and collaboration on their implementation, fostering good governance, integrity, and accountability, and addressing obstacles to a sustainable financial system within market practices, structures, and regulation.

Over the years, our processes have grown to include engagement with companies on ESG issues and we believe that direct communication between investors and companies on ESG matters (Engagement) is an important element of the portfolio management services provided to our clients. Engagement may lead us to make decisions that favour actions that intend to maximize a company’s shareholder value and contribute to our overall research on a company and developing a holistic view of the company. We take seriously our commitment to our community and society. We believe that we must take responsibility for educating others and ourselves by addressing a range of ESG issues that are critical to the wellbeing of our community and society and may maximize shareholder value.

As a result, we commit to:

- Engage and collaborate with the companies we invest in using our shareholder advantage to encourage responsible ESG practices by the company when aligned with of our investment thesis of the company.
- Encourage greater transparency by the companies on their ESG practices.
- Encourage companies to manage risks related to ESG factors and react swiftly to achieve a competitive advantage relative to peers regarding remuneration, boards/directors, audit issues, regulations, litigations, and other market factors that could impact a company.
- Encourage companies to disclose through public reporting relevant ESG metrics and how it may fit into the company’s overall business activities considering such importance will vary significantly depending upon industry and geography.
- Seek out ESG research that will further our overall knowledge on a company.
- Keep records or notes on relevant engagement activities.

We have implemented this policy with the premise that portfolio management personnel base their determinations of whether to invest in a particular company on a variety of factors. As such, this policy is designed to guide Engagement - not necessarily make investment decisions.

Shareholder Engagement

Our analysts and portfolio managers regularly meet with the management of companies in which we invest, and those we are considering for investment. At these meetings we would expect to discuss corporate responsibility and governance, amongst many other topics. We would also expect to discuss shareholder returns, dividends, policies, financing operations, sustainability etc. and will share our views with management as to how this can best be realized.

We also monitor our investee companies through a variety of other methods such as third-party research, corporate annual reports, regulatory filings, general meetings, road shows, company visits and other industry events and outside investment research of broker-dealers and other third parties.

Our monitoring process feeds into investment decisions both before a decision to buy and on an ongoing basis. The process, as executed by our fundamental analysts, looks for early identification in fundamental drivers of an investee company and will make buy, sell, hold or sizing recommendations based on many factors, including those uncovered through the above referenced means of monitoring. Our analysts capture and communicate these recommendations to all relevant portfolio managers. If an issue is identified which is inconsistent with the interests of our clients, we take the appropriate warranted action in mitigating our exposure to such company and/or as it relates to issues to be voted on by company shareholders, we would vote accordingly. In some cases, this will mean overriding the ISS recommendation and in conjunction with our Proxy Voting Policy. We may also engage and always reserve the option to exit our shareholding.

Proxy Voting

PGI has a proxy voting policy that describes its approach to exercising voting rights and other rights attached to shares. PGI has engaged Institutional Shareholder Services Inc (“ISS”), a proxy voting advisory firm, to provide research recommendations and vote execution services. PGI also makes available to all clients custom voting policies they may elect to more closely align with client specific objectives, including sustainability policies.

The Proxy Voting Policy is available at <https://www.principalglobal.com/about-us/responsible-investing>

Conflicts of Interest

Identifying, managing and mitigating any conflicts of interest between all relevant parties is a fundamental part of what we do as a fiduciary manager. As noted above, we have engaged the services of ISS, a leading provider of corporate governance advisory and proxy voting services and an independent fiduciary to safeguard potential conflicts of interest and to provide both research on individual companies for which we are eligible to vote, as well as the administration of ballots. When the clients have given us the discretion to vote, the portfolio manager/s votes on all their investee companies motions in conjunction with recommendations of ISS. We seek to vote in the best interests of minority shareholders, namely our clients, and therefore vote accordingly. Should a portfolio manager wish to deviate from the ISS recommendation, in keeping with our policy, we must seek pre-approval from firm compliance in adherence with the Proxy Voting Policy Process. All investments are treated equally regardless of relationships they may have with our organization or representatives of our organization.

In all instances, we aim to ensure our clients' best interests are being served. In exceptional circumstances consultation by senior management, the law department,

outside counsel, and/or the client whose account may be affected by the conflict, may be necessary before a decision to vote is made.

In order to avoid any specific conflict of interest with our parent company, we do not invest actively managed portfolios in shares of Principal Financial Group.

We would also seek to avoid any conflict of interest when voting on an investee company's resolutions if that company were also a client of Principal Financial Group.

We make available via our corporate website our Global Code of Business Conduct and Ethics which contains a robust Conflicts of Interest Policy, the governance by our Conflicts Committee and individual responsibilities for adhering to such policies; and guides the expected integrity within which we deal with all relationships we have, including how we interact with those companies in which we invest and those whose assets we manage.

Interaction with other shareholders and stakeholders

PGI does not generally interact or co-operate with other shareholders. PGI does not currently liaise directly with other stakeholders although we do support the principle of collaborative engagement if it enhances fiduciary responsibility.

Disclosure

This engagement policy covers the Shareholder Engagement process of Principal Global Investors Equities, Principal Real Estate Securities, Aligned Investors and Edge Asset Management.

Annually we will publicly disclose how this engagement policy has been implemented, including a general description of voting behaviour, an explanation of the most significant votes and information on the use of proxy voting advisors.

This policy has been adopted by Principal Global Investors (Europe) Limited and Principal Global Investors (EU) Limited who are wholly owned subsidiaries of the Principal Financial Group.

- Principal Global Investors (Europe) Limited is authorised and regulated by the Financial Conduct Authority
- Principal Global Investors (EU) Limited is regulated by the Central Bank of Ireland