Signatory of:

PRI Principles for Responsible Investment

Everberg Capital Partners
ESG Engagement Policy

EVERBERG CAPITAL

As a Signatory to the UN Principles for Responsible Investment, Everberg prioritizes integration of the six Principles into our business. We specifically acknowledge the importance of the second Principle which encourages investors to be active stewards of their investments and incorporate ESG factors into ownership policies and practices across different asset classes.

Philosophy

At Everberg, we are fully committed to the full consideration of environmental, social and governance (ESG) issues in our investment process, which we believe is consistent with the goal of delivering attractive risk-adjusted returns for clients. We also believe that engagement is a crucial part of ESG-focused investing and that this should not be the domain of control equity investors alone. Default and credit quality are dominant risks in fixed income investing, and ESG engagement with corporate issuers allows us to analyze a company's direction, aspirations, and how it will address future risks.

However, attractive risk-adjusted return is not the only goal of engagement. As significant lenders and investors, we believe both credit and non-control equity investors can also influence business practices. For example, raising awareness of environmental issues may lead to adoption of more climate-friendly policies. Executed correctly, successful engagement can reduce risk, unlock value and influence positive impact.

The aim of engagement is to encourage companies to change and to adopt governance and business practices that are more aligned with shareholders' and stakeholders' long-term economic interests and corporate resilience. Engagement also provides investors an opportunity to explain how reporting that goes beyond pure financials is used in investment analysis and stewardship work.

The Added Value of Engagement

Engagement implies a two-way dialogue with companies, rather than a process of micro-management. First, Everberg has an opportunity to explain our expectations of corporate engagement in relation to managing ESG risks and opportunities as well as to encourage actions to preserve long-term value. Second, companies can provide clarifications on their strategy and the relationship between ESG factors, their business model and financial performance, as well as receive early warnings on emerging risks and best practices.

Engagement to Maximize Positive ESG Outcomes

Minimizing risks and maximizing ESG opportunities frequently represent two sides of the same coin. While one investor may choose to divest from certain carbon-intensive sectors to manage its exposure to more stringent carbon regulation, another might engage with issuers in those sectors to shift their business models to be less carbon intensive. Viewed this way, engagement has the potential not only to protect investor returns, but also to contribute to the "broader objectives of society" mentioned in the preamble of the six Principles for Responsible Investment.

Prioritizing Engagement Activities

Everberg engages over ESG issues that are the most material for specific industries or sectors, and we focus engagement discussions on sustainability-related trends and uncertainties that are the most likely to affect the financial condition or operating performance of a company. For example, large industrial companies or manufacturers will be more attuned to GHG emissions than a business services firm. Everberg aims to link ESG engagement to particular standards and refers to these initiatives during engagement. More specifically, Everberg is guided by SASB sector publications. In developing its 77 industry specific standards, the SASB identified sustainability topics from a set of 26 broadly relevant sustainability issues organized under these five dimensions: Environment, Social Capital, Human Capital, Business Model and Innovation, and Leadership and Governance. Everberg tailors engagement activity to align to the firm's four investment verticals: Industrials, Business Services, Consumer and Healthcare.

Industrials

Dimension	General Issue Category	Industrial Machinery	Construction Materials	Building Products & Furnishings
Environment	GHG Emissions			
	Air Quality			
	Energy Management			
	Wastewater Management			
	Waste & Hazardous Materials			
	Ecological Impacts			
Social Capital	Product Quality & Safety			
	Employee Health & Safety			
Business Model & Innovation	Product Design & Lifecycle			
	Supply Chain Management			
	Materials Sourcing/Efficiency			
Governance	Competitive Behavior			

Business Services

Dimension	General Issue Category	Professional & Commercial Services	Insurance
Social Capital	Data Security		
	Selling Practices & Labeling		
	Diversity & Inclusion		
Business Model & Innovation	Product Design & Lifecycle		
	Impact of Climate Change		
Governance	Business Ethics		
	Systemic Risk Management		

Consumer

Dimension	General Issue Category	Consumer Products	Specialty Retailers	Beverages	Food
Environment	GHG Emissions				
	Energy Management				
	Wastewater Management				
	Ecological Impacts				
Social Capital	Data Security				
	Product Quality & Safety				
	Customer Welfare				
	Selling Practices & Labeling				
Human Capital	Labor Practices				
	Employee Health & Safety				
	Diversity & Inclusion				
Business Model & Innovation	Product Design & Lifecycle				
	Supply Chain Management				
	Materials Sourcing/Efficiency				

Healthcare

Dimension	General Issue Category	Delivery & Distribution	Managed Care	Equipment & Supplies	Education
Environment	GHG Emissions				
	Energy Management				
	Wastewater Management				
Social Capital	Data Security				
	Access & Affordability				
	Product Quality & Safety				
	Customer Welfare				
	Selling Practices & Labeling				
Human Capital	Employee Health & Safety				
	Diversity & Inclusion				
Business Model & Innovation	Product Design & Lifecycle				
	Supply Chain Management				
	Impacts of Climate Change				
Governance	Business Ethics				

Issue is likely to be material