

# Cohen & Steers ESG Integration Statement

## Philosophy

As an industry leader in listed real assets and alternative income solutions, Cohen & Steers is committed to investment excellence and delivering superior long-term returns to our clients. Consistent with this objective, fundamental analysis is the foundation of our investment process, grounded in a combination of a top-down and bottom-up analysis for assessing relative value and total return potential. As part of this analysis, we identify risks and opportunities that may impact a company's performance, including a company's executive management, capital allocation, business strategy, workforce and operations management, stakeholder alignment, corporate governance structure, compensation practices and environmental considerations.

Importantly, we believe environmental, social and governance (ESG) factors can influence our evaluation of a security's expected total return. Our assessment of corporate governance is at the forefront of our fundamental analysis. In addition to providing a foundation for value creation and total return performance, we believe strong governance is critical to driving sound environmental and social practices and achieving sustainable business models. Furthermore, we believe companies that integrate ESG considerations into their strategic plans and operations can enhance long-term shareholder value and mitigate potential risks.

As part of our disciplined fundamental research process, we are committed to continuous enhancement and evolution, particularly as it relates to ESG integration. We have been a signatory to the Principles for Responsible Investment (PRI) since 2013, and we believe the PRI framework, combined with our proprietary approach to ESG integration, promotes transparency and drives engagement with the companies in our investable universe.

## How we integrate ESG factors into our investment process

Material ESG considerations vary by country, sector, company and management. Accordingly, we employ a customized approach to ESG integration across the firm's strategies. We use issuer-level ESG data from MSCI to help identify key risks and opportunities for all companies in our coverage universe. However, MSCI data is just the starting point of our analysis. Our investment teams supplement this data with other third-party ESG scores and ESG research obtained from publicly available sources, including sustainability reports, company regulatory

filings and responsible investing advocacy groups such as PRI and the Sustainability Accounting Standards Board (SASB).

We enhance this research with our engagement activities, including meetings with executive management, boards of directors and heads of corporate sustainability. Our proprietary overlay is a key differentiator of our approach to ESG integration, as we leverage the depth and scale of our platform and information advantage to enhance third-party research. Our investment teams use this research to identify material ESG risks and opportunities and determine how ESG factors may impact current and future financial performance, which is then embedded into our valuation estimates.

Our portfolio managers and research analysts, who have extensive experience and industry expertise, are responsible for incorporating ESG risks and opportunities into the fundamental research process. The investment teams in each region are responsible for all aspects of ESG research, including integration, engagement and proxy voting. This commitment to ESG research fosters a deep level of communication and alignment between target companies' senior management and all stakeholders.

Our ESG Steering Committee, which consists of senior members of key departments, is responsible for all ESG initiatives at the firm and oversees the ESG Investment Sub-committee, which provides oversight of ESG integration across the firm's investment teams.

### **Our ultimate objective is to deliver superior long-term returns**

By understanding and quantifying the range of ESG risks and opportunities, we believe we are better positioned to deliver consistent long-term risk-adjusted returns to our clients.