

Causeway Capital Management LLC (Causeway)
ESG Policy

Contents

- 1. Introduction 3
- 2. Philosophy and Objective 3
- 3. Policy Ownership..... 3
- 4. Integration in Investment Analysis 4
 - 4.1. Our Approach for Fundamental Value Equity strategies 4
 - 4.2. Our Approach for Quantitative Equity Strategies other than Sustainable Strategies 5
 - 4.3. Our Approach for Sustainable Strategies..... 5
- 5. Integration in Investment Stewardship 5
 - 5.1. Corporate Engagement 6
 - 5.2. Proxy Voting 6
- 6. Reporting..... 7

1. Introduction

Causeway was founded in 2001 to provide investment management services to clients. We combine fundamental and quantitative research to identify investment opportunities in equity markets around the world. Our research incorporates factors we believe have potential to impact investment performance, and we seek to achieve superior returns for our clients over full market cycles.

2. Philosophy and Objective

Based on our research, Causeway believes that material environmental, social, and corporate governance (ESG) factors have the potential to impact investment performance where applicable.

Many ESG issues can, where applicable, be material for stock performance due to shifting consumer preferences, policy and regulatory actions, and evolving corporate strategies, among other factors. Considering climate change as an example, consumer preferences for more energy efficient products or for low carbon mobility, expressed through purchasing behavior, can impact a company's future revenues. Policy actions expressed through taxes, disclosure rules, and litigation, can asymmetrically impact some companies (for example, carbon taxes can adversely impact the valuation of high carbon emitters, while consumer subsidies for electric vehicles can favorably impact the valuation of electric vehicle manufacturers). Corporate strategies, expressed through capital allocations that pivot towards new opportunities and technologies, can influence corporate performance.

Other ESG issues such as human capital characteristics, or Board of Director characteristics, can be material to the extent they are associated with corporate culture, internal business process execution, and product or service quality that over time affect a company's performance.

Causeway's objectives, centered on investment performance, have been to identify and quantify through research ESG factors we believe are material, and to integrate those factors into our investment processes as described in Section 4.

Causeway is a signatory to the United Nations Principles for Responsible Investment (UN PRI), a voluntary framework for incorporating ESG issues into investment decision-making and ownership practices.

3. Policy Ownership

This ESG Policy was prepared by a working group composed of Causeway portfolio managers, analysts, director of ESG research, and compliance personnel, and headed by our President. All investment portfolio managers and research analysts are responsible for policy implementation. This ESG Policy is reviewed and updated periodically to reflect evolving developments and enhancements of our practices.

4. Integration in Investment Analysis

Causeway believes a one-size-fits-all integration approach is less effective than an approach tailored to the investment objective and process of a particular investment strategy.

4.1. Our Approach for Fundamental Value Equity strategies

Causeway's Fundamental Value Equity strategies employ a bottom-up stock selection process whereby analysts assess a mosaic of fundamental company and industry information to form a holistic view of an investment. Material ESG issues, which are likely to impact investment performance, are where applicable an input in forming this view.

To facilitate ESG integration, Causeway's procedures are structured around training, tools, and accountability. We provide scheduled training sessions for fundamental analysts and portfolio managers to develop awareness of material ESG issues and their investment implications, discuss research findings, and identify emerging themes and trends. The training sessions are recorded for later use, including in onboarding new analysts. We provide various tools to fundamental analysts: A materiality map that identifies material issues by sector as determined by our sector-specific research groups or "clusters"; Various data sourced from both commercial and non-commercial sources; Assessment frameworks that enable consideration and aggregation of various data into a proprietary overall ESG view or score; and, a proprietary desktop application (our "ESG Navigator") to access the data and assessment frameworks in order to input and update components of ESG scores. Accountability is maintained by including in analysts' annual performance evaluation an assessment of their adherence to our ESG integration procedures. The annual performance evaluation is an input in determining analysts' discretionary compensation.

Fundamental analysts incorporate their training and tools into security analysis, to assess ESG risks and opportunities in the short, medium, and long term. Research analysts assign an ESG score to companies considered for investment. To assist in ESG scoring, Causeway has developed a proprietary assessment framework that evaluates and assigns a quantitative score to companies based on a number of bottom-up and top-down ESG characteristics. The assessment framework, implemented through our ESG Navigator, allows fundamental analysts to combine their latest firm-specific knowledge with quantitative archival inputs in order to generate an overall ESG score or "ESG view".

Analysts further consider how the most material ESG issues are likely to impact a company's fundamental valuation by referring to a flowchart that outlines action steps depending on visibility into how a material issue may impact financial performance. For example, if a company is developing profitable renewable power generation projects, those opportunities will be incorporated into cash flow forecasts and ultimately the company's valuation. As another example, if a company is experiencing corporate culture challenges and where the financial impact of those challenges is not sufficiently visible for incorporation in the company's valuation, that issue is flagged as an opportunity for engagement with the company. Finally, there may be an emerging issue such as a climate change stress test for a bank that has yet to be conducted – a material but low visibility issue such as this may be flagged for ongoing monitoring.

The emphasis on ESG factors depends on the importance of these factors to the relevant sector and unique circumstances of a company. For example, ESG factors involving carbon emissions and health and safety records will be given more emphasis in our Energy cluster, and ESG factors involving data privacy and systemic risk will be given more emphasis in our Financials cluster. Fundamental investment memoranda document analysts' ESG analysis. Material ESG factors where applicable are part of a broad mosaic of information that is applied by portfolio managers in the investment decision-making process.

Absent client-mandated exclusions, we do not use ESG factors to automatically screen out investments in a company. Rather, poor ESG factors can be offset by other positive investment attributes. At times, we may invest in a company with negative ESG attributes and seek to engage the company in dialogue regarding, among other topics, potential improvements in its ESG attributes.

4.2. Our Approach for Quantitative Equity Strategies other than Sustainable Strategies

As part of Causeway's investment process for its quantitatively managed Emerging Markets and Small Cap strategies, we use a proprietary corporate governance assessment score that ranks companies in the developed and emerging markets based on a number of bottom-up and top-down corporate governance measures. The ranking is used as a negative screening indicator and highlights stocks that should be considered for omission from the investable universe or trimming or sale from the portfolio. In addition, Causeway uses a governance factor as a top-down alpha indicator in the firm's Small Cap strategies. Quantitatively-managed Emerging Markets and Small Cap portfolios include a periodic review of significant positions by our fundamental research team, which may include feedback on a material company-specific ESG issue where applicable. This feedback may be used by quantitative portfolio managers as an input in determining the size of a position where the issue is deemed likely to have material impact within our investment horizon.

4.3. Our Approach for Sustainable Strategies

Our quantitatively managed Global Sustainable Leaders (GSL) and Global Sustainable Equity (GSE) strategies use Causeway's proprietary ESG scores in stock selection. The GSL strategy uses exclusively our ESG scores in stock selection. The GSE strategy uses our ESG scores as a component of an overall stock-selection score that ranks companies on various investment-relevant dimensions. Causeway's ESG scores are designed to measure a company's long-term material E, S, and G characteristics relative to its sector and their potential to contribute to investment performance. GSL and GSE portfolio trades are reviewed by fundamental research teams for material ESG issues or developments that may be outside the scope of Causeway's quantitative model.

5. Integration in Investment Stewardship

We integrate ESG issues in engagements and proxy voting.

5.1. Corporate Engagement

For our Fundamental Value Equity strategies, Causeway regularly engages with company management regarding determinants affecting valuation, including where applicable ESG issues that may be material for the company. These engagements occur with a belief that our dialogue may lead to improvements in both the underlying value of our clients' interests in the company and the way businesses are managed. We prefer constructive engagement to negative screening or exclusion, and our engagement objective is generally to understand facts and encourage disclosure related to material issues.

Fundamental research analysts selectively engage with companies where they have identified the most material questions. For example, the biggest corporate contributors to our fundamental portfolios' carbon footprints may become candidates for engagement. Engagement topics, including without limitation climate change transition and physical risks and opportunities, labor and human capital management, and direct and indirect lobbying are determined on a case by case basis depending on the specific characteristics of a company and its industry. Our engagement agenda is generally structured around governance, strategy, process, and metrics and targets. Governance refers to oversight of, and accountability for (through incentive plan tie-in, for example), material ESG issues on the part of a company's executives and Board of Directors. Strategy refers to an articulated plan to mitigate identified risks and capture identified opportunities that is grounded in their projected business impact on the company. Process refers to deliberate analysis that informs strategy development, and repeatable steps in strategy implementation. Metrics and targets refer to identified and quantified ESG performance measures.

Fundamental analysts log their engagements in a central database that houses all investment research related to a company. This database is accessed by fundamental analysts and portfolio managers through an internal portal, and engagement notes are available for review and ongoing monitoring of follow-up items. Information received from engagements is an input into the information mosaic used in our investment decision-making process. Our engagement recognizes that changes in a company's ESG attributes may take time to accomplish, and we may follow-up with the company where warranted or take other action as determined on a case by case basis.

5.2. Proxy Voting

For many clients, Causeway has proxy voting authority for portfolio holdings. Causeway has separate written Proxy Voting Policies and Procedures pursuant to which Causeway supports policies and initiatives, including without limitation ESG initiatives, in a manner consistent with Causeway's fiduciary responsibility. Proxies are voted solely in what Causeway believes is the best interests of the client, a fund's shareholders or, where employee benefit assets are involved, plan participants and beneficiaries. Our Proxy Voting Policy also describes policies relating to conflicts of interest.

6. Reporting

Causeway is responsive to client requests for reporting on the client's portfolio. We have provided client portfolio ESG scores, carbon intensity analysis, and other ESG-related reports, both regularly and ad hoc, upon request.

Dated: September 16, 2016

Amended: March 12, 2018

Amended: March 22, 2019

Amended: March 30, 2020

Amended: January 13, 2022

Amended: September 16, 2022