

Environmental, Social, and Governance (ESG) Policy

OVERVIEW & PURPOSE

Leeward Investments, LLC (“Leeward” or “the Firm”) believes that responsible investment practices incorporating an assessment of environmental, social and governance (ESG) factors adds sustainable value for our investors by mitigating risk and positively influencing long-term financial performance, consistent with our fiduciary duty.

The purpose of this ESG Policy (“Policy”) is to define Leeward’s approach to integrating the consideration of ESG factors into its investment analysis and decision-making processes.

SCOPE & APPLICATION

This Policy applies to all investments considered by Leeward’s investment team, to the extent reasonably practical and relevant for each individual investment.

ENVIRONMENTAL, SOCIAL & GOVERNANCE GUIDELINES

Implementation of this Policy is aimed at understanding ESG risks and opportunities that are material to a given investment, with factors varying by company and sector. Typical ESG factors that may be reviewed and analyzed for particular investment opportunities include, but are not limited to the following:

- **Environmental:** Greenhouse gas emissions, carbon footprint, waste reduction, resource conservation.
- **Social:** Human rights including labor rights, worker health & safety, customer safety and welfare, diversity, equity & inclusion.
- **Governance:** Board composition and independence, executive compensation, shareholder rights, legal & regulatory compliance, anti-bribery & corruption, cybersecurity & data privacy.

Where practicable, Leeward seeks to contribute positively to UN Sustainable Development Goals (SDGs) *5: Gender Equality* and *12: Responsible Consumption and Production* through its investment activities. This is described further in the ESG Integration Process section of this Policy.

Screening and Exclusion: In defining its investable universe, Leeward does not apply exclusionary screening based on sector; rather, any risks inherent to particular sectors would be identified and addressed as part of the ESG integration process described below.

Leeward has the ability to apply exclusionary screening on a case-by-case basis to help its clients ensure their investments reflect their values and priorities through Socially Responsible Investment (SRI) portfolios.

ESG INTEGRATION PROCESS

Leeward integrates consideration of ESG factors in its investment process using the steps of Baseline, Engagement, Action and Tracking (BEAT):

Baseline

Leeward's investment team begins by generating a company-specific ESG Risk Report from Sustainalytics. The investment team will consider all ESG risks and opportunities that are identified as material in the report, conducting further diligence (including desktop research, qualitative assessment, and engagement with management teams, as applicable) on all or a subset of ESG topics as deemed appropriate. Leeward's determination of the most material topics to be prioritized, as well as the depth of additional diligence conducted for each topic, will be based on factors such as Sustainalytics' overall ESG risk ratings and/or management performance scores, and the operating context of the company.

The investment team will document the ESG risks and opportunities that it deems to be most material in an Internal Research Note for each new investment, along with all other fundamental and financial analysis. Except in the case of some SRI strategies as described above, poor ESG scores and diligence results indicating ESG risks do not preclude the firm from investing in a company, but rather are used as an input to the investment decision making process.

If the decision is to make the investment, ESG scores and diligence assessment results help to determine subsequent ESG integration steps, whereby ESG topics determined by Leeward's diligence assessment to present the most material risks and opportunities will be considered for Engagement, Action and Tracking.

In its baseline research, Leeward's investment team notes the company's level of gender representation at the board level, in line with *SDG 5: Gender Equality*¹, and whether the company publishes a sustainability report, in line with *SDG 12: Responsible Consumption and Production Patterns*.

Engagement

Where necessary to understand a company's ESG approach and practices, or to obtain or contextualize baseline information on material ESG topics, Leeward's investment team will engage with management during pre-investment diligence.

Post-investment, where ESG risks are found to be material for a company and are prioritized for action, Leeward's investment team will engage with the company on an ongoing basis to discuss progress. All ESG-related engagements will be documented by the investment team in an engagement tracker. Where the baseline step identifies opportunities for improvement on the two SDG targets with which Leeward seeks to align (i.e. by increasing gender representation on the board, implementing sustainable practices, and/or disclosing

¹ Specific targets with which Leeward aligns its ESG integration activities are *Target 5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life*; and *Target 12.6: Encourage companies...to adopt sustainable practices and to integrate sustainability information into their reporting cycle*.

sustainability information), Leeward will incorporate these topics into any engagement activities undertaken with the companies, to the extent practicable.

As a firm, Leeward believes that proxy voting is an important source of leverage in encouraging appropriate corporate governance and policies. The firm has established a proxy voting policy intended to maximize shareholder value, and, where relevant, address financially material ESG factors. Where applicable and material, Leeward considers research and recommendations from a leading proxy advisory firm, Institutional Shareholder Services (ISS), in addition to Leeward's internal considerations to make its own decision regarding active votes for proposals put forth by companies in which we invest.

Action

Leeward will leverage the results of its Baseline diligence assessment to identify any material ESG risks and opportunities that it believes warrant corrective Actions. Such Actions will be proposed to company management for implementation during the holding period.

Tracking

Leeward's investment team will track companies' overall ESG performance, as well as performance related to topics prioritized for Action, on an ongoing basis via Sustainalytics, public sources of information (e.g. corporate sustainability reports), and engagement with management, with trackers updated at least annually.

GOVERNANCE

Leeward's ESG Committee ("the Committee") includes Leeward's Chief Operating Officer, Chief Compliance Officer, Portfolio Managers, one or more investment analyst and members of relationship management. The Committee is responsible for setting policy and standards for responsible investment processes through the maintenance of this Policy and associated implementation tools, as well as monitoring implementation of this Policy.

- The Committee meets at least bi-annually to:
 - Review ESG developments relevant to the industry, Firm and portfolio companies
 - Review samples of ESG integration outputs to assess Policy compliance and quality/consistency of implementation
 - Determine whether training or other capacity-building is required for the investment team for effective implementation of the Policy
 - Determine whether any updates to the Policy are required.

Implementation of this Policy is the responsibility of the investment team, with the Committee providing guidance and oversight to ensure consistent and high-quality implementation.

TRANSPARENCY & REPORTING

Leeward is dedicated to transparency and will report progress to investors on the Firm's ESG program on a quarterly basis. Quarterly reports will include:

- Quantitative data on ESG performance
- Qualitative information such as case studies
- Summary of engagement activities and results
- Information on relevant ESG incidents