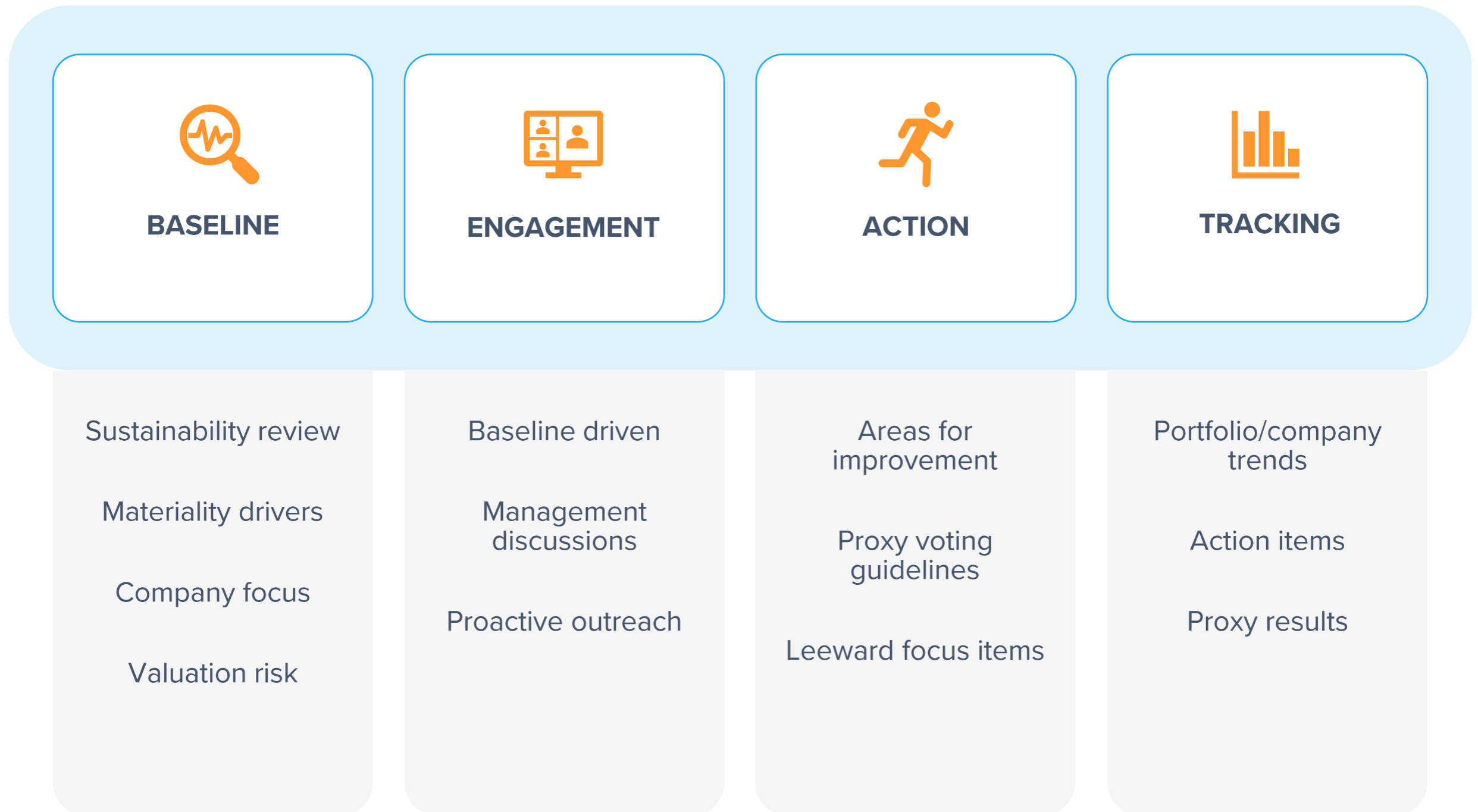


# ESG implementation: BEAT process



# ESG highlights: Mid Cap Value



**34%** average female Board representation



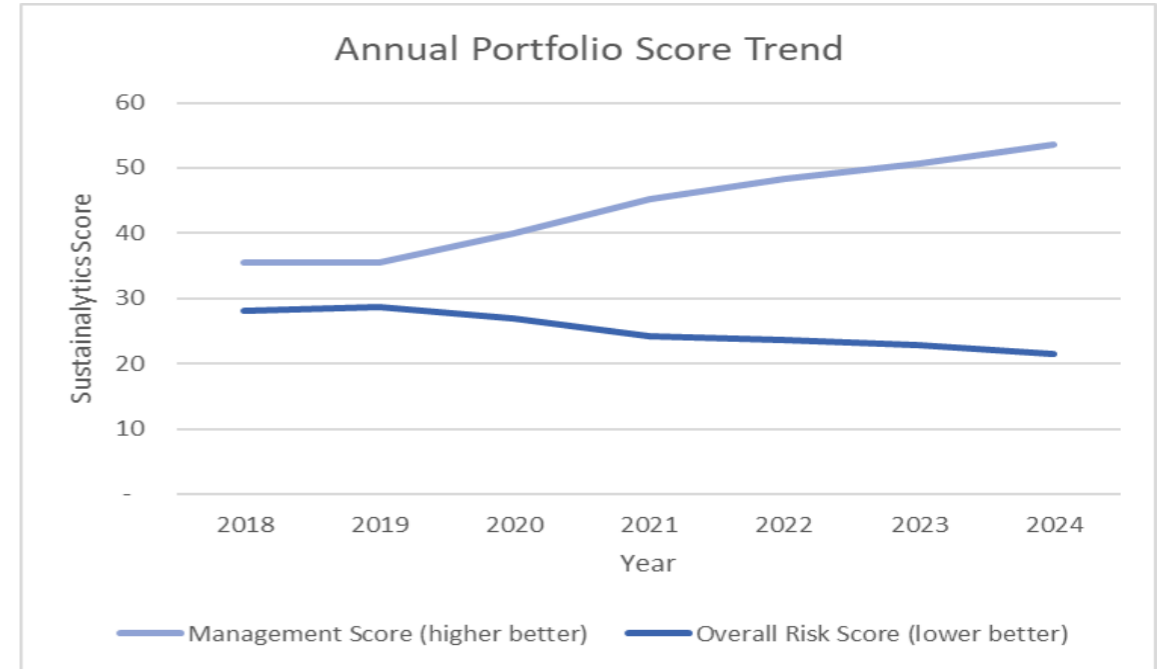
**100%** of portfolio cos. published a sustainability report in the last 12 months



**217.5** Weighted Avg. Carbon Intensity (CO2T/\$M Sales)



**18%** better Sustainalytics Risk Score relative to sub-industry averages



## EXAMPLE RISK ASSESSMENT

ESG RISK RATING	COMPANY	WHAT WE LIKE	OUR FOCUS
Low	Borg Warner (BWA): auto parts manufacturer focused on drivetrain and fuel efficiency	BWA has a long history providing parts that lower emissions	<ul style="list-style-type: none"> <li>Fuel efficient products</li> <li>Energy intensity of operations</li> <li>Workplace safety</li> </ul>
Medium	Ingredion Inc (INGR): manufactures sweeteners and starches for use in food, beverage, and industrial applications	INGR has aligned their reporting with UN SDGs and increased their usage of sustainably sourced crops	<ul style="list-style-type: none"> <li>Worker safety</li> <li>Sourcing of raw materials</li> <li>Manufacturing processes</li> </ul>
High	Valero Energy (VLO): North American refiner with traditional, ethanol, and renewable diesel operations	VLO was a pioneer in converting waste fats to renewable diesel with their Diamond Green Diesel JV launched in 2014.	<ul style="list-style-type: none"> <li>SOX &amp; NOX emissions</li> <li>Oil spills</li> <li>Carbon emissions</li> <li>Worker Safety</li> </ul>

MCV representative account data as of 6/30/2024. Sources: FactSet (board representation), Sustainalytics (ESG risk ratings, annual score trend), Leeward internal research (sustainability reports). Portfolio holdings above are for illustrative purposes only, are not intended to be investment advice and may or may not be current holdings. Leeward may have already bought or sold or may in the future buy or sell these securities on behalf of its clients. A complete list of holdings is available upon request. Leeward cannot ensure any initiatives or expected developments described herein will ultimately be successful. ESG is only one of the many factors that Leeward considers during the investment decision-making process.

# ESG highlights: Small Cap Value



3% avg female Board representation



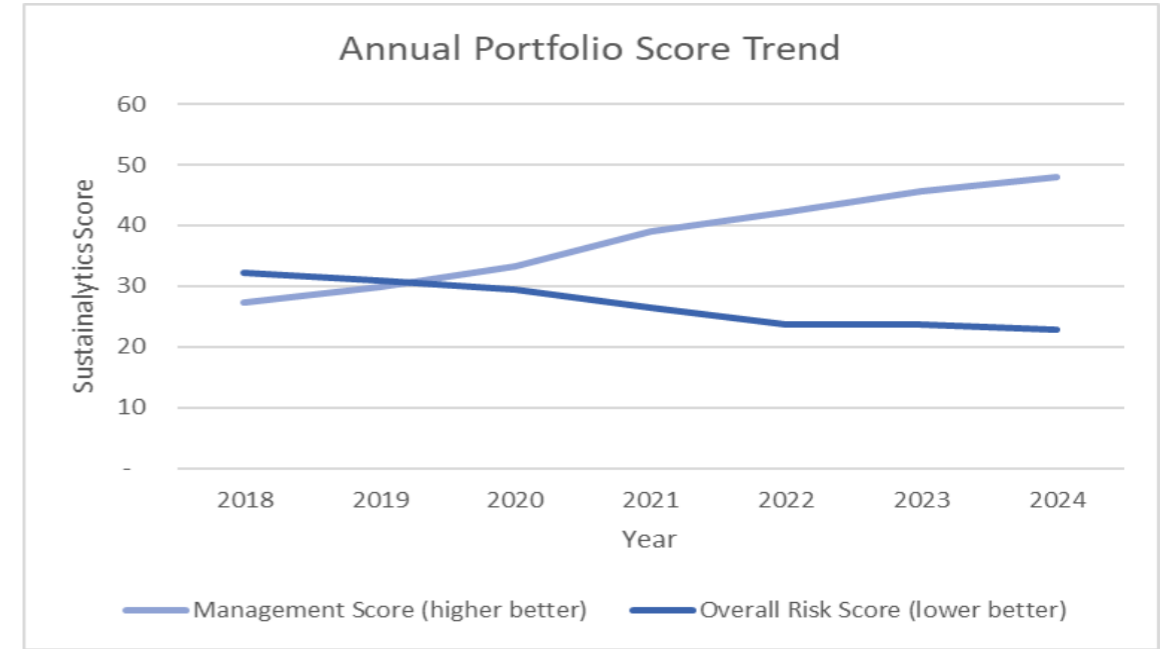
93% of portfolio cos. published a sustainability report in the last 12 months



154.9 Weighted Avg. Carbon Intensity (CO2T/\$M Sales)



21 holdings with SBTI approval or pending submissions



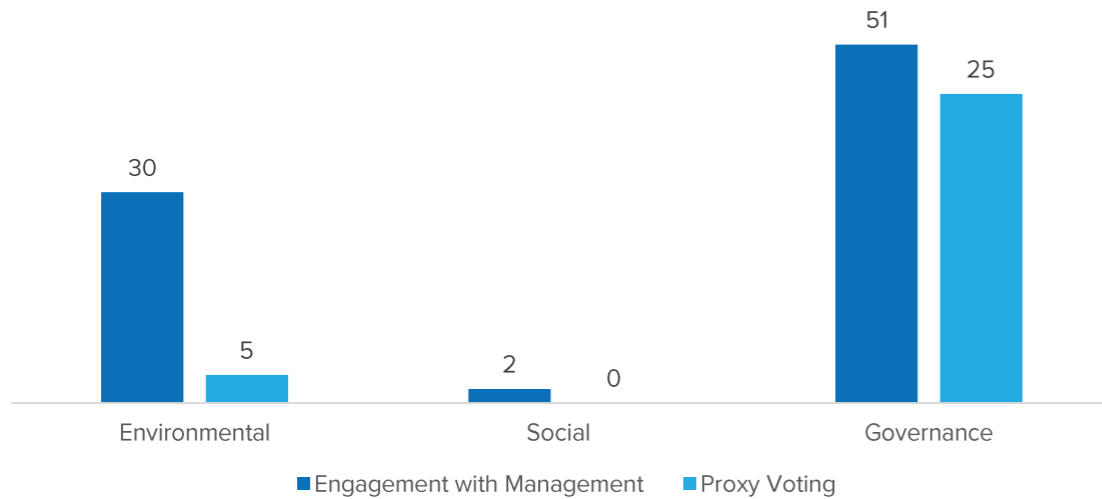
## EXAMPLE RISK ASSESSMENT

ESG RISK RATING	COMPANY	WHAT WE LIKE	OUR FOCUS
Low	AZEK Co. (AZEK): Manufacturer of composite decking using recycled plastics.	AZEK has continued to expand its collection system for recycled PVC and polyethylene, advancing a circular economy and lowering their cost of production.	<ul style="list-style-type: none"> <li>Emissions</li> <li>Waste recovered</li> <li>Recycled content</li> <li>SBTI approval</li> </ul>
Medium	Cheesecake Factory (CAKE): Casual dining operator of Cheesecake Factory, North Italia, and Flower Child concepts.	CAKE has maintained strong labor relations, made commitments to sustainable sourcing and has improved their reporting framework	<ul style="list-style-type: none"> <li>Food waste</li> <li>Sustainable sourcing</li> <li>SBTI approval</li> </ul>
High	BWXT Technologies (BWXT): Manufacturer of nuclear components and reactors for the US Navy and commercial power.	BWXT has improved their reporting and moved to an SASB framework. Their equipment is critical to the growth of clean nuclear energy and small modular reactors.	<ul style="list-style-type: none"> <li>Worker concerns</li> <li>Hazardous waste</li> <li>Recycled waste</li> <li>Disclosure of ESG topics</li> </ul>

SCV representative account data as of 6/30/2024. Sources: FactSet (board representation), Sustainalytics (ESG risk ratings, annual score trend), Leeward internal research (sustainability reports). Portfolio holdings above are for illustrative purposes only, are not intended to be investment advice and may or may not be current holdings. Leeward may have already bought or sold or may in the future buy or sell these securities on behalf of its clients. A complete list of holdings is available upon request. Leeward cannot ensure any initiatives or expected developments described herein will ultimately be successful. ESG is only one of the many factors that Leeward considers during the investment decision-making process.

# ESG engagement

ESG Engagement Topics – YTD through 6/30/24



## SUMMARY

Over the last six months, Leeward’s investment team has engaged with 17 companies on topics including diversity, equity and inclusion, hazardous waste disposal, board composition, and executive pay. The team’s most frequent topic of discussion has been sustainability reporting, as many small- and mid-cap companies have suboptimal sustainability reports lacking the detail and depth required by third-party ESG rating agencies who rely on public information across a range of material and non-material topics to their businesses.

## ENGAGEMENT CASE STUDY

COMPANY PROFILE	ESG RISK RATING	LEEWARD ENGAGEMENT	CONTINUED FOCUS
Treehouse Foods (THS): private label food manufacturer with operations across North America	High. According to Sustainalytics, THS has high exposure risk due to their participation in the high-profile food sector. However, Sustainalytics notes a strong management score for THS.	<p>Leeward participated in the company’s governance outreach program in December 2023:</p> <ul style="list-style-type: none"> <li>Highlighted their continued underperformance against sales expectations, recommended increasing % of annual comp. Subsequently moved from 6% to 25%</li> <li>Discussed ESG goals as part of executive compensation. Comp tied to employee engagement increased.</li> </ul>	<ul style="list-style-type: none"> <li>Delivery on sales targets</li> <li>Water usage</li> <li>Food safety</li> <li>Employee relations</li> </ul>

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