

Sustainability policy

Corporate responsibility and sustainability have been core values of Mesirow since the firm's founding in 1937.

Our founder, Norman Mesirow, expressed the tenets of the firm as:

“Hire good and ethical people and leave them alone.”

More than eight decades later, this belief continues to define how we run our business. We invest in our people, empowering diverse, entrepreneurial professionals to innovate within our inclusive culture.

“Treat clients as you would like to be treated.”

Today, we invest with our clients, working side-by-side in a personal, more custom approach to reaching financial goals. We work with our valued investors and partners to offer investment options that incorporate ESG and social impact values.

“Give back to the community — it's the right thing to do.”

We invest in Chicago and the global communities where our clients live and work, sparking positive change through deep civic engagement.

Today, we stand on the shoulders of Norman Mesirow as his successors continuously seek to improve our culture, serve our clients and better our world. We believe these tenets are fundamental to doing good business, and we strive to model good corporate citizenship, ESG integration, accountability, and transparency. In doing so, we hold our employees, business partners, and investment prospects to the same high standards with the ultimate goal of improving long-term results to our clients, providing value creation for our stakeholders, and demonstrating sustainable growth for our organization.

How we run our business

As a diversified financial institution, we believe not just in sustainability through our underlying investments, but also sustainability in all aspects of our firm strategy and daily operations. Mesirow organizes corporate responsibility efforts along three main cause pillars that align with the United Nations Sustainable Development Goals (SDGs):¹

ENVIRONMENT

Mesirow follows environmental best practices that we believe improve sustainability and minimize the environmental impact of our operations.

- Our corporate headquarters in Chicago was awarded the Leadership in Energy and Environmental Design (LEED) classification when our space was built in 2010 and was awarded the LEED Platinum Certification in 2015 — the highest level of distinction awarded by the U.S. Green Building Council (USGBC) for best-in-class building strategies and practices.
- Additional ongoing environmental processes include energy savings, recycling, conservation and green initiatives.

COMMUNITY IMPROVEMENT

Mesirow's commitment to social responsibility is embedded in our firm's culture and has been for more than 80 years. Community involvement is actively encouraged at Mesirow. Through investment of time, talent and financial support at all levels of the organization, Mesirow supports key community partners across three key areas of focus:

- **Neighborhoods:** Family services, education, financial literacy
- **Social justice:** Tolerance, anti-gun violence, racial equality
- **Opportunity & inclusion:** Supporting persons with disabilities

HUMAN RIGHTS & EQUALITY

We know that our relevance, and our ability to serve clients, depends on the dynamic evolution of a workplace that prizes diverse thought and experience. The Mesirow Diversity, Equity and Inclusion Council leads this effort, working in partnership with executive leadership, and providing input and support as we implement DEI best practices while ensuring strategic alignment with the bottom line. The Council guides the firm's Six-Point Commitment to Diversity,

Equity and Inclusion:

1. **Converse** | We support **learning and open dialogue** through programming, events and mandatory training for managers and employees on issues such as unconscious bias, microaggressions and cross-cultural communications.
2. **Diversify** | We work to **increase the presence** of African-American and other professionals of color at all levels of our firm.
3. **Engage** | We engage as a **resource and advocate to underserved communities**, putting our resources to work – financial contributions, employee volunteering, mentoring and in-kind services.
4. **Align** | We align with organizations that **advance diversity in our industry**, including the Chicago Urban League, Chicago United and Financial Services Pipeline.
5. **Champion** | We continuously **diversify our suppliers and vendors** and champion organizations and initiatives driving positive change such as the Chicago United Five Forward.
6. **Participate** | We support **diversity & inclusion platforms** and initiatives within our industry and specific to our lines of business.

Our commitment to clients

In addition to guiding our firm's direction and culture, corporate responsibility pervades every aspect of how we serve clients and prospects on a day-to-day basis. Mesirow encourages all businesses and teams to consider sustainability and ESG factors where possible within their investment offerings, analysis and decision-making processes. Across the firm we promote ESG initiatives through:

- **Integration into the Investment Process** | We appreciate and acknowledge our clients' increasing desire to integrate environmental, social and governance issues into their investment portfolios and have incorporated ESG factors into our investment strategies where practical.
- **Engagement** | We commit to being active owners and seek appropriate disclosure on ESG issues by the entities in which we invest. Where possible, we strive to understand and improve the integration of ESG factors by the companies and partners with whom we do business.

- **Proxy Voting** | Applicable business units within Mesirow have established procedures for exercising proxy voting rights. The policies are reasonably designed to ensure that proxies are voted in the best interests of the Mesirow products and their investors, after taking into account all relevant facts and circumstances at the time of the vote, and in accordance with Mesirow's fiduciary duties and applicable regulations.

Mesirow offers a range of strategies that seek to help clients and investors prosper while doing good.

- **Equity** | Mesirow Equity Management actively incorporates sustainable investment criteria such as environmental, social, and governance factors within their fundamental assessment of macro, sector and company specific trends, seeking to derive favorable performance and risk characteristics within each portfolio. In addition, the team seeks to make a positive impact on the environment and society as well as encourage incremental improvements through active engagement with companies in which they invest.
- **Fixed Income** | Each of Mesirow's specialist fixed income teams believes ESG factors are increasingly important to enabling a comprehensive, holistic assessment of a company's value, and helping to assess both risks and opportunities in the corporate bond market and individual securities. These three teams collectively incorporate ESG considerations throughout their respective investment processes and in their decision-making as part of a fiduciary duty to seek the highest risk-adjusted returns.
- **Real Estate** | As a direct or controlling member of owned real estate assets, Mesirow Institutional Real Estate Direct Investments recognizes there are direct and indirect environmental and social implications to all decisions made as an investment manager. The team fully integrates ESG principles, whenever feasible and practical, across their real estate portfolios. Further, the team acknowledges the importance of evaluating and implementing ESG, Health and Well-being initiatives into each of the real estate assets and communities where they invest.
- **Private Equity** | Mesirow Private Equity instituted a comprehensive ESG policy in 2020. This policy integrates ESG considerations into the investment due diligence process for both partnership investments and co-investment opportunities. It also governs the post-investment monitoring that is embedded within our corporate culture as part of the firm's commitment to ethical and responsible behavior.

- **Currency** | Mesirow Currency Management's alpha products employ a set of fundamental models within their quantitative investment process which incorporate country level ESG and financial risks as independent factors to help forecast longer-term moves in currencies. The group's strategies also include a discretionary component that allows the portfolio management team to incorporate ESG considerations into their discretionary decision-making.
- **Wealth Strategies** | Mesirow offers wealth management strategies aligned with ESG goals. In doing so, we seek to invest and partner with companies that exhibit positive corporate culture, focusing on companies that make the lives of their employees, their clients, and their communities better.

SUSTAINABILITY COUNCIL

As part of Mesirow's commitment to corporate responsibility and sustainability across all facets of our organization, the firm operates under the governance of the Sustainability Council, which is responsible for:

- Reviewing significant policies and performance, and providing guidance on matters relating to sustainability,
- Overseeing and monitoring Mesirow's vision and values;
- Advising on significant public issues that are pertinent to Mesirow and its stakeholders,
- Assisting in setting strategy, establishing goals and integrating sustainability into strategic and tactical business activities across the Company to create long-term shareholder value, and
- Reviewing and recommending for approval any sustainability reporting to the public or governmental agencies.

The Sustainability Council comprises senior leaders from across the firm, with varied focus and function, who bring diverse perspective on sustainability to the organization. The Council is accountable to the firm's Board of Directors, with at least one Board member acting in dual capacity as a member of the Sustainability Council to provide cohesive strategic integration and communication across the two groups.

The Sustainability Council sets and reviews goals annually.

TRANSPARENCY AND MONITORING

As signatories to the United Nations Principles for Responsible Investing (UNPRI) Mesirow is firmly committed to reporting on activities and progress towards implementing each principle. To this end, we complete the annual Transparency Report as produced by the UNPRI and make it available for all key stakeholders. With a constant desire to improve, we view this public information as vital to demonstrating our dedication and ongoing accountability in the area of ESG.

Further, we continuously strive to expand our efforts, deepen our contribution, and drive results by partnering with leading organizations that track and monitor ESG commitment. The following are a sampling of recent initiatives:

- In 2019, and again in 2020, Mesirow received a perfect score of 100 on the Human Rights Campaign Corporate Equality Index, a national benchmarking tool on corporate policies, practices and benefits pertinent to lesbian, gay, bisexual, transgender and queer employees.
- In 2020, Mesirow Institutional Real Estate Direct Investments became a signatory to GRESB, an investor-driven global ESG benchmark and reporting framework assessing the performance of real estate funds, REITs, property companies and real estate developers.

Positive impact on our communities

Through deep civic engagement in Chicago and the global communities where our clients live and work, we spark positive change. We focus on causes that are important and special in our homes, in the lives of people we serve and in the communities where we all live and work.

- **Neighborhoods:** We support vital initiatives that drive thriving neighborhoods across the areas of family services, education and financial literacy.

- **Social Justice:** We work together across our firm to advance a more peaceful and just society. Our work toward racial equality is an important part of our firm's internal culture, role in the financial services industry and effort to spark positive change.
- **Opportunity & Inclusion:** We serve persons with disabilities through work and training that help individuals grow and thrive professionally while also making deep contributions to our firm and the community.

In 1937, Norman Mesirow founded an independent financial services firm owned by employees and invested in the interconnected success of clients, communities and workplace culture.

Today, the people of Mesirow carry this vision forward.

We are Mesirow: serving our clients through a personal, more custom approach to reaching financial goals and serving as a force for social good.

We invest in what matters.

About Mesirow

Mesirow is an independent, employee-owned financial services firm founded in 1937. Headquartered in Chicago with offices around the world, we serve clients through a personal, custom approach to reaching financial goals and acting as a force for social good. With capabilities spanning Global Investment Management, Capital Markets & Investment Banking, and Advisory Services, we invest in what matters: our clients, our communities, and our culture.

To learn more, visit [mesirow.com](https://www.mesirow.com) or visit us on LinkedIn.

Mesirow was recently named one of the Best Places to Work in Chicago by the *Chicago Tribune* and one of the Top Places to Work by *Crain's Chicago Business*.

1. For more information on how our cause pillars align with the United Nations Sustainable Development Goals, please visit <https://www.un.org/sustainabledevelopment/sustainable-development-goals/>.

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