

# Active ownership policy



## General approach

- Consistent with our investment philosophy, process, and policies, Mesirow Equity Management (MEM) incorporates sustainability issues and factors into our investment decision making process and our engagement policy for our actively managed equity portfolios that are in alignment with UNPRI principles and the core values of Mesirow.
- We seek to make a positive impact on the environment and society as well as encourage incremental improvements through active engagement with companies in which we invest. We will use our access with company management teams to advocate for broadly applicable improvements, as well as company specific improvements to their sustainability profile.
- Although the entire MEM investment team is responsible for ESG research, we have designated day-to-day responsibilities to our team's Sustainable Portfolio Specialist (SPS). In conjunction with product portfolio managers, the SPS is responsible for assessment and evaluation of our adherence to our sustainable philosophy and standards. In addition, the SPS helps to ensure that each company is evaluated and accessed through our internal process. In this effort, the SPS works collaboratively with the portfolio management team to help monitor risk exposure, portfolio positioning, and transaction implementation.

## Engagement

MEM proactively communicates with management teams to build awareness of ESG factors and encourages management team to make positive incremental changes to support sustainability initiatives. These interactions occur on an ongoing basis and include ways that the company and its management can implement processes and policies to improve their sustainable profile while stressing the importance of building an infrastructure for engagement and disclosure of material sustainable risks.

Our engagement efforts are focused on both (1) broad topics and (2) company specific directives.

1. Broad topics of engagement stem from our corporate core values and align with several of the UN Sustainable Development Goals (SDG). Broadly, we advocate for:
  - Gender and racial/ethnic diversity at the board, management, and workforce levels., We believe all companies should be on a path toward diversity that generally reflects the markets and communities in which they serve. [Aligns with SDG 5 and 10]
  - Specific measurable environmental targets. These targets will vary by industry and even by company within an industry, but we believe specified targets drive action toward improved outcomes. [Aligns with SDG 11, 12, 13, 14, and 15]
  - Community involvement. We believe businesses have a positive role to play, especially in the local communities. [Aligns with SDG 1, 2, 3, 4, and 6]
  - Corporate sustainability disclosure in conformance with emerging industry standards such as SASB and TCFD along with more encompassing corporate sustainability reports (CSRs) . [Aligns with Principle 3 of the UN PRI commitment]
2. Company-specific topics emerge from research performed by our analysts during their due diligence process and vary dramatically depending on:
  - company size
  - industry
  - governance structure/practices
  - unique business footprint/model.

Analysts rely on conversations with management teams, public corporate disclosures, and third-party reports to identify potential sustainability topics for engagement.

**Method of Engagement:** Engagement is predominantly conducted through direct conversations with members of corporate management teams, though other methods can be used. Our engagements are directed at the CEO, CFO, Investor Relations, or CSR manager. We strongly favor advocacy and attempt to avoid adversarial engagements.

**Escalation Strategies:** We have no formal escalation strategy. Our analysts and portfolio managers are constantly assessing the risk/return profile of our current holdings. Unsuccessful engagements can be a component of that assessment and may in some cases lead to non-investment or disinvestment from a potential opportunity.

**Transparency:** Analysts record engagements in notes that are accessible to the investment team and can be made available to other stakeholders.

For more information about our Voting Policy, please visit [mesirow.com/responsibility/sustainability/mfm-proxy-voting-policies-and-procedures](https://mesirow.com/responsibility/sustainability/mfm-proxy-voting-policies-and-procedures)

---

## About Mesirow

Mesirow is an independent, employee-owned financial services firm founded in 1937. Headquartered in Chicago, with locations 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://mesirow.com) and follow us on LinkedIn.

---

Mesirow refers to Mesirow Financial Holdings, Inc. and its divisions, subsidiaries and affiliates. The Mesirow Financial name and logo are registered service marks of Mesirow Financial Holdings, Inc. ©2021. All rights reserved. Mesirow Equity Management ("MEM") is a division of Mesirow Financial Investment Management, Inc., ("MFIM") an SEC-registered investment manager. Effective April 1, 2016, Mesirow acquired Fiduciary Management Associates, LLC ("FMA") which is now an integral part of MEM. This communication is for institutional use only and may contain privileged and/or confidential information. It is intended solely for the use of the addressee. If this information was received in error, you are strictly prohibited from disclosing, copying, distributing or using any of this information and are requested to contact the sender immediately and destroy the material in its entirety, whether electronic or hardcopy. Nothing contained herein constitutes an offer to sell or a solicitation of an offer to buy an interest in any Mesirow investment vehicle. The information contained herein has been obtained from sources believed to be reliable, but is not necessarily complete and its accuracy cannot be guaranteed. Any opinions expressed are subject to change without notice. It should not be assumed that any recommendations incorporated herein will be profitable or will equal past performance. Model, theoretical or hypothetical performance information and results do not reflect actual trading or asset or fund advisory management and the results may not reflect the impact that material economic and market factors may have had, and can reflect the benefit of hindsight, on MEM's decision-making if MEM were actually managing client's money. Any chart, graph, or formula should not be used by itself to make any trading or investment decision. Mesirow Financial Investment Management, Inc. and its affiliated companies and/or individuals may, from time to time, own, have long or short positions in, or options on, or act as a market maker in, any securities discussed herein and may also perform financial advisory or investment banking services for those companies. Mesirow does not provide tax or legal advice. Securities offered through Mesirow Financial, Inc. member FINRA, SIPC.