

## Engagement Policy

### Introduction

Engagement is an integral part of CenterSquare’s investment process as active owners. Engagement provides the opportunity to share our philosophy, our corporate governance values, and importantly, affect positive change with companies. Additionally, it augments our research and provides insight into strategy, competitive positioning, and how companies address and manage risks and opportunities, including material environmental, social and governance (ESG) issues.

### Methods of Engagement

Engagements are often with senior executives, including the CEO and CFO. We also engage with directors, generally either to share our perspective on specific issues, or to escalate specific concerns after we have engaged with management. Discussions may be held in face-to-face meetings, on conference calls and/or through written correspondence. CenterSquare conducts engagements privately, rather than engaging in broader public engagements, as we believe these tend to yield more productive conversations and outcomes. We may also collaborate externally with other fund managers when we believe it can be beneficial to address specific issues collectively.

### Engagement Process

ESG considerations are an underlying influence on all our engagement efforts. ESG risks and opportunities are assessed on a company-by-company basis and the degree of focus will vary depending upon the materiality of the ESG issue. The underlying ESG issues and the materiality of their likely impact may be different for each sector/industry. CenterSquare’s proprietary ESG scores reflect this and are generated through a combination of 10 factors related to environmental, social, and governance stewardship as outlined in our [ESG Policy](#), which aligns our assessments with the UN Sustainable Development Goals (SDGs). These scores are monitored and updated at least quarterly, if not more frequently as new information becomes available for analysts through various sources such as, but not limited to, company disclosures, news sources, industry conferences, property tours, management team meetings, and third-party data sources.

Our ESG scores identify companies demonstrating best-in-class practices as well as those demonstrating a need for improvement, which provides the framework for our engagement with companies. CenterSquare maintains engagement with all companies within our investment universe but prioritizes engagements based on, but not limited to, the following factors:

- The largest holdings within our portfolios as they would pose the biggest risk to portfolio performance
- Companies in the lowest ranks of our proprietary ESG scores where we believe we can affect positive change to best mitigate risks
- Companies in the highest ranks of our proprietary ESG scores to raise the bar of industry standards
- Specific issues considered to be a priority for clients



Once we decide to engage with a company, we determine objectives for the engagement based on the reason for engagement (i.e. addressing specific ESG issue such as board diversity or assessment of environmental risks associated with acquisitions). All our engagements, and any additional follow-ups, are tracked through Salesforce. Our engagement tracking process allows us to measure and report on our insights associated with success at affecting positive change within the companies. ESG engagement reporting can be made available on a quarterly basis or upon client request.

## **Escalation**

Engagements are typically led by the analyst responsible for coverage for the specific company. While we believe our engagements are generally productive, if the analyst's ESG engagement efforts are not successful, the engagement is passed on to the Global ESG Coordinator or the appropriate Portfolio Manager. If this is not successful, where appropriate, CenterSquare could choose to escalate further by reducing portfolio weightings in the company in question, complete divestment of the stock, or leveraging our proxy votes.

## **Non-public Material Information**

In certain instances, a conflict of interest may arise when CenterSquare engagement leads to inadvertently receiving non-public material information. In situations where CenterSquare perceives a material conflict of the interest, the conflict is reported to the Chief Compliance Officer. It is expected that CenterSquare will abstain from making trading decisions based upon this information.