

Policy & Context Disclosure

April 2026

**Federated
Hermes** 
EOS

www.hermes-investment.com
For professional investors only

Section A

Describe your organisation and the services it provides.

EOS at Federated Hermes Limited (“EOS”) is a leading stewardship service provider with a purpose to promote the long-term performance and fiduciary interests of its global institutional investor clients, who are largely comprised of large asset owners such as pension funds, foundations and sovereign wealth funds. Our engagement activities enable investors to be more active owners of their assets, through dialogue with companies on long term financially material issues. Our services were created specifically to meet the needs of investors that have a strong commitment to stewardship, consistent with our vision to contribute to a more enduring form of capitalism.

EOS works on behalf of long-term global investors who entrust us with the stewardship of assets approximately £1.8tn / €2.0tn / \$2.4tn (as at 31 December 2025) invested in over 25,000 listed equity, corporate debt and money market holdings worldwide, working in support of shared goals.

Our team, which we outline in more detail under Section B, has been strategically built to implement this vision and deeply embed these behaviours into our culture. We use a constructive, objectives-driven, financially connected and continuous dialogue, developing engagement strategies specific to each company based on its individual circumstances. Our understanding is also informed by a range of research and our deep knowledge across themes, sectors and regions. We are committed to delivering outcomes that enrich investors, the economy, society and the environment over the long term.

Our origins, culture and values

EOS is wholly-owned by Federated Hermes Limited (FHL), which is itself wholly-owned by Federated Hermes, Inc. Leon Kamhi, Chair of EOS and Head of Responsibility for FHL, is responsible for the leadership of EOS, reporting into the CEO of FHL. Our report aims to highlight the extent of our contribution to clients fulfilling their duties under the Stewardship Code. The reporting submission by FHL, where we are referenced, complements this.

The business that is now known as FHL was set up to manage the pension funds of BT and the Post Office in September 1983 and engagement with companies has always been an important part of what we do.

In 1996, prior to the creation of EOS, FHL set up a dedicated corporate governance team to engage with companies and advise on all aspects of corporate engagement including on relevant governance, environmental and social issues, policy development, research and analysis, voting and engagement. EOS was established in 2004 in response to requests from pension funds that wanted to be more active owners of the companies in which they were invested. These origins, along with our partnerships with some of the world's leading institutions, have provided us with deep-rooted values for the proper

stewardship of assets to represent the long-term interests of ultimate beneficiaries, driving our purpose and strategy. This insight into the long-term needs of pension fund clients means that a culture of fiduciary responsibility is embedded at the heart of our organisation.

Following Federated Investors' acquisition of a 60% stake in Hermes Fund Managers Limited in 2018, the two firms rebranded to “Federated Hermes” in 2020 (with the entity names changing to Federated Hermes, Inc. and Federated Hermes Limited, respectively), strengthening our position as a global leader in active, responsible investment.¹ Since the acquisition, we have been united by a shared commitment to client-centric responsible investment and long-term business growth.

Creation of three platforms

The business has created three distinct platforms to facilitate the expansion of the private market offering and to drive responsible investing and ownership. These are:

- The Public Markets platform – incorporating FHL's Equities and Fixed Income & Multi Asset products and solutions.
- The Private Markets platform – incorporating Private Equity, Private Debt, Real Estate and Infrastructure.
- The Responsibility platform – which includes EOS at Federated Hermes Limited, plus FHL's advocacy team, research, ESG integration and some client advisory activities.

These are supported by all the existing functions necessary to deliver a great client experience – Audit, the Client Group, Compliance, Corporate Communications, Facilities, Finance, HR, Legal, Marketing, Product, Risk, Sales, Sales Support, Tax and Technology.

Our strategy in 2026 is to continue to grow our business substantially outside of the US, utilising our full range of solutions whether managed out of the US or the UK, and to deepen our relationship with large institutional investors, notably the Sovereign Wealth Funds by forming partnerships with them based on our leadership in the stewardship and sustainability field, which is key to them and where we have deep, long-standing experience.

Purpose and strategy

Effective stewardship is a hugely important activity for institutional investors to create enduring, wealth, responsibly for clients and their investors. Our engagement is therefore focused on ensuring that companies are responsibly governed and well managed to deliver enduring, long-term value responsibly, as well as improving the lives of employees, promoting diversity and supporting communities.

Companies should do this while contributing to wider society by paying taxes and safeguarding the environment and health.

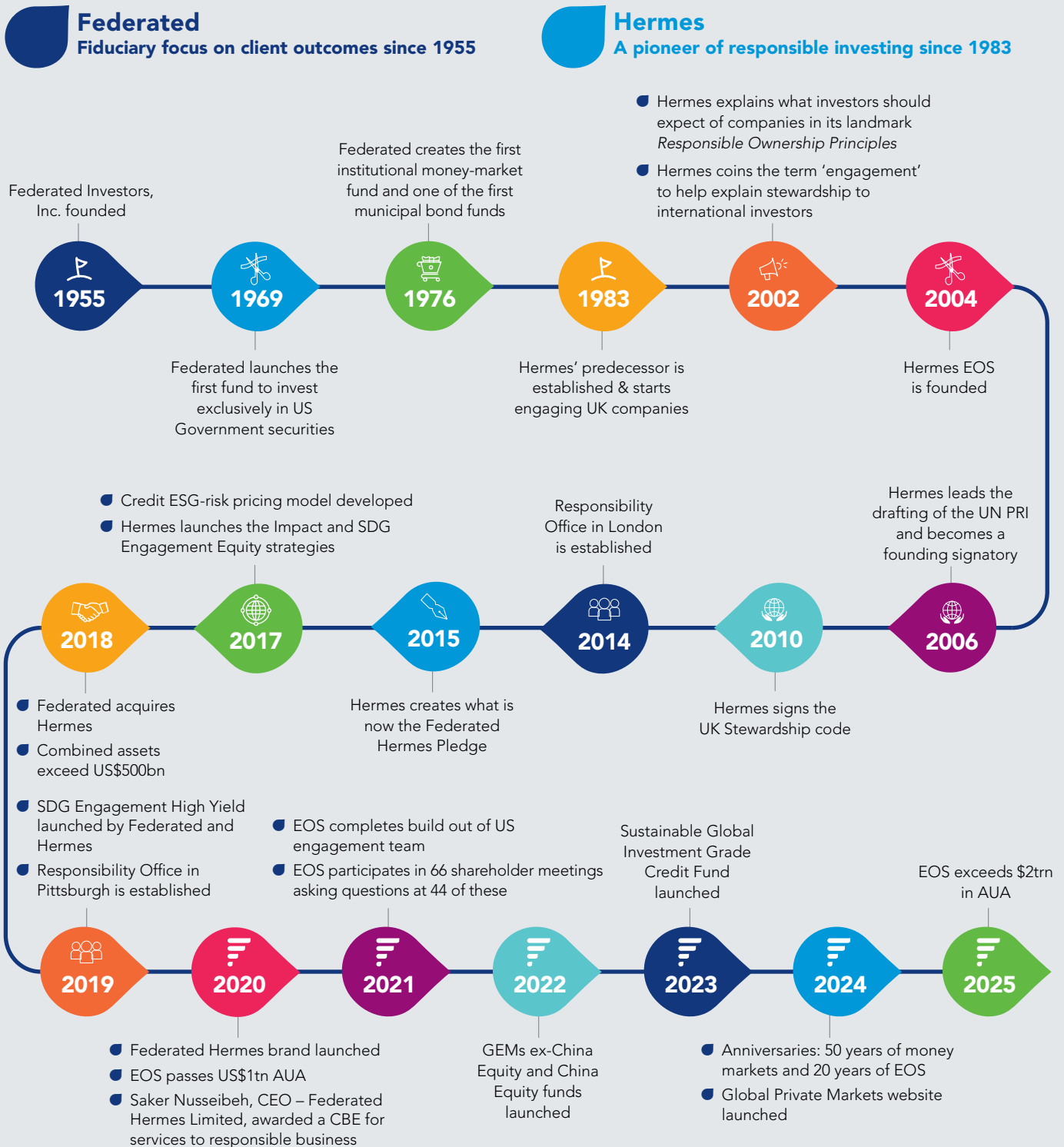
¹ FHL has been a wholly owned subsidiary of Federated Hermes, Inc (“FHI”) since 1 September 2021.

When material and relevant, these factors will drive improved financial performance by companies to the benefit of investors.

At a time of great change, both technological and geopolitical, it is important for our stewardship team to engage with companies to help them navigate the best pathway to create enduring wealth, responsibly. This is particularly important in the face of

concerns about the integration of sustainability-related issues into corporate and investment strategies. Having long pioneered a responsible investment and ownership approach, we have demonstrated the value of engaging with companies on their strategy, including material sustainability-related topics, to release value for shareholders and stakeholders alike and create wealth responsibly over the long term.

Figure 2. Our history as a leading responsible investor has been decades in the making



Source: Federated Hermes, as at February 2026.

The Federated Hermes Pledge, first established by Federated Hermes Limited in 2015 and adopted by Federated Hermes, Inc. in 2018, compels us to put clients' interests first and to act responsibly. It is a clear expression of our values. The Pledge is as follows:

I pledge to fulfil, to the best of my ability and judgement and in accordance with my role, this covenant:

- I will act ethically, responsibly and with integrity.
- I will put the interests of our clients first, consistent with our fiduciary responsibilities.
- I will encourage responsible behaviour in the firms in which we invest and on which we engage.
- I will act with consideration for our community and the environment both now and in the future. I will encourage others to do the same.
- I will work with industry colleagues and other key stakeholders to develop and improve our industry's contribution to society.
- I will treat my clients, my colleagues and all other stakeholders with dignity and respect and as I would wish to be treated.
- I will deal with our regulators in an open, co-operative and timely way.
- I will communicate clearly and honestly with all parties inside and outside our firm.
- I will manage conflicts of interest fairly between all parties

Our fiduciary heritage and expertise in responsible investment ensure that our clients' interests come first. Under Section B, we outline our detailed recruitment process, which helps to ensure that we continually evolve our team with members that are aligned with our culture.

Our business model

We work on behalf of long-term global investors such as large asset owners, who entrust us with the stewardship of their assets invested in over 25,000 companies worldwide, working in support of shared goals. Any collaboration among our clients is done in line with applicable rules on antitrust, conflicts of interest and acting in concert. Indeed, each party will exercise unilateral decision-making principles in deciding how to act while engaging in any collaboration.

EOS engagement strategy

Our stewardship is focused on providing improved long-term risk-adjusted financial returns on investment and better, more enduring outcomes for society and the environment.

Our engagement is focused on the themes of most importance to our clients. We undertake a formal consultation process with clients to create a comprehensive forward-

looking [Engagement Plan](#). This is updated on an annual basis and acts as a guide for our engagement activity. We also overlay the work with connecting sustainability themes with how they meaningfully interact with financial statements to ensure robust financial relevance to our engagement approach. The Plan summarises the long-term outcomes that we seek to achieve on behalf of our clients and covers a three-year period, as we plan our engagement objectives according to this timescale.

The Plan is based on clients' long-term objectives, and we consult with clients systematically, through regular dialogue and annual surveys, to ensure that we are covering the topics of most importance to them. Our clients provide their views at our twice-yearly client meetings. These have a recurring agenda slot where our thoughts for changes to, and progress on, the Plan are shared with an open floor.

Any collaboration among our clients is done in line with applicable rules and regulations on antitrust, conflicts of interest and acting in concert.

Each party will exercise unilateral decision-making principles in deciding how to act while engaging in any collaboration.

We aim to strategically engage on the most financially material risks and opportunities. We select approximately 300 companies for our Engagement Plan to focus our proactive engagement efforts by screening our clients' aggregate holdings.

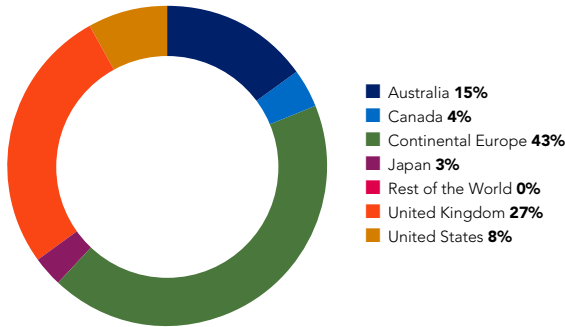
We look at the holding size, the materiality of risks/issues we identify through our screening, and the feasibility of engagement. This may be in response to a client request, on voting or ad hoc issues, or for companies violating, or at risk of violating, international norms, as identified by our screening tool. We also cover this in more detail under Section B.

Our client base

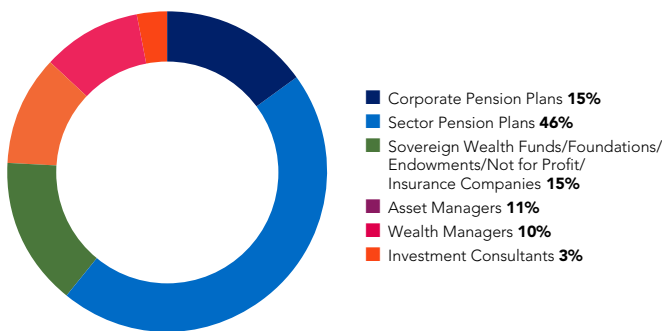
EOS represents a large client base of institutional investors around the world, advising on their assets of over US\$2.3tn (as at 31 December 2025), comprised of equity, debt and money market holdings. Established formally in 2004, we have a long track record of working with a variety of client types in 14 different countries, including: Australia, Belgium, Canada, Denmark, Germany, Ireland, Japan, Luxembourg, the Netherlands, Spain, Sweden, Switzerland, the United Kingdom and the United States, who have a range of underlying stakeholders and beneficiaries. A large portion of our client base is made up of asset owners (pension funds, foundations, sovereign wealth funds) and the rest comprises non-asset owner clients, including investment consultants, asset, wealth and fiduciary managers.

Client base breakdown

Regional breakdown



Client type breakdown



Source: EOS, as at 31 December 2025.

We place an emphasis on understanding our client profiles and ensuring that we onboard like-minded clients with long term investment horizons. As a result, we have a strong understanding of the regional nuances and requirements of our client base, and the ability to adapt our service to cater to these needs.

Our services

Engagement with companies is at the heart of what we do. We offer an integrated approach to stewardship that also includes providing implementation of clients’ voting policies, portfolio screening, public policy and market best practice work and advisory services, as we believe effective stewardship is supported by a combination of these tools to achieve positive change and risk management.



Ensuring that our strategy and culture enable us to promote effective stewardship

Our engagement strategy and culture promoting effective stewardship as a service provider are actioned primarily through our Engagement Plan. This is formulated through consultation with clients – exemplifying the Federated Hermes Pledge that compels us to put clients’ interests first. We consult clients about their priorities and the most material issues on which we should engage with companies. The Plan helps us to stay on track and ensures our efforts are focused where they can have the most impact.

We have developed a number of tools to track our engagement and progress at companies, including our four-stage milestone system, which we cover in detail under Principle 1. Our robust management of conflicts of interest, explained in detail under Section D, is another example of actions that we have taken in the form of processes that support our engagement strategy and culture and enable us to take effective stewardship action.

In an industry where greater focus and awareness at the asset owner and beneficiary level has prompted a push for more transparency around engagements, clients of EOS are able to use the Plan to demonstrate that the engagement we carry out on their behalf is with companies and on themes that have been chosen in a systematic way. This is paramount in demonstrating how we contribute to asset managers and asset owners fulfilling their duties under the Code.

Our long-established heritage gives us enhanced credibility to develop trusted relationships with companies, and many of our relationships have been developed over several years. We combine this with our work in building a diverse team with a wealth of experience and skillsets, outlined in detail under Section B.

We have put our engagement service at the heart of our stewardship service as we believe we can best promote stewardship by tying our engagement insights into our entire service offering to achieve positive change. When speaking with prospective clients, understanding that this is fundamental to our strategy is central to allowing them to select us as a service provider with aligned long-term approaches.



Section B

Describe how your governance and resources enable delivery of those services.

How our governance structures and processes have enabled oversight and accountability for promoting effective stewardship

EOS is the stewardship service provided by Hermes Equity Ownership Services Limited, a company wholly owned by FHL. Its activities and direction are overseen by a board of directors, comprising members of FHL's senior management team (SMT) and a member of FHL's executive committee. Day-to-day operations are directed by the Head of Responsibility as chair of EOS and managed by the Head of Stewardship with directors of the Client and Business Development Team, Operational Management and Legal team. EOS also has a Client Advisory Board (CAB), which contains client representatives who provide insight, advice and guidance on our business strategy and service offering to ensure that the EOS service is, and remains, a client-focused offering.

EOS is represented on the FHL Sustainability Regulations and Stewardship Oversight Committee (SRSOC), which is accountable to, and reports to, the FHL CEO. This is a formal oversight committee responsible for overseeing the formulation and delivery of the Federated Hermes engagement and voting policy for all equity funds, as well as the services provided by EOS. The members include the Head of Responsibility (chair), Senior Public and Private Markets Investment Representatives, and representatives from each of our Risk, Compliance and Legal teams.

Day-to-day operations

Day-to-day operations are managed by the EOS leadership team. This consists of the following senior members of the EOS team: FHL's Head of Responsibility & EOS, the Head of Stewardship, the Global Head of Institutional Clients, the Head of EOS Client Service and Business Development, the

Director of Business Management, FHL's Managing Legal Counsel and the regional team leads for stewardship in each of North America, Europe, and Asia and Emerging Markets.

The leadership team considers engagement quality, continuity and coverage in the interests of clients. Our engagers also hold engagement clinics with senior colleagues to confirm that our engagement is focused on the right objectives and issues, and to review the proposed approach to engagement. In addition to these engagement clinics, an annual review of objectives takes place.

Client-integrated governance

EOS hosts client-only meetings approximately twice a year where we put together a packed agenda to increase knowledge and best practice thinking about stewardship, with opportunities for Q&As, feedback, new insight, workshops or networking. Our thoughts for changes to our Engagement Plan, as well as updates on progress are shared so that clients, who have their own experience in different markets, can feed into the direction of our engagement.

We also have client representatives who act as a voice for the wider client base via the Client Advisory Board. They provide guidance on matters such as our coverage of sectors, themes and markets and our engagement approach. We have also established a formal feedback loop for clients, which ties all our structures and processes together, to ensure we remain a client-driven stewardship service provider. The efficiency of our governance structure is reflected in the outcomes we deliver for clients, which are evidenced in our reporting.

Ensuring quality and accuracy for effective stewardship

Quality engagement through trusted relationships at the most senior levels

A lot of our engagements are longer-term efforts, and we carry out a continuous dialogue with companies. Our engagement team conducts thorough research and assessment into each company to ensure that the nature of our engagement is accurate, allowing us to build quality, trusting and constructive relationships with these companies on our clients' behalf.

Our heritage, described in detail under Section A, also supports the quality of our services. The depth and breadth of our resource reflects our philosophy that stewardship activities require an integrated and skilled approach. The clients' voting policies, in particular, are implemented following extensive research and input from our research partners.



Effective engagement that delivers value demands a specific skillset that goes far beyond written activity or interaction with lower-level company representatives. Change is brought about by access at board and executive level gained by engagement professionals who have industry or professional experience, gravitas, and the specialist skills to interact effectively with senior decision-makers. Academic evidence shows that to create the most change, engagement needs to be focused on board-level and executive staff.² The study found that meetings with board chairs are particularly important for effective governance engagements, and that each in person meeting increases the likelihood of making progress by around 5%. As a result, our engagement with companies typically involves a number of face-to-face meetings with board members, primarily the chair, lead independent director and chairs of board committees, as well as executives.

This approach to promote effective stewardship is also supported by literature on stewardship suggesting that engagement is most effective if it occurs at the right level and with the appropriate resources. Using EOS' engagement data, academics have found that companies with low sustainability ratings tend to improve their scores following engagement.³ Conversely, companies that begin with higher sustainability ratings often see their scores decrease, as engagement uncovers previously unreported sustainability risks. The research also shows that, after a successful engagement, companies experience higher sales growth on average, and their buy and hold stock returns remain positive for up to 12 months after an engagement concludes.

Resourcing our stewardship service

Our organisation and team

EOS has one of the largest stewardship resources of any fund manager in the world. We can draw on additional resource from FHL's Responsibility Office and others within the firm; some of whom have direct engagement experience having previously worked within EOS. There are also dedicated engagement professionals within some investment strategy teams that further add to the firm's stewardship resourcing. There are policies, processes and controls in place to ensure the management of conflicts of interest.

We believe the recruitment and selection of the right people is central to the company's continued success, as they are our most important asset. At the heart of our organisation is an effective recruitment and selection process that helps to ensure that we employ people who can add value to the company and who will fit in well with the culture of the business and existing team members. Our human resources division, as well as all departments across the wider business, work to the following defined set of key values, which guide the entire recruitment process:

- Recruitment is driven by business need;
- Selection decisions are made on merit;
- Recruitment processes are rigorous and fair;

- All recruitment is based upon a job description and person specification; and
- All recruitment processes, including advertising and testing, must comply with our equal opportunities policy.

Our team's seniority, experience, qualifications, training and diversity

The EOS team has strong gender diversity (61% female / 39% male for permanent staff as at 31 December 2025) and draws on a wide range of skills and backgrounds.

EOS undertakes a skills gap analysis of the wider team with reference to the thematic and sectoral issues that we cover, to ensure we have the right mix of professionals who can represent EOS and our clients' views in our engagement with companies. We have intentionally built a diverse team of experienced and international professionals who have the expertise, language skills and cultural knowledge to deliver real beneficial change at companies. Our engagement team draws on a number of skillsets, with our senior engagers coming from a range of backgrounds including, but not limited to:



Our ability to engage with company representatives in the local language, and an understanding of local culture and business practice, are critical to the success of our engagement work. Within our team we have nationals from approximately 20 countries, and fluency in a similar number of languages. The team's skills, experience, languages, connections and cultural understanding equip them with the gravitas and credibility to access and maintain constructive relationships with company boards. Intervention at senior management and board director level should be carried out by individuals with the right skills, experience and credibility.

Our engagement professionals are divided into designated teams covering themes, sectors and regions. This ensures we have experts who can educate the wider team on developments and best practice in their respective areas. Each engager is responsible for engagement, voting policy implementation and company analysis including on sustainability, focusing on the combination of regions, sectors and themes to which they have been appointed.

² Talk is not cheap – The role of interpersonal communication as a success factor of engagements on ESG matters (September 2017)

³ (Barko et al., "Shareholder Engagement on Environmental, Social, and Governance Performance" (2021)



Our team is based in the UK and the US. Broadly, the London-based staff cover engagements in Europe, Asia and emerging markets and our Pittsburgh-based staff cover engagements in North America. Our professionals occasionally travel to undertake engagements in person, when warranted, at company headquarters and at sites, as we believe face-to-face engagement provides unique insight and is most effective. We also have several senior advisers who provide us with additional resource and expertise to complement our work in some local markets.

Within the EOS team, we have delivered a training programme of educational sessions, some of which were also offered to the wider FHL/FHI teams. These sessions are offered with the intention of sharing knowledge across different sectors and themes to facilitate a cross-pollination of expertise. Examples of this include sessions on physical climate change risk, and nature and biodiversity. The training also provides exposure to areas of the business that the team would not necessarily have otherwise.

Occasionally, we also invite external members from the wider business to join us. This provides a variety of opinions on a range of topics with participants drawing on knowledge from different touchpoints across stewardship and investment. The training that we deliver can be grouped into these segments:

- 1. Induction** – these training modules introduce members of the EOS team, either recent joiners or longer-tenured employees, to activities undertaken by different departments within EOS. These include areas such as client relationship management, communications and marketing, the Engagement Plan and Programme, the engagement process and research.
- 2. Sectoral** – members of the EOS team offer educational sessions covering different sectors, including banks, energy and pharmaceuticals. EOS hosts sessions that cover approximately 15 different industry working groups

consisting of investment professionals and engagers, in which the format is to discuss two companies from a fundamental and an engagement perspective.

- 3. Thematic webinars** – we host thematic webinars exclusively for the EOS team. These covered topics such as biodiversity, digital rights/AI and the supply chain.
- 4. Deep-dive thematic** – EOS team members delved into detail on climate change, covering areas such as the just transition, physical risk and carbon credits.

Diversity and inclusion across the wider firm

As outlined above, all our employees are in some way responsible for implementing our stewardship approach. Our firm-wide diversity and inclusion (D&I) approach is therefore of relevance to the diversity of those involved in our stewardship activities. We have a long-standing commitment to increasing diversity and inclusion in our business and acknowledge that we need to make further progress. We aim to foster and promote a culture of inclusion which celebrates all forms of diversity. We aim to appeal to, and retain, a diverse workforce. We encourage innovation and creativity, with a view to helping our employees maximise their potential.

In 2025, the SMT continued to focus on the D&I Strategy's six core objectives (see below), led by the D&I Office with the support of the Community for All employee resource groups. We maintained our mission to foster and promote a culture of inclusion which celebrates all forms of diversity. We aim to appeal to, and retain, a diverse workforce. Our D&I Strategy's core objectives are:

- Employee Engagement Project
- Mental Wellness Project
- Baseline Demographic Project
- External Charters Project
- Disability Project
- Menopause Project Team

In support of promoting an inclusive environment we launched several initiatives, in addition to other previously established programmes and initiatives. In 2025, these included:

- In support of promoting an inclusive environment, held cultural and heritage celebrations such as celebrating World Day of Culture, Lunar New Year, Rosh Hashanah, South Asian Heritage Month, and Ramadan Iftar, alongside awareness campaigns for LGBTQ+ History Month, launched our first PRIDE newsletter, celebrated Black History Month, and International Women and Men's Day. Our Families & Returners Network launched a Family Summer newsletter and ran a financial literacy session for families.
- The "Did You Know" series was launched addressing women and men's health, menopause and andropause, metabolic health, diabetes, and environmental toxins, and hosted impactful events such as Disability in the Workplace, fireside chats for the International Day of Persons with Disabilities and World Autism Month and introduced its first peer support group for autism

awareness. These initiatives reflect a holistic approach to fostering belonging and driving meaningful conversations on health, disability, and inclusion.

- We provided employee support in specific areas such as financial wellbeing sessions; pension talks for younger employees and ran a Workplace Adjustment Policy Lunch & Learn session.

We have continued to collaborate with specialist organisations – including, 10,000 Black Interns, GAIN, and Change 100 – to provide internship opportunities for individuals from underrepresented communities. In the summer of 2025, we launched our intern programme for university undergraduates to gain work experience and exposure of the industry, with a long-term view of building up an early career talent pipeline. Twenty colleagues participated as mentors in Envision, an external mentoring program of structured activity for students aged 14-18 who are often under-represented in the world of work to develop the essential skills and confidence they need to succeed.

Throughout our organisation, leaders see the value of D&I as a driver for growth and innovation. As a result, leaders promote an inclusive and performance-led culture that supports the FHL vision statement and mirrors the FHL Pledge and the Behaviour Framework. Leaders act as the champion of change within the organisation and actively sponsor the firm's D&I-related commitments.

We are committed to having the best talent. This means attracting, developing, and retaining individuals from all backgrounds. We continued to run the following Initiatives in 2025: quarterly Introduction to Culture workshops for all new employees, providing secondment opportunities, promoting internal and external mentoring schemes.

EOS also has a "Women @ EOS & RO" group, an informal but well-attended collaborative space for women to support each other on issues relating to women inside and outside the workplace.

We continue to commit to voluntary UK charters and pledges including the Women in Finance Charter (WIFC); Menopause Workplace Pledge and Accreditation; and being a Disability Confident Level 2 employer.

We remain fully committed to supporting the Women in Finance Charter and its objective of attaining gender balance across all levels of financial services.

In the past year, we have seen a slight decrease in the proportion of women at both firm-wide and senior management levels: Firm-wide female representation is now 44% (down from 45% in 2025), senior management female representation is now 31% (down from 34%). Board-level female representation remains steady at 40%, maintaining the progress achieved in 2023.

Looking forward, we are working to the following updated goals by 30 June 2030:

- Increase our senior management female representation to within a 40-50% range
- Increase or maintain our board female representation within a 40-50% range
- Increase or maintain our overall firm-wide female representation within a 40-50% range

We feel that these new goals better align with the market and societal conditions in which we operate and the flows of talent into and across our industry. We continue to work with our external partnerships to address these shared challenges and opportunities.

It is also important to note that EOS seeks to amplify its impact by engaging with companies on talent management and development. Engagement objectives at companies include ensuring board diversity⁴ and effective oversight of talent practices among employees, supply chains, and products and services. Our internal experience provides insight into engagement, and engagement with companies provides insight into best practices that we seek to infuse into our company.

Systems and technology

We rely on ISS to provide research on all companies for which EOS provides its voting service. EOS leverages and builds on ISS research and infrastructure (including the ISS ProxyExchange platform) and seeks to add value primarily by selectively escalating the most important or difficult voting decisions (based on the materiality of holdings and the nature of the issues under consideration), engaging with companies and operating voting policies and approaches that more closely align to our clients' views than ISS's benchmark policy.

Salesforce software is tailored and used by our team of engagement professionals to log our engagement activities. These entries are then fed into a proprietary online platform for our clients to reference live via the user interface and are given the facility to generate bespoke reports based on their portfolios.

We receive controversial company screening data from Sustainalytics, and a host of other external data providers such as Bloomberg and FactSet keep our data pool healthy and up-to-date, and our engagers well informed ahead of their corporate or public policy engagements.

Alongside Co-Pilot which is embedded into the MS software suite and used by many for a range of general tasks are a growing number of proprietary AI tools built specifically to aid engager tasks. The team's ethos is to collaborate, so the extent to which AI will be a part of all our daily duties will inevitably grow and evolve over time.

⁴ All engagement on board diversity is subject to careful consideration to ensure that it is aligned to client objectives and directions, as well as fiduciary obligations and jurisdictional legal requirements, in particular for US issuers and US clients.

Section C

Describe your stewardship policies and processes and how you review them.

Our policies and procedures, and the review process

Our **Engagement Plan** acts as our key policy for engagement and is forward-looking for the next three years. It is updated on an annual basis using a structured horizon-scanning exercise outlined under Principle 4, which includes: extensive formal and informal feedback from our clients; an external scan of industry issues; and internal input from our annual Engagement Plan survey. This ensures that we consider fresh perspectives and continue to identify the key themes to address in our engagement that cover our clients' priority areas and support their effective stewardship.

Throughout the year we also hold engagement clinics for individual companies to review engagement strategy, objectives, milestone progress and next steps, which we outlined in Principle 1.

Our Global Voting Guidelines act as a policy which is adopted by our proxy-voting clients. Our Guidelines are informed by a hierarchy of external and internally developed global and regional best practice guidelines. Our regional vote policies and corporate governance principles can be found on our [website](#), setting out our fundamental expectations of the companies in which our clients invest. We also have specific country-level engagement and voting priorities.

The **EOS Voting Guidelines** are developed through an annual process, which runs in conjunction with the policy review process at ISS informing its benchmark research. EOS looks at feedback from clients, the evolving best practice in each market, and the changes made at ISS in view of the resolution-level data for past voting seasons, to consider what additional changes are warranted. Further input is provided by our Engagement Plan, which identifies the thematic priorities for engagement. These can often be boosted by enhanced vigilance, and potentially escalated through our voting policy implementation.

EOS completes its major policy changes before the main voting season in each market and provides two choices for clients. Once the changes are applied, the policies are monitored to ensure that they are having the desired effect and adjusted further where appropriate. Our Global Voting Guidelines are approved annually by the Sustainability and Regulatory Oversight Committee. The regional Corporate Governance Principles are noted by the Sustainability and Regulatory Oversight Committee (SRSOC). You can read more about some of the recent revisions to our global voting guidelines under Principle 4 of our Activities & Outcomes Report.

Assurance in relation to activities that support our clients' stewardship

Assurance of engagement and overall service

To maintain the quality of our engagements we have established a quality-assurance programme. Day-to-day operations and quality assurance are managed by the EOS leadership team, as outlined earlier in this report. There are also director-led engagement clinics to confirm that our engagement is focused on the right objectives and issues, and to review the proposed approach to engagement. An annual review of objectives also takes place.

Our client-only meetings, which are held approximately twice a year, include a session on our thoughts for changes to our Engagement Plan, as well as updates on our progress so that clients can feed into the direction of our engagement. This is in addition to the annual surveys on the Engagement Plan and client service. We also conduct client relationship reviews and have client representatives, who act as a voice for the wider client base, providing further assurance that our activities support our clients' effective stewardship. Any collaboration is done in line with applicable rules on antitrust, conflicts of interest and acting in concert, and all of these actions are understood to deliver enduring, responsible value for our clients. Furthermore, each party will exercise unilateral decision-making principles in deciding how to act while engaging in any collaboration.

Assurance of our voting policy implementation process

In addition to escalation, client feedback and post-season reviews, other measures are in place to support the quality of voting policy implementation. These include an end-of-day review and daily prioritisation to tackle timely escalation and any corrections before distribution to clients. Our internal audit team performs checks on a regular basis to ensure that voting policy implementation is provided on a timely basis and that operational controls are effective.

In terms of our partnership with ISS, we review its timeliness, platform availability and other key indicators against our Service Level Agreement. EOS personnel liaise with ISS on a regular basis, informally and formally, to conduct oversight, including a service review each year.

External audit assurance on our integration and stewardship activities

Our external assurance providers now assess us on a rolling two-year basis. We will refer to their latest limited assurance engagement on the information disclosed as part of the sustainability reporting of FHL in the period from end of June 2023 to July 2024 (inclusive). The limited assurance engagement in phase one related to our EOS Voting, EOS

Public Policy and FHL Real Estate. FHL Public Equities, FHL Public Credit, FHL Infrastructure and EOS Engagement will comprise phase two and will be issued in 2026.

The latest assurer's report will be made available on our [Policy & Disclosures page](#) of our website.

Risk and compliance

The Federated Hermes Risk and Compliance departments, together with senior management, continue to augment and embed our firm's compliance framework, which includes:

- Managing any potential conflicts of interest.
- Monitoring of regulatory and client-specific guidelines by using the appropriate systems.
- Ensuring that the risks associated with new products, instruments and markets/locations are adequately considered.
- Staff inductions and regulatory training, including Know Your Customer, Anti-Money Laundering, and Anti-Bribery and Corruption training.

Ensuring our reporting is fair, balanced and understandable

Clients present their views and feedback on the provision of our services through one of our many client touchpoints, which are considered by our internal reporting group. The group meets periodically to evolve reporting according to relevant criteria.

An important aspect of our service involves supporting clients' communications with stakeholders to ensure that their trustees, beneficiaries and others have a clear idea of the intention, direction and impact of our clients' stewardship activity. Based on client feedback, we have increased the volume of the materials that we produce that can be used publicly, as we understand the pressure on investors to be transparent.

We also have a review process established for producing case studies, a key element of our reporting. Senior engagers or regional team leads review these case studies and, once they are happy, we send our drafts to the companies for a fact-check. This verifies the engagement impact we have described and adds credibility to the stewardship outcomes that we are achieving on behalf of our clients. Our governance structures and processes described under Section B also consider the quality of our reporting as part of their purpose.

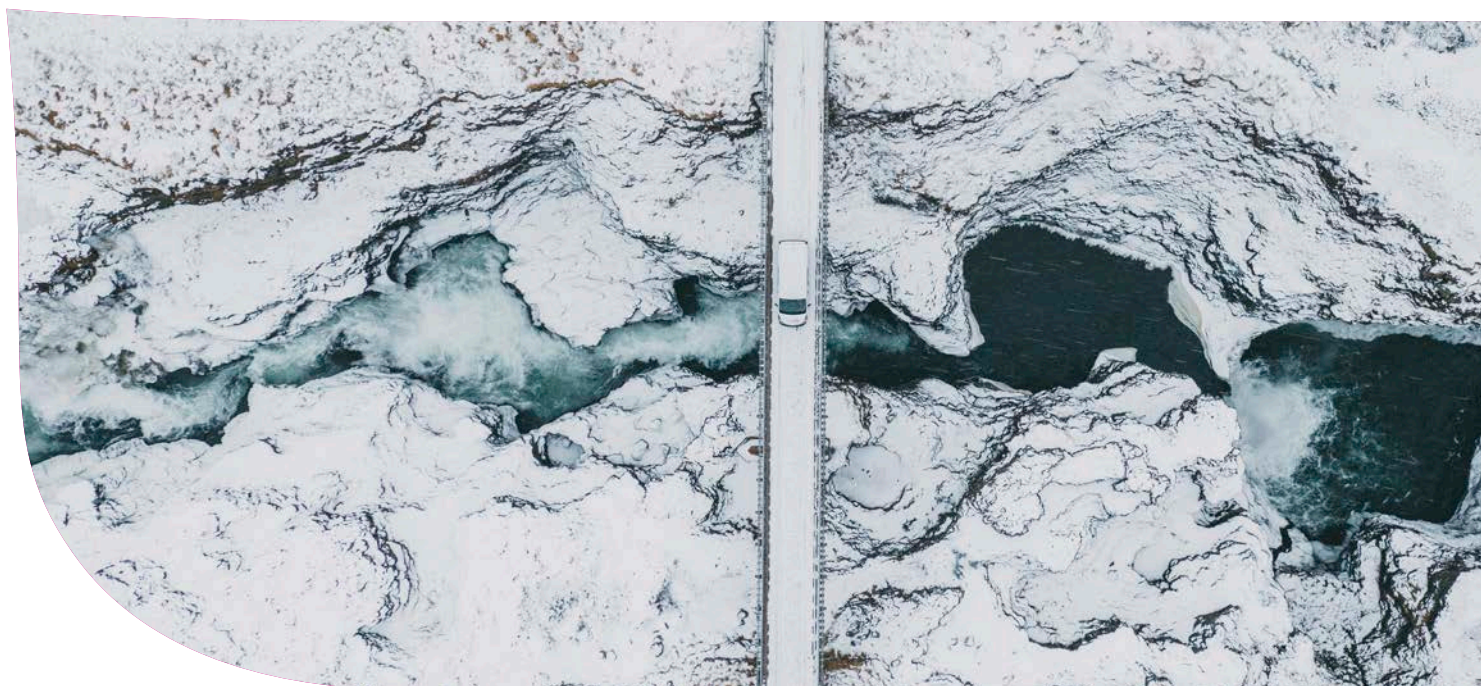
Using feedback for continuous improvement

Changes to our client portal

We have redeveloped our client portal to enhance the search functionality and user experience, also introducing the ability for clients to generate bespoke reporting based on the themes of their choice.

We have also recently included Principle Adverse Impacts (PAI) indicators (currently required as disclosures in SFDR regulation) linked to our engagement work with the purpose of allowing clients to easily filter engagements according to the mandatory or voluntary indicators they need to report against. This helps clients understand how smoothly an engagement is progressing or whether our dialogue with a company has in fact stalled.

We have also introduced other features including momentum indicators and more information around discontinued engagements, with more updates in the pipeline based on client feedback. Developments are pursued after consideration of widest client benefit.



Section D

Describe how you manage conflicts of interest to put the best interests of clients first.

Our conflicts policy – seeking to put the interests of clients first and minimise or avoid conflicts of interest when client interests diverge from each other

FHL's public Conflicts of Interest Policy sets out our commitment to always act professionally. We commit to keeping the best interests of our clients and their beneficiaries in mind and to taking appropriate steps to identify circumstances that may give rise to conflicts of interest with a risk of damage to our clients' interests. It includes examples of conflicts of interest – such as the receipt of confidential information, conflicts of interest between clients, personal conflicts and conflicts between our business and clients – and the appropriate procedures we have established to manage any conflicts of interest identified and to prevent damage to client interests.

We also have a specific Stewardship Conflicts of Interest Policy. We acknowledge our position as a fiduciary for our clients and their beneficiaries and seek always to act in their best interests. Accordingly, we take all reasonable steps to identify actual or potential conflicts of interest. We also maintain and operate arrangements to minimise the possibility of such conflicts giving rise to a material risk of damage to the interests of our clients. We have summarised key aspects of our policy below. In addition, we have identified a set of conflicts of interest that may arise in connection with engagement activities. We put in place controls to manage such instances.

Potential conflicts of interest

Ownership

EOS is fully owned by FHL. Any conflict that may arise between clients of the EOS service and other clients of FHL will be addressed in a similar way to conflicts between any of our clients.

Clients and prospects

EOS provides services not only to FHL and Federated Hermes Inc., but also to other institutional investors, including pension funds sponsored by companies, governments and other organisations. These services include client voting policy implementation and engagement with companies in which FHL's clients are equity shareholders and/or bond investors.

As a result, the following real or perceived conflicts may arise:

- We may engage with, or implement client voting policies for, the shares of a company which is the sponsor of one of our pension fund clients or is a company within the same group as one of our clients or prospects.
- We may engage with a government or government body that is the sponsor or associate of the sponsor of one of our clients or prospects.
- We may engage with a company which is a tenant of the firm's real estate division's property investments.
- We may engage with a company which has a strong commercial relationship, including as a service provider, with FHL and/or with clients or prospects.
- We may apply client voting policy on a vote relating to a corporate transaction, the outcome of which would benefit one client or prospect more than another.
- We may engage with a company where certain clients or prospects are equity holders and others are bond holders.
- We may hold meetings with companies for the dual purpose of delivering both fund management services as part of FHL, as well as engagement services.
- We may otherwise act on behalf of clients who have differing interests in the outcome of our activities.

Individuals

At the individual level, engagers may have a personal relationship with senior staff members in a company in the stewardship programme or personally own the securities of that company.

Short selling

Whilst FHL's investment teams do not generally hold short positions, those teams that regularly have short positions are prohibited from being involved in any engagement activities for companies where they hold a short position.

Managing and monitoring potential conflicts: a singular focus

In all our activities, we seek to promote the long-term value and success of the companies in which our clients invest. As such, we engage with market regulators and other actors to influence public policy and regulation to enable this outcome.

Stewardship activities are exercised with the aim of influencing the company's behaviour in line with the long-term interests of clients and their investors. However, these activities are not carried out with the intention of obtaining non-public information, nor is the information obtained intended to manipulate the market.

In the event that material non-public price-sensitive information is obtained through stewardship activities, our compliance department is informed, and an information barrier is created for 'insiders' until the information is publicly disseminated. Stewardship professionals are not allowed to act upon or share the non-public material information.

Recording and escalation

We maintain a register of potential conflicts of interest and the controls to mitigate them. In those limited circumstances where a conflict arises over our approach to applying client voting policies or engagement that cannot be resolved in the manner set out above, the matter is referred to an escalation group whose composition is the same as our Sustainability Regulations and Stewardship Oversight Committee. This Committee is comprised of the Head of Responsibility (chair), Senior Public and Private Markets Investment Representatives, and representatives from each of our Risk, Compliance and Legal teams. All such instances would be documented and reported to the Risk, Compliance and Financial Crime Compliance Executive.

Annual review

We review our Stewardship Conflicts of Interest Policy annually to ensure it adequately reflects the types of conflicts that may arise so that we can ensure that they are appropriately managed and as far as possible mitigated. The Policy is publicly available on our website.

Conflicts of interest in practice

Our policy on conflicts may be best understood by considering its impact in practice.

The EOS conflicts of interest register contain a description of the conflict, what mitigation procedure and controls have been put in place, whether it was then reported to the escalation group, if necessary, along with any follow-up actions and conclusions. It is reviewed by senior management on a regular basis.

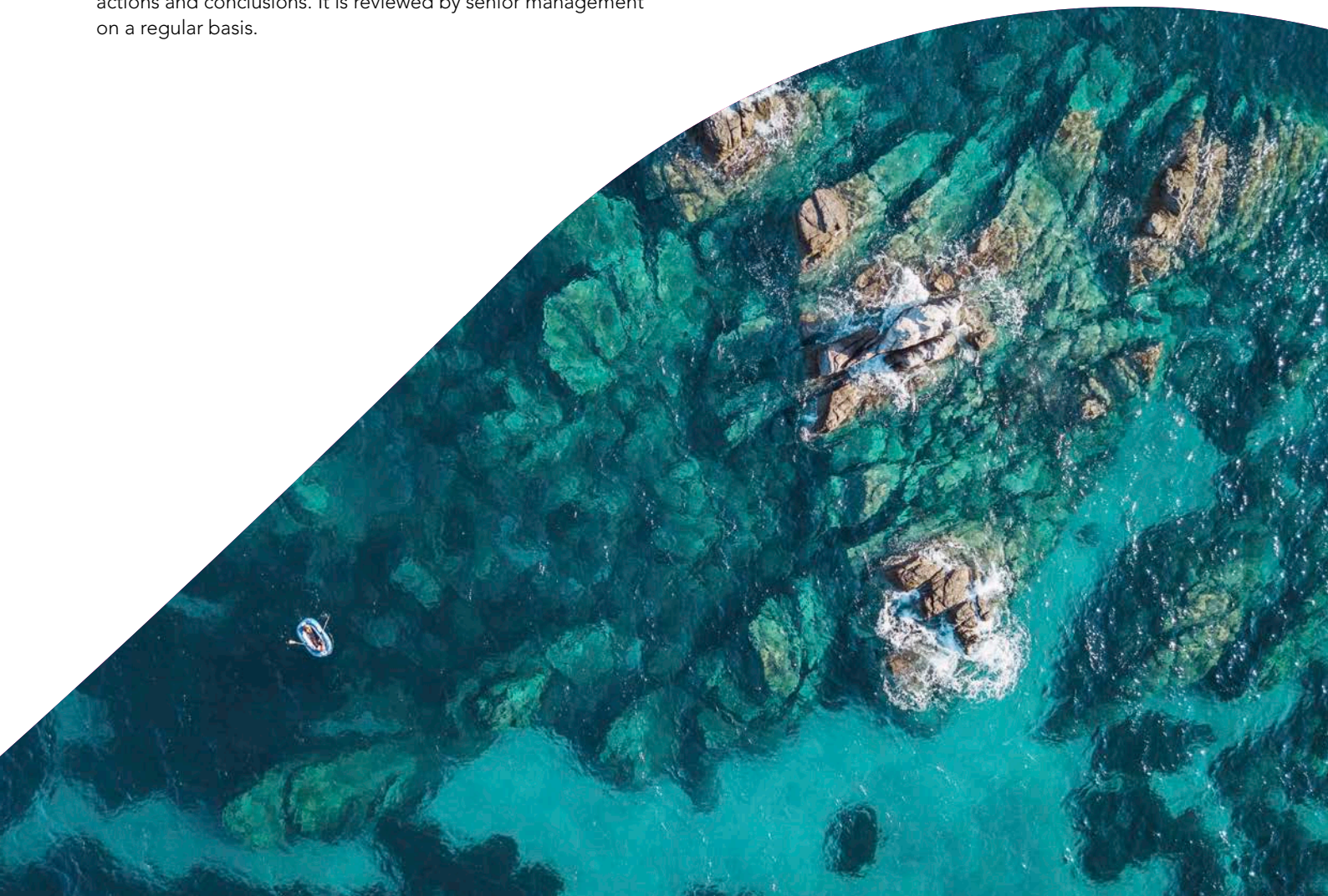
The following is an example of a potential stewardship conflicts which we identified and managed in 2025:

- A parent company conflict arose as a company's CEO sits on the FHI board during a proxy contest. After escalation for independent oversight and client notification, implementing clients' voting policies led to a vote against incumbents and for dissident nominees. The decision reflected sustained underperformance, weak post acquisition execution, and insufficient board refreshment, particularly around energy storage expertise, demonstrating independent judgement despite the corporate link.

Conclusion

We believe that this document effectively demonstrates our stewardship outcomes on behalf of our clients and provides an understanding of our organisation's business operations and strategy. We are enabling clients to contribute to a healthier form of capitalism and global financial markets.

By engaging with companies and policymakers on financially material issues, we assist clients in adding long-term value to their investments and managing their risks.



Appendix

Alignment with the Japanese Stewardship Code (2025 revision)

This table maps EOS' UK Stewardship Code submission (Policy & Context Disclosure and annual Activities & Outcomes Report, read together as a combined submission) to the principles of Japan's Stewardship Code (FSA).

<p>Principle 1: Institutional investors should have a clear policy on how they fulfil their stewardship responsibilities and publicly disclose it.</p>	<p>Policy & Context Disclosure: Section A (Organisation & Stewardship Approach); Section C (Engagement Plan; Voting Guidelines; Reporting Processes).</p> <p>Activities & Outcomes Report: Principle 1 (Client Dialogue; Service Delivery; Feedback Integration/Reporting Enhancement).</p>
<p>Principle 2: Institutional investors should have a clear policy on how they manage conflicts of interest in fulfilling their stewardship responsibilities and publicly disclose it.</p>	<p>Policy & Context Disclosure: Section C (Conflict of Interest policies review); Section D (Conflicts of Interest).</p>
<p>Principle 3: Institutional investors should monitor investee companies so that they can appropriately fulfil their stewardship responsibilities with an orientation towards the sustainable growth of the companies.</p>	<p>Policy & Context Disclosure: Section A (Engagement Strategy); Section B (Governance & Resources); Section C (Milestones & Engagement Processes).</p> <p>Activities & Outcomes Report: Principle 1 (Screening & Monitoring); Principle 4 (Issue Prioritisation).</p>
<p>Principle 4: Institutional investors should seek to arrive at an understanding in common with investee companies and work to solve problems through constructive engagement with investee companies.</p>	<p>Policy & Context Disclosure: Section A (Engagement Model).</p> <p>Activities & Outcomes Report: Principle 4 (Engagement Methods; Escalation; Outcomes & Case Studies).</p>
<p>Principle 5: Institutional investors should have a clear policy on voting and disclosure of voting activity. The policy on voting should not be comprised only of a mechanical checklist; it should be designed to contribute to the sustainable growth of investee companies.</p>	<p>Policy & Context Disclosure: Section B (Systems); Section C (Voting Guidelines).</p> <p>Activities & Outcomes Report: Principle 4 (Voting Activity; Voting Case Studies).</p>
<p>Principle 6: Institutional investors in principle should report periodically on how they fulfil their stewardship responsibilities, including their voting responsibilities, to their clients and beneficiaries.</p>	<p>Policy & Context Disclosure: Section C (Reporting).</p> <p>Activities & Outcomes Report: Principle 1 (Reporting Suite; Portal Enhancements; Outcomes Statements); Principle 4 (Case studies).</p>
<p>Principle 7: To contribute positively to the sustainable growth of investee companies, institutional investors should develop skills and resources needed to appropriately engage with the companies and to make proper judgments in fulfilling their stewardship activities based on in-depth knowledge of the investee companies and their business environment and consideration of sustainability consistent with their investment management strategies.</p>	<p>Policy & Context Disclosure: Section B (Team Skills; Training; D&I; Systems & Technology).</p> <p>Activities & Outcomes Report: Principle 4 (Engagement expertise).</p>
<p>Principle 8: Service providers for institutional investors should endeavour to contribute to the enhancement of the functions of the entire investment chain by appropriately providing services for institutional investors to fulfil their stewardship responsibilities.</p>	<p>Policy & Context Disclosure: Section A (Services Provided); Section B (Oversight; Systems/Technology); Section C (Assurance).</p> <p>Activities & Outcomes Report: Principle 1 (Screening service/ CCR redevelopment); Principle 4 (Public policy & market best practice).</p>

The value of investments and income from them may go down as well as up, and you may not get back the original amount invested. Any investments overseas may be affected by currency exchange rates. Past performance is not a reliable indicator of future results and targets are not guaranteed.

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Federated Hermes

Federated Hermes is a global leader in active, responsible investing.

Guided by our conviction that responsible investing is the best way to create long-term wealth, we provide specialised capabilities across equity, fixed income and private markets, multi-asset and liquidity management strategies, and world-leading stewardship.

Our goals are to help people invest and retire better, to help clients achieve better risk-adjusted returns and, where possible, to contribute to positive outcomes that benefit the wider world.

Our investment and stewardship capabilities:

- **Active equities:** global and regional
- **Fixed income:** across regions, sectors and the yield curve
- **Liquidity:** solutions driven by five decades of experience
- **Private markets:** private equity, private credit, real estate and infrastructure
- **Stewardship:** corporate engagement, proxy voting and policy advocacy

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