



## Environmental, Social and Governance Policy Statement

As a global investment manager, Federated Investors' mission is to be a responsible steward of the financial assets entrusted to us by our clients. Helping clients achieve their financial objectives informs our decision making at every level. Our goal is to produce superior, risk-adjusted portfolio returns for our clients. To help accomplish this we employ an intensive, research-driven, bottom-up, fundamental approach to our security selection and portfolio construction process. Quantitative and qualitative factors are incorporated into our analyses in order to help expose the full spectrum of risks and opportunities inherent in each security.

Federated views environmental, social and governance (ESG) factors as qualitative information that is integral to our fundamental analysis process. Specifically, we believe relevant and material ESG factors can help identify business and operational risks, and add a contextual dimension to the overall evaluation of a security. Federated believes this integrated approach to security analysis provides important insights into how a company leverages its tangible and intangible assets to create shareholder value.

In December 2017, Federated became a signatory to the Principles for Responsible Investment (PRI). Signatories agree to uphold six principles that focus on incorporating ESG issues into their investment-analysis process where consistent with their fiduciary responsibility.

### Six Principles for Responsible Investment

- **Principle 1**  
We will incorporate ESG issues into investment analysis and decision-making processes.
- **Principle 2**  
We will be active owners and incorporate ESG issues into our ownership policies and practices.
- **Principle 3**  
We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- **Principle 4**  
We will promote acceptance and implementation of the principles within the investment industry.
- **Principle 5**  
We will work together to enhance our effectiveness in implementing the principles.
- **Principle 6**  
We will each report on our activities and progress towards implementing the principles.

*SOURCE: Principles for Responsible Investment, [www.unpri.org](http://www.unpri.org)*

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