Engagement Policy

Philosophy

Engagement with management teams is an important component of Aristotle Capital's investment process. Direct engagement meetings provide insight into management's strategic priorities, financial strength, risks and opportunities, business model resilience, stewardship practices, and ability to endure (and potentially rise above) during times of adversity.

Approach

Aristotle Capital's Investment Team and Sustainability Team directly engage the companies in which we invest. Conversations are held with company management, which can include the CEO, Chairman, General Counsel and/or Board Members. Our Investment Team and Sustainability Team members monitor, assess and escalate issues with company leadership, when necessary.

Through our long-term investment approach, we seek to foster congenial relationships with company management, which can help provide a sounding board if we believe the company has taken fundamental missteps or has failed to create value for its shareholders. We believe this provides an effective means of providing better dialogue between us and the companies in which we invest.

We aim to promote appropriate disclosure on material ESG issues and use of standardized reporting frameworks, follow the company's progress on setting and reaching environmental goals (including tracking emissions) and establish dialogue around notable controversies. We utilize an internal materiality framework and reference guides from non-profit organizations and standard-setting bodies to help guide engagements.

Process

Ahead of an engagement meeting, our team establishes priorities for discussion and prepares questions. We seek to identify any outstanding controversies, review items that required follow-up from past engagements and incorporate additional resources (including frameworks and company-specific materials) to ensure we cover topics that are pertinent to each company. The team maintains clear records of each meeting, outlining our engagement objectives, progress, outcomes and follow-up items. These records are shared with members of the Investment Team and help us monitor companies' progress over time.

Most of our engagements are direct, one-on-one meetings with management teams. However, we also receive information and ask questions at sustainability-focused events hosted by the companies we invest in (alongside other investors and stakeholders). To supplement and help us stay informed on stewardship and engagement practices, we have access to resources and attend webinars from leading industry organizations (i.e., PRI, ICGN, etc.).

Topics

While reviewing a company's sustainability initiatives and reporting framework, we seek to identify and discuss what we consider to be key risks and opportunities across different areas that may be relevant to the business. To improve data quality, we promote the disclosure of material sustainability information, including climate data, product safety, diversity, and encourage companies to develop policies and reports in accordance with widely recognized standards. Topics discussed and monitored include (but are not limited to):

ENVIRONMENTAL	SOCIAL CAPITAL	HUMAN CAPITAL	BUSINESS MODEL & INNOVATION	GOVERNANCE
Greenhouse Gas Emissions	Access & Affordability	Employee Health & Safety	R&D of Innovative and Sustainable Technologies	Leadership Structure & Accountability
Biodiversity	Product Quality & Safety	Employee Retention & Development	Automation (i.e., for hazardous jobs)	Data Quality & Transparency
Water & Wastewater Management	Data Security & Privacy	Diversity & Inclusion	Product Design & Lifecycle Management	Executive Compensation

Client Involvement

Client input is invaluable. We encourage all of our clients to share their engagement priorities, general topics of interest and/or specific concerns regarding a company or sector with us. Whether it's asking specific questions, requesting additional data, or sharing general concerns, we aim to serve as a liaison between our clients and our portfolio companies. We look forward to continuing dialogue with clients to enhance our engagement efforts and outcomes.

Disclosures:

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Principles for Responsible Investing (PRI) is a voluntary framework for institutional investors who commit to integrate environmental, social and governance (ESG) factors into their investment analysis and decision-making practices.

The International Corporate Governance Network (ICGN) is a not-for-profit investor-led organization dedicated to developing and encouraging adherence to global standards of corporate governance and investor stewardship.

Aristotle Capital Management, LLC is an independent investment adviser registered under the Investment Advisers Act of 1940, as amended. Registration does not imply a certain level of skill or training. More information about Aristotle Capital, including our investment strategies, fees and objectives, can be found in our Form ADV Part 2, which is available upon request.

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