

December 2021

Cohen & Steers Real Estate ESG Integration Framework

Table of Contents

Contents

- I. Cohen & Steers Overview and Approach to ESG Integration..... 3**
- II. Real Estate Securities ESG Integration Process 4**
 - 1) Identify ESG factors and assign weights by asset class sector 4
 - 2) Generate proprietary ESG scores 5
 - 3) Integrate scores into investment decisions..... 6
 - 4) Engage with companies to gain insight and drive positive change 8
- III. ESG Oversight..... 11**
 - ESG Training 12
- IV. ESG Advantage 12**

I. Cohen & Steers Overview and Approach to ESG Integration

As an industry leader in real assets and alternative income, Cohen & Steers is focused on delivering superior risk-adjusted returns and income for our clients. We are committed to pursuing excellence that results in responsible investing practices. We believe that our pursuit of responsible investing practices will help to drive better outcomes for our clients. As stewards of our clients' capital, these practices are critical and they extend not only to our investment approach, but also in client interactions, culture, and day-to-day activities. Our commitment to investment excellence is built on a culture of continuous improvement, which includes our approach to integrating environmental, social and governance (ESG) factors. Our proprietary approach to integration and engagement, combined with the framework established in the Principles for Responsible Investment Initiative, a United Nations-backed initiative focused on ESG issues to which we are a signatory, helps promote transparency and enhances our ability to deliver more consistent, attractive risk-adjusted returns.

At Cohen & Steers, we believe stewardship of our clients' capital is essential to our role as an active asset manager and fiduciary. This responsibility extends beyond the daily investment decisions about which investments to own—it requires ongoing active engagement with the companies in which we invest to promote business practices that we believe are aligned with creating sustainable shareholder value. We engage with companies directly and through relevant industry groups to encourage the adoption of ESG best practices. We take an active approach to proxy voting and believe that our investment professionals, who have the most insight into our portfolio companies, are best positioned to vote proxies on behalf of our clients. Our proxy voting decisions take ESG factors into consideration and seek to protect and enhance our clients' long-term economic interests.

We have recently advanced several key ESG initiatives to guide stewardship and responsible investing:

- **Established ESG governance structures.** The ESG Steering Committee was established to drive, prioritize and coordinate ESG initiatives and provides guidance to four sub-committees focused on the following areas: investments, product, corporate responsibility and regulatory affairs. Our ESG Investments Committee supports each of our specialist investment teams and is responsible for ongoing implementation of engagement tracking, reporting and evaluating the need for additional ESG research sources.
- **Established ESG captains for each of our investment strategies.** These captains oversee the integration process and engagement tracking for each investment team, working with our analysts and portfolio managers to ensure that we are properly assessing current ESG themes to develop a view and determine impacts to companies under coverage. With the team, they assess our approach and analytical process to make it more robust and, where appropriate, revisit weightings and data inputs. They also work together to review and align our ESG approach across investment disciplines. Finally, they represent the firm to relevant industry organizations (e.g., GLIO, EPRA Sustainability Committee, GRESB, among others.)
- **Advanced company engagements and proxy voting.** In 2021 we undertook approximately 263 company engagements, which includes multiple engagements with a given company. We also developed a tool to help our analysts track and document their engagement with companies in our portfolios or under research coverage. We are tracking

outcomes in this tool with the expectation that analysts will apply it to influence company behavior on ESG practices and request further disclosures on material ESG issues. We also voted 5,890 proposals in 2021 with 8.64% of our votes going against management recommendations on issues concerning executive compensation, director elections and social & environment proposals primarily.

- **Progress diversity and inclusion (D&I) initiatives.** At the corporate level, we continued our efforts to advance workplace diversity and inclusion. These efforts build on our 4 elements of D&I (education, leadership, recruitment, and engagement) and included hosting a firmwide D&I Forum, development of D&I metrics and a dashboard, added a Culture & Inclusion competency as a measure for talent reviews and promotions, partnered with leading firms to support recruitment of diverse candidates, and engaged with our employees and communities through various resource groups, volunteer opportunities and outreach activities.
- **Enhance website.** We improved transparency to the public and our investors by adding information regarding corporate responsibility, diversity and inclusion, and ESG investing to our website.

Our commitment to continuous improvement drives ongoing evaluation and enhancement of our methods. We have hired a dedicated Head of ESG who will facilitate enhancements to our ESG integration process, advance our sustainable investing practices, monitor the environmental and social impact of our investments, and advance corporate responsibility initiatives.

Additional information can be found on the firm's website and in the Cohen & Steers ESG Integration Statement at the following link on our website (https://assets.cohenandsteers.com/assets/content/uploads/Cohen_Steers_ESG_Integration_Statement.pdf).

II. Real Estate Securities ESG Integration Process

We believe ESG analysis is an important part of evaluating a security's expected total return. Our analysts are responsible for implementing and integrating ESG factors into their valuations. The analysts' mandate is to have a deep understanding and knowledge of the companies they cover, including relevant ESG factors, which they incorporate into their valuations.

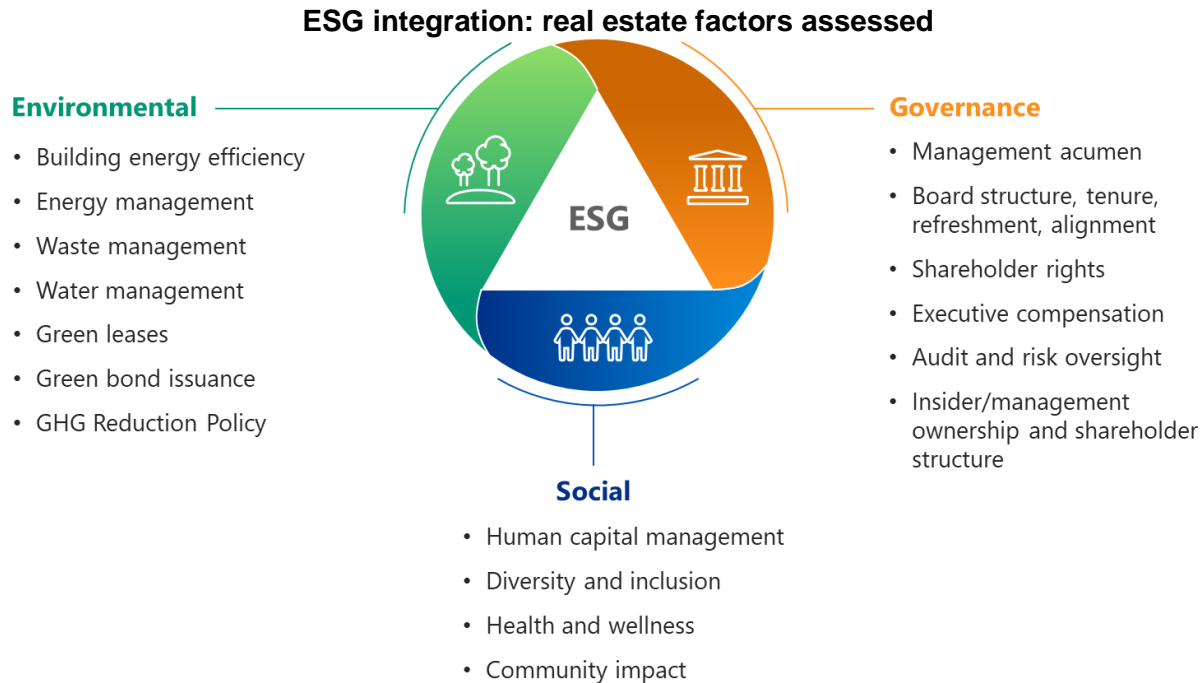
We review each company in our investment universe across ESG factors specific to the unique dynamics of its industry and asset class. Our size and depth of expertise, along with the frequency of our company interactions, allows us to carefully assess management credibility and strategy. We supplement our sector expertise and company insights with third-party ESG data and research to form an advanced view that is expressed both explicitly and implicitly in our investment decisions. Our integration process is segmented into the following four steps:

- 1) Identify ESG factors and assign weights by asset class sectors.
- 2) Generate proprietary ESG scores.
- 3) Integrate scores into investment decision.
- 4) Engage companies to gain insight and drive positive change.

1) Identify ESG factors and assign weights by asset class sector

The real estate securities team integrates ESG factors into the research and valuations as an integral aspect of the investment process. In order to integrate ESG factors into the process, the analysts generate ESG scores for the companies they cover. As the first step of the scoring process, the investment team identifies relevant ESG key issues and determines the sector-specific E, S, and G pillar weights, which reflect their view on the relative impact on financial performance. We believe governance is the most important factor for REITs, so it is weighted more than the environmental and social pillars.

The analysts assess companies on a range of industry-dependent environmental, social and governance factors. Common considerations for the real estate industry are shown below:



At December 31, 2021. Source: Cohen & Steers
There is no guarantee investment objectives will be achieved. The views and opinions are as of the date of publication and are subject to change without notice.

2) Generate proprietary ESG scores

The analysts leverage their industry expertise and in-depth knowledge as a starting point, which they supplement with MSCI ESG research. Insights gathered from engagements with companies also form important inputs. MSCI assigns an ESG score and rating to every company within their universe using a weighted average of key ESG issue scores. Analysts generate internal proprietary ESG scores for each company using our internal 1-10 scoring scale for consistency and rigor. The analysts adjust the scores based on their assessment of how each company under their coverage is addressing the risks and opportunities in its industry, to yield proprietary CNS E, S and G scores, as well as weighted average ESG scores. These scores are assigned to both investment holdings as well as companies in respective benchmarks. Our proprietary overlay is a key differentiator of our approach to ESG integration, as we leverage the depth and scale of our platform and the scope of our information gathering to enhance third-party research.

In addition to MSCI, the analyst team also utilizes third party research from the following providers:

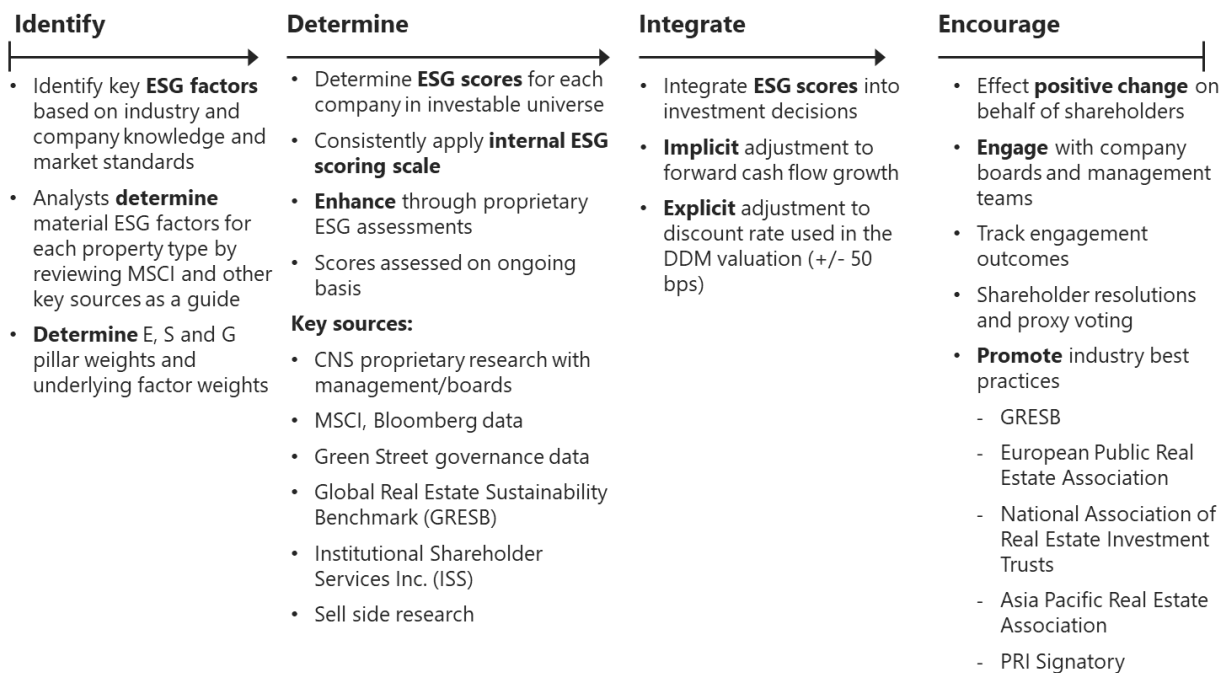
- GRESB, formerly known as Global Real Estate Sustainability Benchmark, an organization which is committed to assessing ESG performance and improving sustainability best practices in the real estate sector. Cohen & Steers is a member of GRESB and we have access to their index and research, which provides detailed ESG data and scorecard ratings for a wide variety of real estate companies. Carbon emissions data as well as other E, S, and G data points from GRESB annual surveys on a company-specific basis are also considered as relevant.
- ESG/Sustainable & Responsible sell side research from among which, Morgan Stanley, UBS, Kepler Chevreux, and other banks.
- Bloomberg's ESG platform, which provides company specific ESG data as well as Excel analytical tools
- Institutional Shareholder Services Inc. (ISS) to help arrive at our independent conclusions
- Green Street Advisors for governance data

3) Integrate scores into investment decisions

The proprietary ESG scores are incorporated into valuations both directly and indirectly: an implicit adjustment is made to forward cash flow growth to reflect the risks and opportunities stemming from the ESG assessment and an explicit adjustment is made to the discount rate used in the DDM valuation. The scores can adjust the discount rate by as much as +/- 50 bps.

Overview of ESG Integration Process

Critical to unlocking value and mitigating risk



At December 31, 2021. Source: Cohen & Steers

There is no guarantee investment objectives will be achieved. The views and opinions are as of the date of publication and are subject to change without notice. Additional information can be found on the firm's website at the following link (<https://www.cohenandsteers.com/topics/esg-integration>).

We provide the proprietary ESG scores and MSCI's ESG scores for the overall portfolio and index in the characteristics sections of our presentations and client reports.

Scoring Definitions: Firm-wide

Range	Firm-wide: Summary	Firm-wide: Details
8.001-10	Company has significant positive exposure to E/S/G issues or is a leader on E/S/G issues	<ul style="list-style-type: none"> Company is best in class on this factor. Demonstrates very strong track record and serves as an industry reference in terms of know-how and seizing value creating opportunities. Anticipates further risks and opportunities, shows best practice in mitigation policies
6.001 – 8	Company has moderate positive exposure to E/S/G issues	<ul style="list-style-type: none"> Company is above average in this factor and / or has clear strategy, identifiable measures and targets to improve its performance. Track record of delivery is good, probability of future adverse impact on the company is low
4.001-6	Company has average/neutral exposure to E/S/G issues	<ul style="list-style-type: none"> Company's performance is average. Risk mitigation currently in place is standard but the company doesn't demonstrate clear intent to improve performance materially, or could do more Some risk of adverse impact on the company, but limited
2.001-4	Company has moderate negative exposure to E/S/G issues	<ul style="list-style-type: none"> Company's track record is sub standard and / or negative risk exposure is meaningful – eg potential meaningful disruption to operations, negative regulatory intervention, involved in one off controversy with potentially significant negative outcome. Lags peers in terms of disclosure, strategy or reliability
0-2.0	Company has significant negative exposure to E/S/G issues or is a laggard on E/S/G issues	<ul style="list-style-type: none"> Company track record is very poor and points to repeated / structural issues that management has failed to address. Risk mitigation is very inappropriate or non-existent, probability of future significant adverse impact on the company is very high

At December 31, 2021. Source: Cohen & Steers

We report both our proprietary portfolio-level ESG scores as well as ESG scores from MSCI, which we compare to our proprietary scores. We believe our proprietary score more accurately reflects our investment-relevant perceptions of the ESG risks and opportunities of the companies in the universe.

The aggregate ESG scores are the weighted average of the ESG scores for the underlying securities in the portfolio and benchmark, shown on a scale from 0 to 10, with 10 reflecting the strongest ESG positioning. We have developed and applied a firm-wide set of ESG scoring definitions at the quintile level (as shown above) for E, S and G scores. We generate proprietary ESG scores for companies based on how they address the risks and capitalize on the opportunities present in their industry, which may impact a company's performance. The ESG scores are incorporated into valuation estimates, which drive the portfolio construction process.

ESG scores: Cohen & Steers vs. MSCI scores

Global Real Estate Securities

Greater insight

- Our process includes a high level of engagement and dialogue with the management teams so that we can achieve a more thorough assessment of both current standing and future expectation
- MSCI only uses publicly available information

Expert ESG assessment

- We use our extensive knowledge and insight to determine which E, S, G factors are most important in our view to impacting the various property types
- We include additional factors that MSCI does not include to create a more robust assessment

Re-weighted pillar scores

- We re-weight the E, S, and G scores to arrive at an aggregated ESG score that we believe better captures the risks and opportunities associated with these factors
- We generally give a greater weight to the G factor based on our belief in the importance of management, leadership and oversight to address risks and opportunities.

Methodology enhancements

- We make enhancements to the scoring methodology
- For example, within the Governance score, we place a greater emphasis than MSCI on management acumen, quality of the people in the supervisory boards, management ownership

Real time adjustments to ESG scores

- MSCI ratings can be lagging as in-depth reviews occur annually and re-ratings during the year are infrequent

Additional research

- We utilize other third-party research including, ESG/Sustainable & Responsible sell side research, Bloomberg's ESG platform, GRESB¹, ISS and Green Street

At December 31, 2021. Source: Cohen & Steers

There is no guarantee investment objectives will be achieved. The views and opinions are as of the date of publication and are subject to change without notice. There is no guarantee that any historical trend illustrated above will be repeated in the future, and there is no way to predict precisely when such a trend might begin.

MSCI ESG Rating is designed to measure a company's resilience to long-term, industry material environmental, social and governance (ESG) risks. MSCI uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers.

(1) GRESB, formerly known as the Global Real Estate Sustainability Benchmark.

4) Engage with companies to gain insight and drive positive change

We take an active ownership and engagement approach with companies in our investment universe, advocating for sound ESG principles that we believe can help optimize investment performance.

This engagement is an integral part of our fundamental research process, providing a framework for dialogue between us and our portfolio companies to support, influence or change a company's ESG practices in ways that we believe may have a material impact on its ability to preserve or grow its economic value.

Our engagement process involves four main components:

Individual engagement	<ul style="list-style-type: none"> • Our primary method involves direct dialogue with senior management or boards of directors. This can be a particularly effective tool when we hold a significant ownership position.
------------------------------	---

<p>Proxy voting</p>	<ul style="list-style-type: none"> • We take an active approach to proxy voting based on our view that our investment professionals—not third-party service providers—have the best insight into our portfolio companies and are best-positioned to vote proxies on behalf of our clients. Our proxy voting decisions take ESG factors into consideration and seek to protect our clients’ long- term economic interests.
<p>Collaborative engagement</p>	<ul style="list-style-type: none"> • In certain instances, we may collaborate with other investors and stakeholders, where appropriate and permitted by applicable law and regulation, to ensure that companies protect the rights of all shareholders and consider how actions may impact all stakeholders.
<p>Industry advocacy</p>	<p>Cohen & Steers works with industry associations such as those listed below to discuss and assess ESG matters with industry peers and leading industry constituents.</p> <ul style="list-style-type: none"> • Principles for Responsible Investing (PRI) – signatories since 2013 • GRESB, formerly known as Global Real Estate Sustainability Benchmark • European Public Real Estate Association (EPRA) • Asia Pacific Real Estate Association (APREA) • National Association of Real Estate Investment Trusts (NAREIT) • Global Listed Infrastructure Organization (GLIO) • FTSE EPRA NAREIT Asia Regional Advisory Committee • Energy Infrastructure Council (EIC) • European Investment Advisory Committee • Japan’s Stewardship Code • Singapore Stewardship Principles: We are proud to endorse these principles which aim, by articulating the core behavior and actions associated with investor stewardship, to enable investors to be active and responsible shareholders. • UK Stewardship Principles (May 2013): Based on the principles of the UK Stewardship code, we support improving corporate governance and regularly engage with companies on material issues. We have been a signatory to the UK Stewardship Code since May 2013 and have submitted to be a signatory again for 2020. <p>These foster collaborations and allow us to discuss and assess ESG matters with industry peers and leading industry constituents.</p>

Engagement is conducted by our portfolio managers and research analysts. These interactions are informed by company filings, sustainability reports and our own proprietary and third-party ESG research and models. Engagements are tracked by our portfolio managers and research analysts using our ESG engagement platform.

We formally track our engagement activities and the results of our engagement efforts through our internal ESG Engagement Tool. In addition, we can disclose some engagement activities to our clients and make them public.

This ongoing engagement helps us understand risks and opportunities and adjust our proprietary valuations to refine our investment decisions. In addition, we utilize engagement to encourage companies to improve transparency and disclosure, as well as make better business decisions.

We believe these discussions can lead to strategic decisions that may enhance financial and operating performance, reduce the risk of reputational damage and improve long-term shareholder returns.

We believe companies that integrate ESG considerations into their strategic plans and operations can enhance long-term shareholder value and mitigate potential risks, leading them to outperform.

Cohen & Steers has adopted a policy that describes how it engages with companies in which it invests. The policy is available at the following link on our website:

https://assets.cohenandsteers.com/assets/content/uploads/Cohen_Steers_Global_Engagement_Policy.pdf

Proxy Voting

Cohen & Steers is subject to the Global Proxy Voting Policy and its voting process is overseen by the company's Proxy Committee. The internal Proxy Committee is responsible for defining and maintaining Cohen & Steers Global Proxy Voting Policy, overseeing the proxy voting process and assessing whether Cohen & Steers is meeting its regulatory and corporate governance obligations for voting proxies. Our intention is to vote all equity securities for which clients have given us voting authority in accordance with our global proxy voting policy. Proxy voting is carried out in a decentralized manner with each investment analyst responsible for casting votes on companies that he or she covers. The strategy portfolio managers oversee this process. Our proxy voting guidelines are regularly reviewed by our multi-disciplinary proxy committee, which is comprised of members of our investment and legal and compliance departments.

We have engaged a third-party proxy advisory firm to provide research on our investee companies. This research highlights areas where investee company proposals diverge from our proxy voting guidelines, including, but not limited to, where boards are not appropriately independent and where executive compensation is not tied to the long-term performance of the company. We carefully consider any explanations provided by investee companies about their departures from our proxy voting guidelines, attaching particular weight to specific examples or evidence provided. However, we generally do not vote in-line with management when a proposal diverges from our proxy voting guidelines.

When we do not intend to vote in-line with management, we will consider contacting an investee company in advance, giving it the opportunity to engage in a dialogue prior to voting. In some cases, this dialogue results in changes to our vote and/or to the company's behavior in the future.

After the votes are cast, we then monitor the outcome of the votes, how management takes shareholders votes into consideration and potentially adjust their strategy to align it better with shareholders interest. These elements help inform our future governance assessments of the company including possible future engagements.

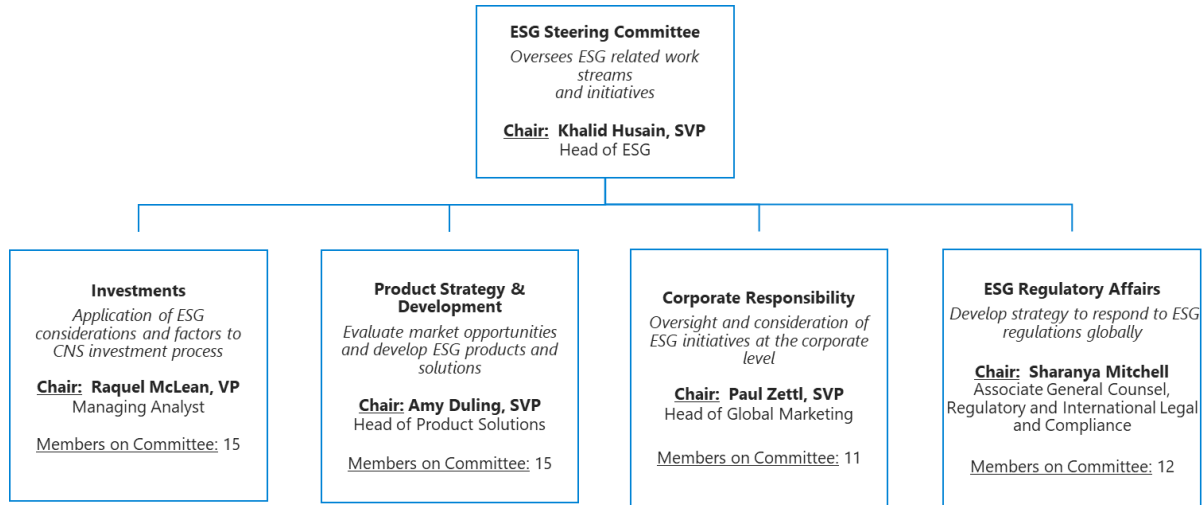
Our proxy voting records are publicly available on our website (<https://www.cohenandsteers.com/topics/proxy-voting>). Our Global Proxy Voting Policy available on our website

https://assets.cohenandsteers.com/assets/content/uploads/Proxy_Voting_Policy_and_Procedure.pdf.

III. ESG Oversight

Cohen & Steers has appointed a dedicated Global Head of ESG, Khalid Husain, who oversees the firm's environmental, social and governance investment framework and integration process, serving as chair of the Cohen & Steers ESG Steering Committee. Additionally, Mr. Husain works to enhance the investment teams' existing ESG process, support strategy development and ESG product initiatives, help guide Cohen & Steers' commitment to corporate responsibility and prepare for and anticipate ESG regulations and policies globally.

Cohen & Steers ESG Committee Structure has four critical functions



At December 31, 2021. Source: Cohen & Steers

Our ESG Steering Committee, led by Khalid Husain (Head of ESG), oversees ESG initiatives across the company and sets future direction of ESG efforts. It comprises principally of the chairs of each of the 4 ESG sub-committees. This committee originates and prioritizes ESG initiatives and oversees four subcommittees dedicated to specific ESG-related areas: investments, product, corporate responsibility, and regulatory/policy considerations.

The ESG Investments Committee oversees the integration effort across investment teams and supports the specialist teams in determining the most appropriate way to integrate ESG factors into the research process. This Committee largely consists of portfolio managers and analysts who are responsible for implementing our integration work into our investment process. The Committee is also responsible for ongoing implementation of engagement tracking and reporting at the overall investment team level and evaluates the need for additional ESG research sources and data across the investment teams. Our research analysts are responsible for incorporating ESG risks and opportunities into the companies they cover as part of the fundamental research process. The investment teams in each region are responsible for ESG research, including integration, engagement and proxy voting, for the companies they cover. The Committee consists of ESG Captains who lead the effort for their respective teams and additional investment team members implementing integration efforts.

Jan Willem Van Kranenburg (Senior Analyst, Global Real Estate), is the ESG Captain for the Real Estate Securities teams and a member of the ESG investments Committee. As ESG Captain, he is the team lead for ESG initiatives and represents the team as the expert on ESG and performs the following functions:

- Oversees the ESG integration process for the investment team; promotes consistency across team members
- Works closely with team members to implement ESG integration practices including linking data and scores to valuation models
- Collaborates with other ESG captains
- Informs ESG committees, Proxy Committee and investment teams of the team's ESG initiatives and progress
- Oversees implementation and tracking of engagement activities
- Represents Cohen & Steers on relevant industry organizations (e.g., GRESB, EPRA sustainability committee, EPRA reporting and accounting committee).

ESG Training

We believe ESG analysis is an important part of evaluating a security's expected total return. Our analysts are responsible for implementing and integrating ESG factors into their valuations. The analysts' mandate is to have a deep understanding and knowledge of the companies they cover, including relevant ESG factors, which they incorporate into their valuations. The firm offers the following ESG training to investment professionals. Training is updated as processes and industry trends evolve.

- 1) New Hire Training (mandatory)
Investment professionals are trained on our investment process upon joining the firm and this training includes how to assess and integrate ESG factors into valuations.
- 2) ESG Investment Committee Training (mandatory)
The ESG Investment Committee which falls under the firm's ESG Steering Committee, is responsible for coordinating and implementing the firm's ESG initiatives as it relates to our investment process, including providing information and/or training as appropriate to both analysts and portfolio managers.
- 3) External Training (voluntary)
Members attend conferences and outside training relevant to ESG.
- 4) Ongoing Oversight by Portfolio Managers (mandatory)
Portfolio managers oversee the research process, including the incorporation of ESG factors in the company-level fundamental research.

IV. ESG Advantage

We believe the size and experience of our investment teams, together with the frequency and depth of their interactions with companies, enable a deep understanding of management credibility and strategy, allowing us to assess material ESG considerations beyond the scope of third-party research firms. While our Head of ESG and various ESG committees provide direction and coordination on integration, stewardship, product development and corporate responsibility, our investment teams are directly responsible for implementing ESG integration practices into

their valuation approaches, engaging with companies, and voting proxies.

Our leadership position in real assets and alternative income amplifies our voice and influence when we engage with companies—whether we currently invest in them or not. We believe this helps our ESG advocacy have maximum impact.