Voya Investment Management

Environmental, Social and Governance (ESG) Policy

At Voya Investment Management (Voya IM), we are dedicated to try and exceed our clients' expectations for both service and investment results. Our mission is to help our clients meet their investment objectives and enable them to invest across a spectrum of returns, risk and ESG objectives. We recognize the importance ESG considerations play in maintaining our culture, performing thorough investment analysis, and meeting our clients' investment objectives. We believe that the incorporation of ESG information, alongside traditional financial investment factors, leads to better-informed investment decision-making and a more holistic assessment of long-term investment risks and opportunities.

As part of our investment process, we consider material factors, which may include ESG criteria, with the goal of meeting our clients' investment objectives. Additionally, we offer a range of solutions that allow for client customization according to their sustainability preferences.

Our ESG Investment Program has been designed to help clients meet their investment objectives and enable them to invest across a spectrum of returns, risk and ESG objectives. As part of this effort, we:

- **Integrate** ESG factors into investment decisions, as relevant and material
- Offer a range of **ESG solutions** and capabilities in response to client demand
- Perform **stewardship** activities including active engagement and proxy voting to drive value and long-term sustainability
- Consider **climate change** related data throughout our ESG program
- Oversee and manage ESG activities through a strong **governance** structure

This ESG Policy statement describes our commitments to these areas and underlying beliefs.

ESG Integration

We believe that ESG factors can impact the long-term risk and return profiles of investments. Incorporating ESG factors into the investment process is underpinned by the belief that it will improve the resilience of the portfolio over the long term by generating more stable, sustainable long-term returns. We employ ESG integration, defined as the systematic consideration of ESG factors, when relevant and material, alongside traditional factors, into our investment decisions and engage with issuers as part of our commitment to active ownership.

As fiduciaries, when selecting securities, we incorporate relevant financial and non-financial factors into our analysis of the long-term performance outlook of a company and the value of its securities. Depending on the situation, as part of our assessment of a company's value, prospects, and financial condition, we may consider information about many factors, including, among others, those that are considered ESG, such as exposure to regulation or litigation, labor relations, human rights, product quality and safety, reputation, governance practices, executive compensation, board oversight, reporting and disclosure, community relations, energy costs and climate impact.

In general, we focus on those ESG factors likely to have a material effect on the value and performance of a company and its securities over time. Furthermore, our experienced analysts and portfolio managers have a deep understanding of the nuances of their asset class and specific portfolio considerations, and we attempt to take into account the material factors that contribute to making informed investment decisions.

Voya IM's standard ESG integration processes do not involve exclusionary screens. We support and encourage companies' plans and actions, including through active ownership activities, related to advancing disclosure of material ESG factors, reducing greenhouse gas emissions, supporting inclusion and communities, and promoting ESG initiatives if we believe such initiatives support the long-term success of a company. Voya IM does not exclude companies from portfolios on a firm-wide basis. However, where a client elects to exclude certain issuers or sectors from their portfolios or when a fund is designed to meet certain regulatory requirements in specific markets, we have the capabilities to implement such client/fund-directed exclusion lists to ensure portfolios reflect the investment objectives of our clients.

Solutions

Voya IM's extensive platform of strong, proven investment strategies has afforded our firm the opportunity to bring those strengths into the development of sustainability capabilities and enabled us to deliver investment products with client-directed ESG objectives. In addition to our ESG integrated strategies, we offer sustainability portfolio solutions, which can be generally grouped as strategies that employ a best-in-class approach, are thematic or impact aligned.

Sustainability Portfolio Solutions

We aim to be flexible on the path ahead as ESG regulations and client demand evolves and will continually seek to enhance our product offerings to meet these needs. We recognize that sustainable investing often requires customization, and we will continue to work closely with clients and partners to tailor our products to meet their requirements.

	Client-Directed Exclusion	ESG Integration	Sustainability Solutions		
			Inclusion & Improvement	Thematic	Impact
Definition	Exclusion of certain sectors or companies based on clients' values and objectives	Integration of material ESG factors into financial analysis	Positive/best-in-class screening or improvement in one more ESG factors	Sustainability playing a significant role in the investment process	Intentional impact on a sustainability objective
Key Characteristics	Norm-based or values-based exclusions	Consideration of material ESG information in investment decisions	Target one or more ESG criteria through portfolio tilts, screens, or improvement targets	Targeted thematic objective related to an ESG subject	Intentional and measurable sustainable impact
Examples	Weapons, tobaccos, fossil fuels	Combining financial data and ESG criteria in security selection	Tilt to an ESG factor, positive screening, relative or absolute improvement in ESG characteristic	Clean water, renewable energy	Affordable housing, green bonds

Solutions in Foreign Markets

As ESG-related regulations evolve around the globe, we are committed to providing solutions to our clients that address demand specific to certain markets or are tailored to the regulatory requirements in their respective regions.

In respect of Voya IM managed funds distributed in Europe, these funds must meet the requirements set forth in the EU's Sustainable Finance Disclosure Regulation (SFDR), among other applicable regulatory regimes. For these portfolios, our investment teams engage in specific undertakings, as described in this policy, to identify and take account of “Sustainability Risks” for SFDR purposes and ensure the consideration of such Sustainability Risks in the management of these portfolios. A Sustainability Risk is defined under SFDR as an environmental, social, and governance event or condition which, if it occurs, could cause an actual or potential material negative impact on the value of an investment. As part of our Sustainability Risk assessment, we consider the potentially negative impact that an investment may have on environmental and social objectives. Over the long-term, the impact that a company has on its stakeholders and the environment could lead to business model changes with the potential to erode enterprise value, thus it is an important lens to consider in a holistic review of Sustainability Risks. For the applicable portfolios, Voya IM identifies and monitors Sustainability Risks in the following ways:

1) As part of the decision to make an investment, our investment teams are provided pre-trade alerts of severe ESG risks for publicly listed companies, based on third party ESG data and scores. Portfolio managers may consult with our ESG Research, Active Ownership, and/or fundamental and quantitative research teams, as well as utilize internal ESG tools, including our proprietary ESG scorecard, in assessing Sustainability Risks and making a portfolio decision.

2) Our portfolio managers are provided with various tools and analytics to assess portfolio-level ESG data or characteristics to assess Sustainability Risks on an ongoing basis.

3) At the time an investment decision is made, portfolio managers are made aware of the severe Principle Adverse Impact (PAI) risks posed by the activities of publicly listed companies, as prescribed under SFDR, relevant to the portfolio. These alerts are based on severity thresholds for each mandatory PAI, with some thresholds focused on specific sectors where the impact is deemed material. Investments that exceed a threshold are deemed to be doing significant harm to an environmental or social objective.

Investment teams across our platforms will consider Sustainability Risks in different manners given the differences in asset classes, geographies, data availability, and investment processes. Investments in companies that may present Sustainability Risks are not prohibited. Rather, consideration of Sustainability Risks, taken together with other factors, allows the investment team to make an informed decision on risk inclusive of all information, as applicable to the asset class.

Stewardship – Active Ownership & Engagement

Philosophy

Voya IM’s long-term perspective favors sound investment principles aligned with the priorities of our clients. Accordingly, our active ownership activities are designed to protect and enhance the economic value of the companies in which we invest on behalf of our clients. We do this through exercising our voting rights at shareholder meetings and engaging with issuers of securities in which we have invested.

Engagements

Voya IM believes that ongoing discussions with senior management and board members of companies are essential to understanding the company in which we are invested and to promote best practices and long-term sustainability. We believe that engagements should be highly relevant to our investment process and provide valuable insights to the issuers with whom we engage. Through our discussions, we may make issuers aware of how our concerns factor into our investment decisions, understand their efforts to address these concerns, and discuss industry best practices. Engagements focused on ESG matters are led by the Active Ownership (AO) team and may also include members of our investment teams. Such dialogues are likely to enrich our investment analysis while at the same time provide useful insights to issuers into how they compare generally to industry peers and how markets perceive their ESG initiatives.

Voya IM has developed engagement guidelines to outline the AO team's engagement objectives, prioritization, methodology, tracking, and escalation processes. They are designed to help companies understand the AO team's engagement goals and expectations, fostering mutually productive dialogue.

Additionally, Voya IM investment teams may engage directly with the companies in which they invest. The AO and investment teams have access to a shared application that may be used to record key issues during their engagements. The investment teams are able to escalate any concerns they may have with a company to the AO and ESG Research teams for further investigation or dialogue.

Proxy Voting

As a fiduciary, Voya IM must vote proxies in the best interest of our clients.

To this end, Voya IM considers many factors, including ESG factors, which may impact the investment risk and return profiles of our clients' investments. As such, the Voya IM Proxy Voting Procedures and Guidelines were developed to summarize Voya IM's philosophy on various issues of concern to shareholders and provide a general indication of how Voya IM may vote its clients' portfolio securities regarding these issues in order to maximize shareholder value and mitigate risks.

In addition, Voya IM offers proxy voting alignment to clients' ESG values by using a client's custom voting policy or using a proxy advisory firm's voting policies.

Climate Change

We believe that climate change is a significant risk facing our planet. If not aggressively addressed through sweeping mitigation efforts, experts expect the global average temperature will increase by a dangerously high degree and radically alter our ecosystems.[1] The direct and indirect effects from climate-related risks for the economy, capital markets and companies will likely be significant. Given this view, we integrate climate change into the Voya IM's ESG investment framework, which helps guide our assessment of portfolios' exposures to climate and other ESG risks and opportunities. Among environmental considerations, climate change represents the most important theme for many sectors. Although the magnitude of importance varies, it is a consideration for all companies given our expectation that decarbonization will be a central macro driver going forward. However, climate change and its potential impact on asset value are complex and uncertain. For these reasons, Voya IM integrates data, as available, related to carbon emissions, product carbon footprint, financing of environmental impact and climate change vulnerability with the intent of understanding a company's physical risk (i.e., future damage caused by climate related disasters) and transition risks (i.e., the effects of the inevitable transition to a low-carbon global economy). We also consider the opportunities on which companies may be able to capitalize.

At a minimum, these efforts are aimed at discerning climate change's probable impact on securities' risk and return profiles. The same tools, techniques and insights can be used to build and manage investment solutions that have specific climate change related objectives. Implementation varies, but these products generally seek to promote climate change mitigation or adaptation alongside generating financial returns. It is important to note, as

[1] The Intergovernmental Panel on Climate Change (IPCC), Climate Change 2022: Impacts, Adaptation and Vulnerability. https://www.ipcc.ch/report/ar6/wg2/

part of our normal investment processes, Voya IM does not exclude or favor investments strictly based on climate-related metrics unless the portfolio is expressly designed with such an objective or clients direct us to do so.

Governance

Voya IM is committed to instituting ESG practices across our organization, including robust governance processes. Voya IM's ESG Steering Committee acts as a governing body, providing oversight of our ESG strategy, and fostering continuous improvement of our ESG investment program and related activities. The committee is chaired by our Head of ESG Research, who reports to our Head of Investments and CIO for Fixed Income, and its membership spans our active ownership, legal, compliance, and risk teams, among others. The Voya IM ESG Steering Committee is responsible for setting our Voya IM ESG Policy, managing our ESG-related memberships and affiliations, and providing input and guidance on ESG-related communications, including internal training. It also serves as a forum for sharing ESG-related business updates, collaborating on initiatives, and staying abreast of ESG industry developments.

Disclosures

All investing involves risks of fluctuating prices and the uncertainties of rates of return and yield inherent in investing. All security transactions involve substantial risk of loss.

Environmental, social and governance ("ESG") factors may impact the investment risk and return profiles of our investments. Integration of ESG factors into an investment process may cause a strategy to take risks or forego exposures available to strategies or products that do not consider ESG factors, which could negatively impact performance. There is no assurance that integrating ESG factors will be successful for an investment strategy.

Past performance does not guarantee future results. This policy has been prepared by Voya Investment Management and provided for informational purposes. Nothing contained herein should be construed as (i) an offer to sell or solicitation of an offer to buy any security or (ii) a recommendation as to the advisability of investing in, purchasing or selling any security. Any opinions expressed herein reflect our judgment and are subject to change. Certain of the statements contained herein are statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance, or events may differ materially from those in such statements due to, without limitation, (1) general economic conditions, (2) performance of financial markets, (3) interest rate levels, (4) increasing levels of loan defaults, (5) changes in laws and regulations and (6) changes in the policies of governments and/or regulatory authorities.

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