



MASSACHUSETTS PRIM BOARD

Engagement Policy

Massachusetts Pension Reserves Investment Management Board Engagement Policy

In accordance with MassPRIM's Stewardship Policy, MassPRIM's Stewardship efforts are specifically designed to protect and enhance the long-term sustainability and success of the PRIT Fund. MassPRIM believes that long-term value creation requires active and engaged ownership of portfolio companies on strategy and risk.

All engagement efforts will align with MassPRIM's Board-approved Investment Policy Statement, Stewardship Policy, Custom Proxy Voting Guidelines, and this Policy. Staff will generally make recommendations on engagement opportunities. Staff recommendations on engagement will be reviewed and recommended by the Stewardship and Sustainability Committee and approved by the MassPRIM Board.

MassPRIM staff recommendations will consider the following questions when determining when and how to engage with portfolio companies:

1. **Is the engagement on an issue that is relevant to the long-term performance of the PRIT Fund?** MassPRIM will prioritize engagements on Board-approved stewardship priorities, while retaining the ability to react to emerging issues as needed.
2. **Will the engagement lead to a measurable outcome?** MassPRIM will prioritize engagements that look to create tangible impact through focused efforts.
3. **Will the engagement lead to the promotion of thought leadership and/or innovation?** MassPRIM will prioritize engagements that promote thought leadership on Board-approved stewardship priorities and/or provide opportunities for impact through innovation.
4. **Does MassPRIM have the expertise, capacity or standing to influence an outcome?** MassPRIM will prioritize engagements with companies where we have an influential ownership stake and on issues where we have experience and expertise.

MassPRIM will engage with portfolio companies through the following, among other efforts.

Proxy Voting:

MassPRIM will vote proxies related to its public market securities using a third-party voting consultant and in line with the Board-approved Custom Proxy Voting Guidelines. The MassPRIM Board will regularly review, update, and approve our Custom Proxy Voting Guidelines based on the recommendations of the Stewardship and Sustainability Committee and staff.

Partnerships with Investor Groups:

MassPRIM may partner with aligned investors and other groups, who share similar objectives, to amplify engagement and impact on Board-approved stewardship priorities and other material issues relevant to long-term value creation. MassPRIM will prioritize partnerships with groups who have the capacity to support our engagement efforts through issue expertise or engagement resources. Staff will recommend

potential partnerships to the Stewardship and Sustainability Committee for review and the MassPRIM Board will approve these partnerships.

Dialogue with Boards or Management of Portfolio Companies:

MassPRIM may engage with boards or management of portfolio companies about Board-approved stewardship priorities and other material issues relevant to long-term value creation. Such engagement may take place directly through staff or indirectly through Board-approved investment managers and consultants. Staff will regularly update the Stewardship and Sustainability Committee and the MassPRIM Board about the companies prioritized for engagement, engagement focus areas, and outcomes.

Engagement on Policy/ Regulations that Affect Portfolio Companies:

MassPRIM may engage on regulatory and legislative policy on Board-approved stewardship priorities and other topics that affect long-term performance on the fund or portfolio companies if determined that such engagement is necessary for impact on stewardship priorities.