



Federated Hermes, Inc. Corporate Sustainability Report

2024-2025



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Section 1: Corporate commitment to sustainability

A message from Chris Donahue

As a leading global investment manager, we focus on delivering actively managed investment solutions that help investors achieve a broad range of outcomes. We serve clients across a range of geographical, cultural and legal jurisdictions and we are committed to being responsive and respectful of the differing frameworks within these regions to meet our clients' respective needs.

Federated Hermes integrates material sustainability factors into our investment products in diverse ways. In most products, we consider broadly defined financially material governance, environmental, and human capital issues alongside traditional financial metrics. In some products, these issues play a more central role to the investment thesis, while in others, they do not. Above all, we remain clearly focused on our fiduciary duty to clients and investors to seek to maximize risk-adjusted returns over time.

In 2025, Federated Hermes celebrates 70 years of providing investment solutions to clients. Our growth continues because the values created by the firm's founders and exemplified by our employees everyday remain unchanged: to put clients first, and to act responsibly and with integrity.

Our values are embodied in the Federated Hermes Pledge, which underpins our firm-wide commitment to being diligent and capable fiduciaries. It also reflects our core corporate ethos of treating everyone with dignity and respect –employees, clients, shareholders and business partners. We believe these attributes define a sustainable enterprise today and in the future. Thank you for making this journey with us.



Sincerely,
J. Christopher Donahue
President, Chief Executive Officer

The Federated Hermes Pledge

The Federated Hermes Pledge underpins our firm-wide commitment to put clients first, and to act responsibly and transparently.

I pledge to fulfill, to the best of my ability and judgment and in accordance with my role, this covenant:

- I will act ethically, responsibly and with integrity.
- I will put the interests of our clients first, consistent with our fiduciary responsibilities.
- I will encourage responsible behavior in the firms in which we invest and on which we engage.
- I will act with consideration for our community and the environment both now and in the future. I will encourage others to do the same.
- I will work with industry colleagues and other key stakeholders to develop and improve our industry's contribution to society.
- I will treat my clients, my colleagues and all other stakeholders with dignity and respect and as I would wish to be treated.
- I will deal with our regulators in an open, cooperative and timely way.
- I will communicate clearly and honestly with all parties inside and outside our firm.
- I will manage conflicts of interest fairly between all parties.

A message from Anne Kruczek

As an asset manager with a legacy of fiduciary client relationships, Federated Hermes has always been very clear about the appropriate way in which ESG/sustainability factors are incorporated into our investment process: US fiduciary law requires that these factors be used in pursuit of maximizing risk-adjusted returns on behalf of its investors or beneficiaries. As a fiduciary, our research process is rooted in traditional financial metrics while also believing financially material and relevant sustainability factors can be important tools to help investment teams understand large, complex sector themes which have the potential to impact investee companies, both positively and negatively. From day one, this investment-centric view has informed our approach and remains our focus.

Federated Hermes continues to commit its resources to assessing the nexus between sustainability themes and financial impact. Our Responsible Investing Office has developed a proprietary, patent-pending research tool which links the impact of sustainability themes to the financial statements of companies to better identify the variables which can impact an industry and an issuer over varying timeframes. This research leverages our global investment teams' investment knowledge and the sector and thematic expertise at EOS at Federated Hermes Limited (EOS), our UK-based engagement and stewardship affiliate.

We are excited to share this important development in this report as well as illustrate the ways in which our firm remains steadfast as a responsible investor and a fiduciary committed to meeting the investment needs of our clients.



Anne Kruczek

Executive Vice President

Head of Responsible Investing Office

In 2020, many of our clients sought guidance from Federated Hermes on how to consider ESG/sustainability investing within the framework of US fiduciary and trust law. Federated Hermes engaged leading fiduciary and trust scholars Max M. Schanzenbach and Robert H. Sitkoff, whose expertise in these areas is widely recognized, to provide legal clarity. Their pioneering whitepaper, "Reconciling Fiduciary Duty and Social Conscience: The Law and Economics of ESG Investing by a Trustee," clarified when ESG investing is permissible under American trust fiduciary law. Their analysis was first published in February 2020 in the Stanford Law Review* and has since been referenced by both investment practitioners and regulators and continues to serve as the basis for many US fiduciaries' and trustees' approach regarding the role of sustainability factors within their investment process.

**Stanford Law Review, Volume 72, February 2020, "Reconciling Fiduciary Duty and Social Conscience: The Law and Economics of ESG Investing by a Trustee", Max M. Schanzenbach and Robert H. Sitkoff.*

Section 2: Corporate AUM and locations

Federated Hermes, Inc. and its consolidated subsidiaries (collectively, Federated Hermes) is a leading global investment manager, guided by our conviction that responsible investing is the best way to create wealth over the long term. Our products include equity, fixed income, alternative/private equity markets, multi-asset and liquidity management strategies and a range of separately managed account strategies, all distributed through a network of institutions and intermediaries worldwide



\$845.7B
 Assets under management*

2,125
 Global employees*

434
 Global investment and stewardship staff*

* As of 6/30/25.

Section 3: Participation in the responsible investing community

We believe that supporting responsible initiatives and organizations is crucial to our firm's efforts to deepen our knowledge, through both peer learning and by sharing our approach to sustainability with the broader responsible investing community. Our participation and membership in select organizations aim to:

- Affirm our commitment to considering relevant and financially material sustainability factors in our investment processes.
- Provide opportunities to share our intellectual capital and approach to responsible investing.
- Maintain awareness of industry trends and resources to bring timely and relevant information to our investment teams.
- Support increased transparency and disclosure on financially material sustainability topics within the investment industry.

Within the Responsible Investing Office (RIO), the Associate Director of Strategic Partnerships evaluates potential organizations for membership. We review each organization's mission and commitment requirements to ensure they align with our approach to sustainability and our membership objectives.

In addition to the organizations recommended by RIO, our firm participates in relevant trade associations and their committees, such as the Investment Company Institute (ICI), the leading association representing regulated investment funds. Federated Hermes is a member of the ICI's Board of Governors and collaborates with the ICI on key industry issues, particularly those related to regulatory changes.

Federated Hermes actively participates in industry organizations that support and promote key issues related to enhancing responsible investment practices and regulatory clarity. Examples of organizations to which Federated Hermes Inc. is a member of or signatory to are:

- **CFA Institute ESG Technical Committee**
- **Council of Institutional Investors (CII)**
 - Corporate Governance Advisory Council
 - Proxy Voting Working Group
- **FactSet ESG Client Advisory Board**
- **Farm Animal Risk and Return initiative (FAIRR)**
- **Forbes Financial Council**
- **Investment Company Institute (ICI) Committee**
 - ESG Advisory Group
 - Proxy Issues Working Group
- **Responsible Investing Association (RIA Canada)**
- **SASB/ISSB/IFRS Foundation**
 - ISSB Investor Advisory Group (IIAG)
 - ISSB Technical Reference Group (TRG)
- **University of Pittsburgh Center for Sustainable Business**
- **United Nations Principles for Responsible Investment (PRI)**
 - Global Policy Group



A special note about our London-based subsidiary, Federated Hermes Limited (FHL)

When the PRI was drafted in 2005 and formally launched in 2006, FHL chaired the group of industry leaders who drafted the Six Principles, making FHL an original drafting signatory. Consequently, FHL enjoys a pre-eminent reputation in the responsible investing community, particularly in the U.K. and EU communities where their work with financial regulators and over 80 responsible-investing organizations globally demonstrates their leadership role and commitment to achieving long-term sustainable value creation.

Section 4: Sustainability and our investment process



“At Federated Hermes, we continue to innovate financially integrated analytical platforms and thematic research practices. Through the collaborative efforts of RIO, EOS—our UK-based stewardship affiliate—and our global investment teams, we are grounded in the financial connectivity of industry-specific sustainability trends to better evaluate real-world risks and opportunities. This work supports our commitment to active responsible investing and helps contextualize the evolving intersection of business sustainability and financial performance.”

Martin Jarzebowski, CFA
Senior Vice President, Director Responsible Investing, Federated Hermes Inc.

The role of sustainability factors within our investment process

As a global leader in responsible investing solutions, Federated Hermes believes better information and analytics lead to more data-driven and effective investment decisions. Our investment teams approach the incorporation of sustainability factors within their research process by including financially relevant sustainability factors alongside traditional financial metrics. We believe these factors, when contextualized with financial connectivity, provide an additional lens for understanding a company and the potential risks and opportunities it can face over varying timeframes.

We believe this approach to incorporating financially relevant sustainability factors is applicable across asset classes and investment objectives for three reasons:

- It does not exclude sectors, industries or companies unless client directed;
- It is additive to the critical information provided by a company’s financial statements;
- It invites consideration of a wide range of themes including industry megatrends which can contribute to overall long-term enterprise value and provides a forum for framing, from an investment perspective, secular growth trends such as AI, demographic shifts, data privacy, cybersecurity as well as other more widely-recognized sustainability issues such as impacts related to climate change and global energy diversification.

Our approach to thematic integration has developed organically, evolving as our knowledge and resources have grown. Over multiple years, investment teams have advanced their use of ESG data and research tools through a phased learning process. Through their work with our Responsible Investing Office (RIO), investment teams have worked to customize financially material sustainability information as a natural extension of their fundamental research; to integrate industry-specific materiality assessments and proprietary engagement insights from EOS, our engagement and stewardship affiliate; and to refine their knowledge of sustainability themes to advance financial connectivity within the investment thesis of a debt or equity security.

Addressing the range of client investment solutions

At its core, Federated Hermes’ mission is to seek to maximize risk-adjusted investment returns for clients and investors over time based on client preferences and/or strategic objectives. To this end, Federated Hermes develops and distributes products and strategies that meet clients’ investment needs. Our capacity to apply sustainability considerations for different purposes is crucial in serving clients with diverse investment preferences and objectives.

For most of our funds and strategies, sustainability factors are used as an input to industry and issuer assessments. However, we also have client mandates, separate accounts and investment products where sustainability factors play a central role in defining investment objectives and determining portfolio holdings, based on the directives of our clients. Through our funds’ offering documents, we clearly articulate each product’s investment objectives and strategies, enabling clients to match their preferences/needs with our investment solutions.

Centralizing sustainability: Role of the Responsible Investing Office (RIO)

The Federated Hermes Responsible Investing Office (RIO) is the hub for responsible investing initiatives throughout the company. Its primary focus is working with investment teams to advance the process by which financially relevant sustainability information and analytics are integrated into each team's investment framework. This means providing current thematic, industry and company research, both proprietary and third party, and creating dynamic learning environments where investment knowledge and stewardship insights come together.

The Pittsburgh-based RIO team brings together diverse professional experience in sustainability, investment, data science, research, proxy administration and academia. RIO leadership in the US is guided by Anne Kruczek, Head of the Responsible Investing Office, Martin Jarzebowski, Director of Responsible Investing and Jonathan Haymon, Director of Proxy Voting, who are supported by eight additional team members. In addition to its work with our investment teams, RIO works with departments throughout the firm including legal, compliance, corporate real estate, procurement, technology, product development, marketing, and sales to support corporate sustainability initiatives. These cross-department collaborations also seek to ensure Federated Hermes investment products respond to market and client demands and leverage sustainability knowledge across the firm.

Our US-based RIO works closely with our London-based Responsibility Office (RO), which has the same missions of investment integration and firm-level responsible investing initiatives as our US-based RIO, with a focus on UK and EU products and markets. The two offices work both independently of one another and collaboratively, providing global continuity when needed while supporting the responsible investing dynamics of our respective regional markets and regulatory environments. Across the two offices, Federated Hermes has over 60 sustainability professionals that seek to deliver best in class sustainable investing and stewardship resources.



Applying proprietary data analytics and research

Data resources

Federated Hermes has built a comprehensive suite of sustainability data and research tools at both the company and portfolio levels. Our investment teams conduct internal research using proprietary data, supplemented by select external sources where appropriate. This multi-source approach enhances our ability to evaluate issuer-specific sustainability practices by offering diverse perspectives and mitigating reliance on any single provider's ratings or methodologies.

The application of sustainability-focused data in investment analysis is grounded in financial materiality and relevance. Sustainability risks vary by industry, so data must be pertinent to the specific sector, industry and issuer. Investment teams tailor their assessment of risks and opportunities to the industry and the unique characteristics of each company.

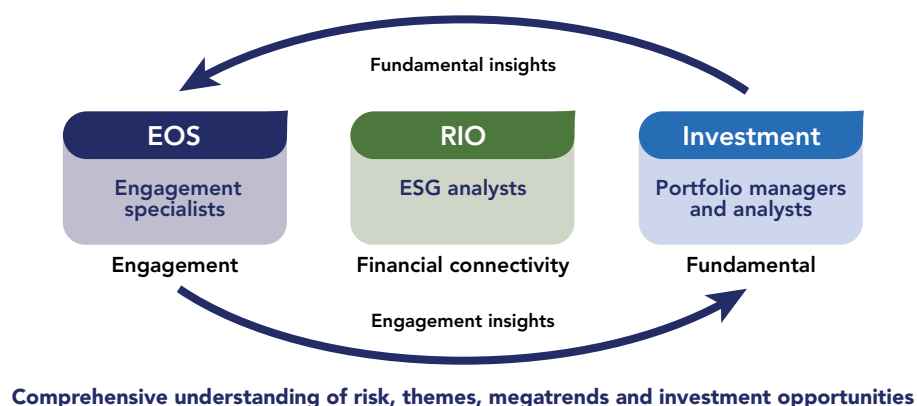
In addition, our investment teams can avail themselves of the sector and issuer-specific insights provided by EOS at Federated Hermes Limited (EOS). EOS offers valuable perspectives on thematic sector issues as well as issuer-specific sustainability practices, garnered over EOS' decades of working with investee companies, which investment teams can incorporate into their company-level research where relevant.

Making data accessible to investment teams

Investment teams access sustainability data and research through two key platforms: localized individual workstations and a centralized sustainability information hub. This dual-access model for sustainability information allows teams to select the format and content that best align with their research style and portfolio needs. At each workstation, the Responsible Investing Office (RIO) integrates proprietary and third-party sustainability data with financial metrics, delivering contextualized insights through user-friendly platforms. This approach ensures sustainability intelligence is both accessible and aligned with traditional financial analysis. The ESG Hub, a centralized portal for sustainability information, also provides investment teams access to industry sustainability rankings and research with the added dimension of the EOS proprietary database, a repository of EOS' direct, long-term interactions with global issuers organized by engagement themes.

FH One initiative: Creating dynamic learning and information resources

FH One is the term used to describe Federated Hermes' global initiative to unify our firm's information resources: data analytics, in-house research, market intelligence, investment teams, and EOS engagement. Our goal is to leverage the firm's deep, resident knowledge across the firm. We want to increase the knowledge and fluency of our investment teams in their understanding of these information sources allowing them to make more reliable financial judgements related to value, growth and sustainability.



The first part of our FH One initiative incorporates the two primary components of our research — traditional financial analysis and sustainability factors — into one seamless research process. The nexus of this effort is financial connectivity — the understanding that sustainability themes will not have the same financial impact on companies in every industry. RIO's aim is to help investment analysts better understand how sustainability information impacts companies in their sector and our engagers better understand which thematic factors have the most meaningful impact on a company's financial operations.

To that end, RIO works to create opportunities where fundamental and ESG intelligence are shared across the global enterprise. We hope to bring synergies throughout the firm as we develop new ways to evaluate companies and consider the impact of externalities related to sustainability themes. We believe this will lead to better analysis of material long-term factors, giving us an information and analytical advantage.

RIO has initiated several forums where analysts, portfolio managers and EOS engagers can exchange ideas and leverage insights from their respective disciplines. The goal of these global, firm-wide forums is to bring increased depth and breadth into both investment analysis and corporate engagements across asset classes and engagement focus.

- **FH One industry-specific working groups** – FH One working groups convene portfolio managers, analysts and engagers with similar industry coverage to centralize thematic, fundamental and sustainability research impacting their industries.
- **EOS thematic webinars** –The Responsible Investing Office (RIO) hosts a series of monthly thematic webinars. With the objective of building fluency, each thematic webinar features presentations outlining new economy research, EOS engagement themes and their financial and investment connectivity. Specific content can include fundamental drivers, macro forces, geographic trends, performance metrics, engagement questions and company-specific case studies. Participants include portfolio managers, analysts and EOS engagers across the firm.
- **Quarterly RIO meetings** – These bespoke meetings between RIO and each investment team seek to analyze and understand key ESG and engagement themes impacting portfolios and identify supportive data analytics and resources.

Financial Connectivity™ platform - Linking finance and sustainability:

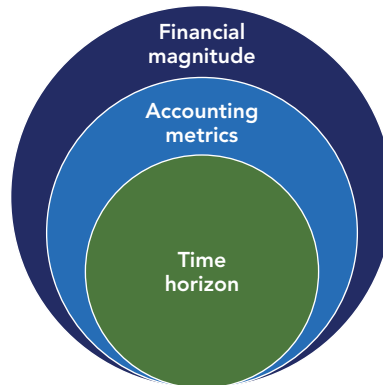
Assessing financial relevancy of sustainability factors is a focus of RIO, EOS and the global investment teams. Federated Hermes believes that by advancing evidence-based financial relevancy of sustainability themes we can better evaluate evolving risks and opportunities. This commitment is part of our dedication to responsible investing intelligence and understanding the connection between finance and sustainability.



Applying an investment lens to sustainability information can be technically challenging. To address this, RIO developed the Federated Hermes Financial Connectivity™ platform, an innovative tool designed to clarify the financial relevance and investment connectivity of sustainability themes. This proprietary, patent-pending analytical platform demonstrates how various sustainability themes connect to traditional accounting metrics.

RIO approached this challenge by aligning the 36 EOS stewardship themes with broad relevancy to 27 customized industry groups (based on GIC sectors) within the global economy. Thematic relevancy was then further honed by linking these 36 sustainability themes to 15 key financial accounting metrics of portfolio companies within the EOS engagement database using a proprietary AI ontology which matches corporate disclosures with relevant sustainability issues. The final output is a baseline framework enabling an EOSi database user, such as an EOS engager or investment team member, to quickly infer the financial accounting connections for any combination of EOS theme and industry.

Because sustainability impacts vary by sector, industry and issuer, the platform assembles company sustainability insights into the key dimensions of how, where and when.



How: Financial magnitude

Evidences how specific business model attributes make a company more or less financially exposed to each theme.

Where: Accounting metrics

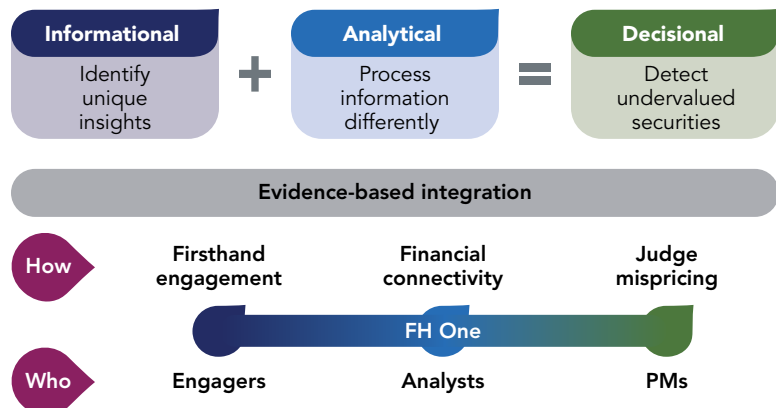
Establishes the transparent intersection of the theme with the industry and its balance sheet, income statement, and cash flows.

When: Time horizon

Determines whether each accounting metric impact will be event-driven (short), require operational changes (medium), or be systemic (long).

Global investment and stewardship applications:

- All Federated Hermes global investment teams, across asset-classes, can use this proprietary tool as a natural extension of their industry-specific and corporate issuer investment research.
- All Federated Hermes global investment teams and EOS stewardship specialists can use this proprietary tool to enhance corporate issuer engagement by referencing the financial accounting connections for any combination of theme and industry.



Section 5: Engagement

Engagement at Federated Hermes: A multi-dimensional approach

At Federated Hermes, engagement with investee companies is a core component of our research and ownership responsibilities. We take a multi-dimensional approach to engagement, led by our investment teams, and supplemented by both our proxy voting team (under the oversight of the proxy voting committee) and EOS at Federated Hermes Limited (EOS), our UK-based stewardship affiliate. Each team brings a distinct perspective and objective to engagement, and collaboration among them—when appropriate—enables a more holistic understanding of a company’s sustainability practices and their potential impact on long-term shareholder value.

Investment team

The primary relationship with portfolio companies is established and maintained by our investment teams. Engagement begins during the research and due diligence phase and continues throughout the investment lifecycle. These ongoing discussions with company leadership focus on key financial metrics, corporate governance, and strategic business issues. When sustainability concerns are deemed financially material—whether immediate or long-term—they are integrated into these conversations. This continuous dialogue serves as a vital information channel for both the investment teams and the companies.

Proxy voting team

Our proxy voting team engages directly with company management and boards to discuss corporate governance and proxy-related matters. These engagements are designed to support informed voting decisions on behalf of our clients and reflect our commitment to responsible ownership. Open communication on governance issues is a key element of our stewardship responsibilities.

EOS

EOS is a dedicated team of engagement professionals with deep expertise in sustainability. For over two decades, EOS has worked with companies globally on behalf of institutional clients to help them understand how sustainability practices influence business performance and risk. EOS’ sector-specific knowledge and long-standing relationships with corporate leaders provide valuable insights that support long-term value creation. Their work is widely respected and contributes meaningfully to our broader engagement strategy.

EOS: advancing sustainable value creation

Engagement led by EOS at Federated Hermes Limited is focused on the intersection of sustainability issues and long-term shareholder and debtholder value. EOS employs a structured, iterative engagement process involving ongoing dialogue with senior management of investee companies. These engagements aim to identify and address material sustainability issues that could influence enterprise value over time. The process is disciplined and consultative, requiring a unique combination of sector-specific sustainability expertise, deep company knowledge, and strategic insight.

EOS is one of the largest and most experienced engagement and stewardship teams globally, with over 20 years at the forefront of responsible ownership. It brings a depth of sustainability intelligence that enhances both investment and stewardship research at Federated Hermes. As of March 31, 2025, the global EOS team includes more than 46 professionals, 31 of whom are dedicated engagers. The team represents over 20 nationalities, speaks 16 languages, and brings diverse experience from fields such as law, science, investment, government, consulting, and corporate sustainability.

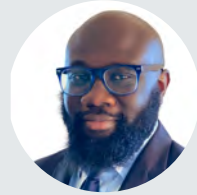
EOS engages with companies on behalf of institutional clients whose holdings are part of Federated Hermes’ public equity and fixed income portfolios. In 2024 alone, EOS conducted engagements with 994 companies worldwide, addressing a broad range of issues including governance, environmental and social concerns, business strategy, risk management, and corporate communications. These efforts aim to support the development of sustainable enterprises that create long-term value for clients and their beneficiaries.

Building trusted relationships through engagement

A conversation with EOS engagers

A hallmark of EOS's engagement approach is its ability to cultivate long-term, productive relationships with senior leadership at companies around the world. This distinguishing strength reflects the deep sector expertise of EOS engagers and the trust they have earned over time. Their ability to foster open, meaningful dialogue is rooted in a nuanced understanding of business operations and sustainability practices that may influence corporate performance. Corporate leaders value EOS's insights, recognizing the strategic relevance of its experience in navigating evolving sustainability challenges.

We asked two senior EOS engagers with expertise and experience in the energy sector to discuss their engagement work including how they identify the most relevant and material sustainability issues for each firm they work with and where they see opportunities for growth in the energy sector.



Michael Benedict Yamoah is a director of ESG engagement at EOS at Federated Hermes Limited covering engagement in North America and Europe, with a focus on technology hardware & software, mining & materials, energy, and financial services sectors. He is currently a Ph.D. candidate at the University College London BSEER, holds an MBA and certificate in corporate sustainability from NYU Stern School of Business, an MA International Economic Development from George Washington University ESIA, a BA in International Relations and Business Administration from Carroll College, and a BA coursework in Geography and Sociology at the Kwame Nkrumah University of Science and Technology.



Diana Glassman is a director of engagement at EOS at Federated Hermes Limited. She leads their Oil & Gas and co-leads their Technology sector engagements, as well as engagements on Board Effectiveness, with a focus on business strategy, capital allocation, governance and sustainability considerations. Ms. Glassman earned a Bachelor of Science degree in Biology magna cum laude at Yale University, an M.P.A. in International Development at Harvard Kennedy School, and an M.B.A. at Harvard Business School. She also holds an NACD Directorship Certification from the National Association of Corporate Directors.

Generally, how are companies selected for an engagement program?

Diana: We have a formal process with our clients that begins by understanding clients' needs and priorities around objectives. We apply multiple lenses to identify companies with engageable risks or opportunities that could impact companies' long-term financial value. For example: We review qualitative and quantitative indicators of governance quality such as restatements and ethical lapses. We employ sector and thematic knowledge in evaluating companies' approach to secular trends that may influence financial performance, such as those related to climate, water availability, and biodiversity loss. Workforce-related issues include health and safety, salary and benefits, and inclusion and innovation. Then we infuse an element of art to balance all of the above to establish the portfolio of engagement companies where EOS dialogue might help to enhance long term value.

Michael: We also factor in geographic distribution to ensure global coverage, the potential for successful outcomes based on company receptiveness, and governance quality — all of which feeds into a dynamic engagement universe that balances proactive long-term engagements on strategic issues.

Describe the process for selecting topics to be covered during the engagement

Michael: Our engagement program priorities are set out in the EOS Engagement Plan which looks out three years and is refreshed annually through a comprehensive consultation with clients and subject matter experts to ensure focus remains on new or emerging risks and financial opportunities. Our approach combines both sector and thematic issues that are most relevant to enterprise value and shareholder impact. These are often assessed based on financial connectivity to long-term shareholder value, systematic relevance to market stability, client priorities and feedback through annual surveys, emerging regulatory risk, and alignment with global operating standards when appropriate.

Diana: The topics we discuss within any given engagement fall out of a strategy we establish for each company, which are, as Michael explained, consistent with the overall annual engagement program parameters. To arrive at the strategy, we review the company in depth, apply our sector and thematic expertise, and obtain investor input to identify key topics. We also evaluate and prioritize what topics are practical to engage on.

How long do most engagements take?

Michael: Our approach — from raising concerns to seeing companies implement changes — takes an average of three years of robust engagement. However, there are no time-bound engagements with companies, as risks and opportunities evolve.

Diana: We seek to build ongoing, collaborative, multi-year relationships and dialogue with a range of people across the company. We have been engaging with some companies for over 15 years.

How do you define a successful engagement?

Michael: In general, a successful engagement manifests when a company progresses systematically through our proprietary four milestone stages—from acknowledging the issue we raise to implementing solutions—resulting in measurable or recognizable improvements in performance that ultimately enhance long-term shareholder value and reduce material risks. This is all achieved through constructive dialogue that builds mutual respect and trust between investors, management and board, establishes ongoing channels for feedback, and creates accountability through transparent reporting on progress.

Diana: The most technical definition of success is when a company tells us they have completed an objective, such as developing a responsible AI policy. However, engagements where companies give us credit for suggesting an idea that they embraced are particularly rewarding. For example, the general counsel of a company with a star CEO recently shared that they added a description of their CEO succession planning process to the proxy because of EOS.

Another type of successful engagement is when a conversation provides insights that may be useful to our clients' investment decision-making processes. Based on our interactions, we may formulate an impression of a company that is different from third-party ratings, which could help give our clients an information advantage. For example, we have met highly rated companies where we sense a disconnect between the rating and our assessment of the company's policies and practices based on the how they responded to our questions. At the other end of the spectrum, there are engagements where we perceive that a poorly rated company is in fact implementing value-creating practices that others may have overlooked.

What benefit does each party derive from the relationship?

Michael: For companies we engage with, our discussions provide their management team and board an opportunity to learn more about investors' priorities and expectations. Our engagement is another information avenue to understand its stakeholders as it identifies emerging risks and opportunities and seeks more sustainable business models supporting long-term value creation.

Diana: Companies frequently ask questions about our perspectives on issues and practices that we see at other companies, including outside their sectors and geographies. Companies also appreciate being pointed to best practices and competitor disclosures that can be circulated and discussed within their companies and among directors.

Companies often tell us we are the first to bring a particular issue to their attention and appreciate the early perspective on trends that will eventually impact them. Even when a company politely agrees to disagree on certain topics, it may share that our insights were raised internally and sparked robust discussion.

Michael: Companies often refer to EOS as a "critical friend," that provides important insights from institutional investors and market best practices.

Within the energy sector, how do you and the companies you engage with think about sustainability in terms of climate adaptation and resilience?

Diana: Resilience involves being competitive along multiple dimensions including cost, reliability, and sustainability while innovating to meet evolving customer needs. Energy is an enormous, highly complex, fragmented, and changing global industry that is both impacted by, and has impacts on, other sectors, economies, and geopolitics. It is also a critical human need that all of us require to live, drink water, study and work, and advance our lives every day.

There has never been a more exciting time to be in the energy sector, and its convergence with the Technology sector is making it even more dynamic. Technology companies plan to dramatically increase spending on artificial intelligence (AI)-related capital expenditures in 2025. A substantial amount is going to power-hungry data centers that, along with industrial reshoring, are driving the need for energy generation capacity additions.

Technology and AI will undoubtedly spur more operational efficiencies and innovation that we cannot foresee. We at EOS are extremely proud to be part of the mix with companies and key participants across sectors and around the world who are shaping our future energy system.

Michael: In the utilities space, assessing grid modernization strategies that incorporate distributed energy sources to enhance system redundancy during disruptions, examining supply chain diversification efforts that mitigate concentration risks from climate-vulnerable regions, and evaluating water management systems that address intensifying drought conditions — e.g., for those affecting cooling capacity for thermal plants — can be effective when thinking about both adaptation and resilience.

For refiners, true resilience is not just physical asset resilience but involves companies strategically positioning themselves for shifts in oil demand patterns. This means developing scenario planning that considers peak oil demand timing and evaluating investment decisions against multiple energy transition pathways. We are seeing companies diversifying into complementary business lines as some operators repurpose existing infrastructure for sustainable aviation fuels (SAF), renewable diesel and petrochemical feedstocks. These investments offer revenue resilience while leveraging existing technical capabilities and infrastructure.

Section 6: Proxy voting and stewardship

Important: The following descriptions of and statistics on proxy voting refer only to votes cast on behalf of US-based Federated Hermes Advisory companies. Our UK-based subsidiary, Federated Hermes Limited, casts all votes separately on behalf of its UK and Ireland-based Advisory companies. All proxy votes are cast in a manner consistent with the overall goal of creating long-term shareholder value, but differing regulatory and cultural frameworks may result in different voting decisions between our US- and UK-based advisory companies. For purposes of clarity please note that references to FHI or Federated Hermes in the section below unless otherwise stated are not inclusive of our UK and Ireland-based Advisory companies.



Jonathan Haymon, Vice President, Director of Proxy Voting for US-based Federated Hermes Advisory companies responds to frequently asked questions about Federated Hermes' proxy voting policy and decision-making process, and provides an overview of how Federated Hermes approached its voting on shareholder proposals during the 2024 and 2025 proxy seasons.

Proxy voting oversight and governance structure

Federated Hermes' Proxy Voting Committee (the Committee) is responsible for overseeing the proxy voting process. The Committee comprises 10 members who meet at least semi-annually, with ad hoc meetings called from time to time to address a specific issue(s). Committee members include the President and Chief Executive Officer of the Federated Advisory Companies, the Chief Investment Officer for Equities, the Director of Proxy Voting, the Head of the Responsible Investing Office, the Director of the Responsible Investing Office, the Chief Enterprise Risk Officer, and four portfolio managers who rotate onto the Committee on a three-year cycle. This rotation ensures that investment team perspectives are regularly integrated into the Committee's analysis, enriching its understanding of proxy issues.

The Committee also consults with specific portfolio managers and analysts who possess deep knowledge of particular companies, enabling more informed and context-specific voting decisions. In addition to analyzing proxy proposals, the Committee ensures that robust procedures are in place to mitigate potential conflicts of interest between Federated Hermes and its clients. It reports directly to the Board of the Federated Hermes Funds.

Proxy voting services and voting administration

Federated Hermes (FHI) utilizes two proxy advisory firms to support the efficient administration of its proxy voting process. Each year, FHI typically casts approximately 200,000 proxy votes across its product offerings. In the 2025 proxy voting year alone, US-based advisory companies cast over 191,000 individual votes across roughly 16,000 ballots.

These proxy advisory services assist in executing votes in alignment with FHI's Proxy Voting Policy guidelines, which are specified by the firm. They also flag voting items that deviate from these guidelines for further review, discussion, and manual voting by the Proxy Voting Committee. In addition, the advisory firms provide detailed analyses of ballot items, offering valuable context and research that the Committee may use to inform its decision-making and enhance its understanding of complex proxy proposals. However, responsibility for all voting decisions remains with the Proxy Voting Committee.

Approach to shareholder proposals on environmental and social issues

FHI takes a case-by-case approach to voting on shareholder proposals related to environmental and social (E&S) issues. As an active manager, our investment teams bring a nuanced understanding of their portfolio companies and play a central role in determining how we vote on these important matters. The proxy voting team collaborates with portfolio managers to evaluate each proposal, with final decisions reviewed by the Proxy Voting Committee.

Our evaluation process emphasizes the financial materiality of each proposal—specifically, its relevance to the company's business model. If a proposal addresses an issue that is not materially linked to the company's operations or long-term value, FHI will generally vote against it, as such proposals may impose unnecessary costs without delivering clear benefits to shareholders.

Conversely, when proposals address material environmental risks or opportunities, FHI typically supports those that call for enhanced disclosure of a company's policies, strategic initiatives, and oversight mechanisms. This type of information is critical to informed investment decision-making. However, we do not support proposals that would effectively micromanage a company—such as those that prescribe specific strategic or operational changes—believing these decisions are best left to executive management and the board.

In addition, we consider the company's current positioning relative to the proposal, including: whether existing disclosures already address the proponent's concerns; how the company's practices compare with industry peers; and any commitments made by the board to address the issue.

Companies often respond to shareholder proposals by providing additional information or committing to further action, which we take into account in our voting decisions.

Ultimately, FHI is guided by its fiduciary duty to clients. We cast votes in a manner we believe will enhance the long-term value of the securities we hold, consistent with our clients' investment objectives.

Evaluating the intent and relevance of shareholder proposals

FHI is generally unlikely to support shareholder proposals that, while framed as requests for disclosure, are in effect designed to influence or direct management toward specific strategic initiatives or capital allocation decisions. We believe such matters are best left to the discretion of company leadership and the board.

Another area of concern is the prevalence of template-based proposals, which are often submitted across multiple companies within a sector or based on criteria defined by the proponent group. These resolutions typically aim to spotlight a particular environmental or social issue or promote specific policy objectives. However, they frequently overlook or superficially acknowledge the company's existing disclosures and practices.

Federated Hermes evaluates each proposal independently, taking into account the unique circumstances, risks, and opportunities facing the portfolio company. We do not support one-size-fits-all approaches and remain committed to a case-by-case assessment that reflects our fiduciary responsibility to act in the best long-term interests of our clients.

Climate disclosures and shareholder value

FHI evaluates climate-related shareholder proposals (including proposals calling for additional disclosure on greenhouse gas (GHG) emissions on a case-by-case basis in the context of whether such proposals enhance the long-term value of a company.

In most cases, we have found that climate disclosure proposals are overly prescriptive and not aligned with the creation of long-term shareholder value. However, in some cases, additional information may be material to assess the risks and opportunities facing a company and certain companies may already have the infrastructure in place to support such reporting, making continued disclosure both feasible and minimally burdensome.

While recent regulatory developments — such as the SEC's decision to cease defending federal climate-related disclosure rules — may reduce these disclosure requirements in the U.S., many investee companies operate globally and remain subject to disclosure obligations in other jurisdictions or must meet the expectations of international clients. Accordingly, and to support competitiveness and client retention, we continue to engage with companies, especially those in GHG-intensive sectors, regarding their climate-related disclosures.

As always, shareholder proposals are evaluated on a case-by-case basis, and our voting decisions reflect our commitment to supporting proposals that we believe protect and enhance long-term shareholder value.



Proxy voting trends, Federated Hermes US advisory companies: 2024-25 vs. 2023-24

	For				Against			
	2024-25		2023-24		2024-25		2023-24	
	#	%	#	%	#	%	#	%
Audit/Financials	4,467	99.7%	4,296	99.6%	15	0.3%	16	0.4%
Board Related	19,291	91.5%	19,317	91.0%	1,803	8.5%	1,918	9.0%
Capital Management	1,851	93.9%	1,445	93.2%	120	6.1%	106	6.8%
Changes to Company Statutes	909	95.9%	1,006	93.9%	39	4.1%	65	6.1%
Compensation	3,860	88.1%	3,656	86.9%	523	11.9%	551	13.1%
M&A	231	98.7%	222	95.7%	3	1.3%	10	4.3%
Meeting Administration	532	93.5%	513	91.8%	37	6.5%	46	8.2%
Other	428	92.4%	258	86.0%	35	7.6%	42	14.0%
SHP: Compensation	5	7.5%	15	15.8%	62	92.5%	80	84.2%
SHP: Environment	2	1.5%	9	5.7%	131	98.5%	150	94.3%
SHP: Governance	146	42.7%	149	58.2%	196	57.3%	107	41.8%
SHP: Misc	2	11.8%	1	6.3%	15	88.2%	15	93.8%
SHP: Social	25	14.8%	53	21.1%	144	85.2%	198	78.9%
Totals	31,749	91.0%	30,940	90.4%	3,123	9.0%	3,304	9.6%

Source: Federated Hermes, Inc. Voting statistics cover the period 7/1/23 to 6/30/25. Abstentions are not included in the figures above, as they accounted for less than 1% of votes cast during the period. Federated Hermes generally does not abstain on votable ballot items.

In February 2025, the SEC issued a Staff Legal Bulletin signaling a shift in its stance on granting no-action relief, the process by which companies are permitted to exclude shareholder proposals from their proxy ballots. This guidance effectively reversed its more permissive approach of the 2022–2024 proxy seasons, which had marked a significant departure from its long-standing precedent and resulted in a record-setting surge in shareholder submissions. Although released just weeks before the start of proxy season, the bulletin appeared to have an immediate impact, as the number of environmental and social proposals brought to a vote declined sharply. Federated Hermes' voting data reflects this trend, with environmental proposals dropping to 133 from 161 the previous year, and social proposals falling to 172 from 253 in 2024.

This dynamic regulatory environment notwithstanding, Federated Hermes has continued to apply a consistent approach to proxy voting. Our support for environmental and social shareholder proposals has declined in recent years, largely due to the increasingly prescriptive nature of many resolutions. For example, many environmental proposals have called for companies to set Scope 3 emissions targets or to align capital allocation with narrowly defined global warming scenarios—approaches we viewed as overly restrictive and not always aligned with long-term shareholder value.

At the same time, the 2025 proxy season saw a continued rise in shareholder activism aimed at dismantling climate-related reporting and target-setting. Federated Hermes did not support proposals seeking to eliminate such disclosures entirely, as we believe transparency on climate-related risks remains critical to informed investment decision-making. Similarly, reporting on social issues such as human capital management and diversity, equity and inclusion programs has been challenged through the shareholder proposal process in the last two proxy seasons, with a significant uptick in such activity in 2025. While we assess these matters on a case-by-case basis, as a general comment, our support rate for these proposals has been low, as we have found them to be overly prescriptive.

Federated Hermes remains firmly committed to our responsible investing principles. We believe that integrating material sustainability considerations and engagement into the investment process provides valuable insights into an issuer's ability to navigate future risks and opportunities. While proxy voting is an important stewardship tool, we do not use it to direct company strategy or capital allocation. Above all, our voting decisions are guided by our fiduciary duty to clients—to act in a manner that we believe will enhance long-term shareholder value.

“An investment manager's proxy voting record on environmental and social proposals is sometimes viewed as a proxy for their commitment to sustainability. However, Federated Hermes cautions against drawing broad conclusions based solely on voting statistics. These figures can be misleading when taken out of context, as they do not reflect the nuanced, case-by-case analysis that underpins each voting decision. Our approach prioritizes financial materiality, issuer-specific circumstances, and our fiduciary duty to clients—factors that cannot be fully captured through aggregate voting data alone.”

Jonathan Haymon, Vice President, Director of Proxy Voting
for US-based Federated Hermes Advisory companies

Section 7: Our people and our culture



Fostering a culture of inclusion, growth and respect

Federated Hermes is committed to cultivating a positive and fulfilling work environment that supports professional growth, creativity, and long-term career development. Through a wide range of programs and initiatives, we create opportunities for employees to contribute meaningfully while advancing their skills and aspirations.

We actively engage in broad-based outreach to attract candidates with diverse professional, personal, and educational backgrounds. In a rapidly evolving business landscape, we believe varied experiences and perspectives can foster innovative thinking, help generate novel solutions for our clients and address emerging business challenges.

A core tenet of our culture is the acknowledgment of the dignity of each person and the mutual respect it engenders. Accordingly, all employees are expected to treat one another with dignity and respect, a principle reinforced through our corporate pledge, which is voluntarily signed by employees. New and current team members receive training on respectful conduct and professional interactions with colleagues, clients, regulators and vendors.

Supporting our employees also means providing access to ongoing training and competitive benefits that promote work-life balance and help attract and retain top talent. These efforts reflect our commitment to building a workplace where all employees can thrive, as described in our Global Diversity and Inclusion policy.

Creating opportunity through commitment

Federated Hermes is committed to fostering a diverse, inclusive, and respectful workplace where every individual is valued for their unique perspectives and contributions. We recognize that a diverse workforce not only enriches our corporate culture but also supports stronger long-term business performance.

We define diversity broadly—encompassing differences in experience, skillsets, backgrounds, and education—and believe that diversity must be paired with inclusion. Inclusion means cultivating an environment where individual talents are respected, supported, and developed. Achieving this requires a sustained commitment across all levels of the organization.

Our Global Head of Human Resources leads the firm's strategic human capital management and plays a key role in ensuring that our policies, programs, and practices attract, retain, and invest in a high-performing workforce. As a member of the Executive Committee, she regularly updates senior leadership on workforce trends and initiatives, including hiring, promotions, turnover, workforce composition, pay equity audits, and the implementation of employee-focused programs.

This commitment is fully supported by executive leadership and the Board of Directors and is advanced in collaboration with management and employees across the organization. As a global firm, Federated Hermes tailors its employee engagement strategies to reflect the cultural and regulatory context of each region while maintaining alignment with our overarching vision: to create environments where employees can thrive professionally and contribute meaningfully to the firm's success.

Advancing workforce development

Federated Hermes' strategy is built on four foundational pillars designed to attract, develop, and retain a broad pool of highly qualified candidates:

- **Driving opportunity and diversity:** We actively seek candidates from a wide range of organizations and academic institutions to build a workforce equipped with the skills needed to meet both current and future business needs.
- **Creating inclusion:** We foster an environment that supports employee development and engagement, creating meaningful opportunities for career advancement.
- **Outreach:** We broaden our corporate outreach efforts to attract diverse and qualified candidates, reinforcing our commitment to inclusive hiring practices.
- **Continuous program development:** We regularly assess our talent programs to identify opportunities for enhancement and to introduce new initiatives that support ongoing professional growth.

Our growth as a firm continues because the values created by the firm's founders and exemplified by our employees everyday remain unchanged: to put clients first, and to act responsibly and with integrity. Hiring and developing people who demonstrate these qualities are keys to maintaining and elevating our culture. We are as thoughtful about choosing our people as we are about vetting investments for our clients. Our diligence in these areas pays off for the firm, our clients and our shareholders.

Chris Donahue, CEO Federated Hermes

Internship and university engagement programs

Federated Hermes offers both summer and year-round internship opportunities designed to provide meaningful, hands-on experience. Summer interns typically work full-time during their academic break, while year-round interns work full-time in the summer and continue part-time during the academic year. Internship opportunities are posted on Handshake and the firm's careers page, and may also be shared through university contacts, affinity groups, former interns, and partner organizations.

In addition, Federated Hermes offers co-op opportunities, primarily within our Pittsburgh-based Global Technology Operations (GTO) department and our Boston office operations group. These programs bring fresh perspectives to the firm while offering participants valuable real-world experience. They also serve as a pipeline for identifying and developing future talent.

To further increase awareness of Federated Hermes as a global asset manager among college and university students, the firm established a formal University Relations Ambassador Program. Managed by the Human Resources department, this initiative encourages employees to engage in outreach activities and build partnerships with academic institutions across the United States. Through this program, employees serve as ambassadors, promoting the firm's brand and highlighting internship and entry-level career opportunities.

Early exposure and industry pipeline development

Federated Hermes believes that introducing students to the investment management industry at the pre-college level can play a meaningful role in encouraging interest in finance and STEM-related fields. By fostering early awareness, we aim to help build a long-term, diverse pipeline of talent—not only for Federated Hermes, but for the broader investment management industry.

To support this goal, Federated Hermes partners with several organizations in Pittsburgh, New York and London to offer internships and mentoring opportunities for high school students. These programs provide early exposure to the industry, promote financial literacy, and help students envision future careers in investment management.

Expanding our supplier resources

In 2020, Federated Hermes launched an initiative within our trade execution department to expand partnerships with women-, minority- and veteran-owned broker dealers through our government money market fund, the Federated Hermes Government Obligations Tax Managed Fund, which held approximately \$7.5 billion in assets as of June 30, 2025. As outlined in the Fund's prospectus, we seek to place purchase orders for the Fund's portfolio transactions with these broker-dealers, while maintaining our fiduciary duty to seek best execution.

Since the program's inception, over \$160 billion in securities have been purchased through these women-, minority-, and veteran-owned firms. Year-to-date, through June 30, 2025, approximately 68% of the fund's purchase transaction volume was conducted through them. This initiative has proven mutually beneficial, strengthening our trading capabilities by working with a broader range of broker-dealers.

Employee engagement and feedback culture

At Federated Hermes, fostering a culture of dignity, respect, and open communication is a top priority. We are committed to engaging employees and creating forums for feedback and dialogue that ensure individuals feel valued and heard. Current initiatives include:

- **Mentorship program:** Federated Hermes recently completed a successful pilot of a new Mentorship Program, designed to support professional development across the organization. Employees from multiple US locations volunteered to participate. The program is scheduled for full launch in 2026 and will be available to all employees.
- **Employee feedback forums:** The Human Resources Department conducts regular roundtable discussions and individual feedback sessions to gather employee insights. In addition, senior managers hold "step meetings" with employees two levels below them in the reporting structure to encourage open dialogue. Feedback is also collected during exit interviews, with comments reviewed by senior leadership, including the CEO, to inform continuous improvement.
- **Turnover and retention insights:** Like many organizations, Federated Hermes monitors employee turnover at various levels and conducts exit interviews with departing employees. Insights from these interviews help enhance leadership effectiveness, manage turnover, and support the retention of talented individuals.
- **Professional development and training:** We provide a professional work environment that supports employees' career aspirations through a comprehensive development framework. This includes on-the-job learning opportunities, mentoring, and a robust catalog of classroom and online training programs delivered by internal and external experts.

WIn: mentorship and community support

In 2021, Federated Hermes launched its first Employee Resource Business Group (ERBG) to foster professional development and a sense of community among U.S.-based employees. The inaugural group, Women in Investing (WIn), focuses on supporting and advancing the professional growth and representation of women within the firm, the asset management industry, and the broader community—while remaining inclusive of all employees and aligned with the firm’s strategic goals.

WIn organizes events and initiatives centered on professional development, networking, and community engagement. Past programs have included sessions on topics such as “Mastering Presentation Skills,” “Cryptocurrencies Demystified,” and “The Art of Professional Communication” as well as a book group discussion moderated by WIn members. The Outreach Committee has led community initiatives, including food drives and volunteering time to teach and coach students. Through these efforts, WIn continues to create meaningful opportunities for connection, learning, and impact—both within the firm and in the communities we serve.



“Being part of WIn has enabled me to forge strong connections with colleagues I might not have met otherwise. As an employee, I have greatly benefited from the professional development, mentor/mentee relationships, and networking opportunities. As a member of WIn’s leadership team, I am honored to facilitate initiatives that strengthen our community and support women in our industry.”

Rebecca Donahue, Assistant Vice President, Manager Content Strategy, Marketing and WIn Communications Committee Chair



“I believe that when we mentor, support, and invest in the growth of our colleagues, we all succeed. By building a culture of mentorship and community, we can help individuals succeed while creating a stronger, more resilient organization.”

Ihab Salib, Senior Portfolio Manager, Head of International Fixed Income and WIn member

New Employee Buddy Program: supporting onboarding and knowledge sharing

To further enhance the firm’s welcoming culture, Federated Hermes launched the New Employee Buddy Program, designed to help new hires acclimate more quickly and confidently. Through this initiative, new employees are paired with experienced colleagues who serve as informal guides during the onboarding process. Buddies provide support by answering questions, sharing insights about the company, and helping new employees build their internal networks and professional relationships.

Given the long tenure and deep institutional knowledge of many Federated Hermes employees, the program also serves as a valuable mechanism for knowledge transfer. It enables the sharing of insights gained through decades of experience, supporting both employee development and the continuity of the firm’s culture and values.

Beyond metrics: cultivating a culture of talent and respect

While workforce composition data can offer useful insights, it provides only a one-dimensional view and does not fully capture the depth of talent, creativity, and diverse perspectives that employees bring to Federated Hermes. We believe that fostering an inclusive and supportive environment—where individuals are treated with dignity and respect—is essential to attracting and retaining top talent.

The composition of our Board of Directors reflects this ethos as well as our management’s commitment to board members who are seasoned professionals and able to guide the firm in meeting current and future business challenges.

Globally: as of 12/31/24*

- **61%** of employees are male
- **39%** of employees are female

Within the firm’s US operations:*

- **33%** of business managers are women and/or minorities
- **28%** of portfolio managers are women and/or minorities
- **7%** of employees are minorities.

Federated Hermes Inc. corporate board:

- **33%** of Directors are female
- **50%** of Directors are Independent
- The role of Lead Director is held by an independent director
- Independent Directors lead Audit, Compensation and Compliance Committees
- Average Director tenure is **17 years**

*Source: Federated Hermes 10-K

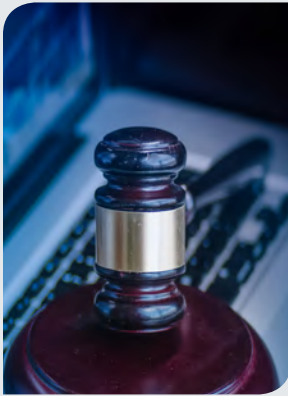
Employee training and development

In a highly regulated industry, ongoing employee training is required to ensure all employees understand and comply with the regulatory framework that governs the asset management industry, underscoring that compliance is paramount to the well-being of the firm and critical to employees. Federated Hermes provides an extensive training curriculum related to securities regulations for new and existing employees. These range from safeguarding information to understanding how to identify and avoid financial crimes related to money laundering, bribery and corruption in the context of our industry and firm.

In addition to ensuring our training addresses key regulatory issues we also provide training to ensure all employees understand the ethical framework that underpins interactions between our colleagues, clients and vendors. The foundational belief at Federated Hermes is that all employees are to be treated with dignity and respect, their contributions valued, and differences respected.

Our commitment to training is reflected in the over 31,000 hours of training undertaken by Federated Hermes Inc. employees collectively in 2024.

- New employees' required training, depending on their role, includes 12-16 different online topics to be completed within the first 30 days of employment, followed by 2 additional classroom/webinar courses to be completed within their first year of employment, totaling up to 22 hours of training,
- Annual required training for each employee ranges from 8-9 online courses, approximately 9 hours per employee, according to employee job responsibilities.
- Anti-money laundering training (now incorporated into the Financial Crimes curriculum) is required for all employees.



As a topic within the curriculum to help employees identify financial crimes, Federated Hermes Anti-Money Laundering Training Program takes a comprehensive look at money laundering and the steps and processes the firm takes to prevent it. This training underscores to employees the critical importance of the firm's policies and procedures which are in place to prevent money laundering and other financial crimes within our firm's operations.

The course covers key topics that include:

- Define money laundering and the steps in the money laundering process.
- Identify the organizations and regulations in place to combat money laundering and terrorist financing.
- Build an understanding of customer due diligence, why it's important, and the requirements relating to it.
- Explain the importance of financial sanctions and how they are implemented.
- Identify suspicious activity and know how to escalate concerns.

For new and existing employees, the following are generally the core required annual/bi-annual training courses (some courses correspond only to specific job responsibilities). As needed, new courses are added to meet the needs of our employees, our firm and our industry. Completion of required training is reviewed by each employee's manager and monitored by the firm's Talent Development department. Courses marked with an asterisk (*) are required for all employees:

- Dignity and Respect in the Workplace*
- Fiduciary Duty and Conflict of Interest*
- Code of Ethics for Access Persons
- Elevating Issues*
- Safeguarding Information *
- Enterprise Data Governance
- Information Security Awareness and Data Protection*
- Phishing and Security Awareness*
- Financial Crimes (combines curriculum for anti-money laundering and anti-bribery and corruption policy and procedures)*
- Insider Trading*
- Business Continuity Program
- Records Retention*
- Corporate Standards for Managing Emails*
- Electronic Communications Use & Social Media Use*
- What is ESG Investing
- Derivatives
- Commodity Futures Trading Commission Ethics
- Getting Started with AI at Federated Hermes
- KnowBe4 Phishing Foundations*
- KnowBe4 10 Ways to Avoid Phishing Scams*

Education, development and well-being

A welcoming environment, employee engagement, learning and development opportunities, competitive benefits and employee assistance programs are important for the well-being of our employees and to attract talent to Federated Hermes. The firm provides a professional work environment for employees across the company that supports employees' career aspirations and professional development interests through training programs and mentoring initiatives. The Talent Development team offers a variety of blended learning modalities to support employee and leadership development. Learning modalities include online learning including AI practice simulations, in-person training, mentoring and coaching, learning circles, and on-the-job learning. Employees and leaders have the opportunity to develop a wide range of skills and behaviors through an extensive training curriculum which includes, among other topics:



- Leadership & management
- Compliance/regulatory requirements
- License exam preparation
- Sales skills
- Customer service skills
- Individual and team performance
- Technical (systems) topics
- General professional development

Federated Hermes offers an **Education Assistance Program** to support employees in taking job-related courses and furthering their professional development. This program covers courses and degree programs related to job roles, licenses, professional certifications, and overall professional growth. The firm provides an organized process, with continuous planning and coaching from the initial meeting to the achievement of designations.

In addition to professional and personal growth opportunities, Federated Hermes promotes financial literacy and retirement savings through workplace education and savings programs. These include a 401(k) plan and an Employee Stock Purchase Plan, allowing employees to invest directly in the firm.

Health and welfare benefits

Federated Hermes' benefits are designed to help employees stay healthy, develop their careers, meet financial goals, and balance work and personal life. These benefits also aim to enhance employee engagement and retention.

Along with traditional health and welfare benefits, such as medical, dental, disability, paid time off and retirement savings plans, the company also offers flexible work arrangements, paid parental leave, paid volunteer time, employee discounts and other programs and services. Federated Hermes also offers an online Wellness Employee Resource Center offering programs and resources to help employees manage their physical and emotional health, as well as Headspace, a mobile application for mindfulness and well-being. Federated Hermes' benefits programs are structured to provide choices and flexibility to support employees' changing needs.

Our list of benefits include:

- Medical/prescription drug benefits
- Vision plan
- Dental plan
- Health Care Flexible Spending Account
- Dependent Care Flexible Spending Account
- Employee profit sharing/401(k)
- Federated Hermes fund investment accounts
- Employee stock purchase plan
- Life and accidental death and dismemberment insurance
- Dependent life insurance
- Short-term salary continuance (STSC)
- Long-term disability and spouse disability insurance
- Work life support programs
- Mental Health and Wellness resources
- Paid holidays
- Paid vacation
- Flexible work arrangements
- Employee assistance program (EAP)
- Education assistance program
- Commuter reimbursement service
- Travel accident insurance
- Paid volunteer day
- Paid parental leave
- Adoption benefit
- Employee referral bonus program

Community support

For nearly 70 years, giving back to the communities where employees live and work has been an important reflection of our corporate values. Many organizations to which corporate donations are made are those where employees volunteer their time and talent. Federated Hermes wants to be additive to their efforts and acknowledge that the firm believes their community work is valued and consistent with our corporate ethos. This bottom-up approach allows us to support causes that reflect employees' interests and values.

In calendar year 2024, Federated Hermes contributed over \$2.3 million to more than 160 US organizations. While many of these organizations are located in Southwestern Pennsylvania, where most of our employees reside, support was given to organizations wherever our employees live and volunteer across the United States.

The range of organizations Federated Hermes supports reflects the many types of community organizations with which our firm and its employees engage: education initiatives; health and human services organizations; and, arts and cultural organizations. Some of these community partnerships include:

- **United Way** and the **American Red Cross** – These organizations have longstanding associations with Federated Hermes, conducting corporate campaigns annually. Employees are also eligible to be paid for one day per calendar year to participate in a volunteer activity for a United Way–affiliated agency of their choice.
- **Extra Mile Education Foundation** - Federated Hermes has a decades-long affiliation with this organization and supports it through annual financial contributions and board membership. This Foundation supports access to quality elementary education in three underserved Pittsburgh-area communities. Many of the Extra Mile students, who are predominantly African- American, have completed high school and continued on to college or post-secondary training and careers.
- **Scouting for Food** – For over 30 years, Federated Hermes has participated in the Scouting for Food campaign, a food collection program coordinated by the Boy Scouts of America and local organizations to combat hunger in a six-county area in southwestern Pennsylvania. The program provides food to people in the area and local pets facing hunger and food insecurity.
- In 2022, Federated Hermes broadened its community partnerships through the **UN Sustainable Development Goals (SDGs)** by creating a charitable share class (SDG Shares) within the Federated Hermes' Government Obligations Fund. Federated Hermes donates 5% of its quarterly management and administrative fee revenue attributable to the SDG shares to a nonprofit whose mission is aligned with one or more of the SDGs. Federated Hermes currently focuses on three SDGs — quality education (SDG #4), decent work and economic growth (SDG #8), and reducing inequality (SDG #10). At present, these donations are directed to the **Hispanic Heritage Foundation (HHF)**, a national nonprofit focused on education, workforce development and innovative leadership within the Latino community.

Federated Hermes' corporate commitment to community support is shared by our UK-based subsidiary, Federated Hermes Limited (FHL), which contributes to the wider London community through volunteering initiatives and partnerships. FHL employees volunteer with charities dedicated to alleviating childhood poverty, renovating local schools and gardens, and partnering with sustainability-related organizations to reduce individual carbon footprints.



Section 8: Cybersecurity and data privacy

Federated Hermes recognizes the critical importance of protecting against cybersecurity threats and has established robust cybersecurity and data privacy programs. The firm has in place policies and procedures that reflect the cybersecurity-related best practices of the financial services industry as well as the expectations, guidance and, in some cases, directly expressed requirement of regulators (both foreign and domestic) to have a framework focused on managing cybersecurity risk. Federated Hermes' written Cybersecurity Program, including its response processes and procedures, are in place to help ensure a timely response to detected cybersecurity incidents. Federated Hermes' Cybersecurity Incident Policy and Procedures, in tandem with its general business continuity planning procedures, are critical to both help prevent and, if needed, to recover from, cybersecurity events and other risks to Federated Hermes' business operations. The firm's information systems and assets, which are described below, are regularly monitored and tested via internal audits and by third-party monitoring services every two years or as needed or appropriate.

The FH Cybersecurity program follows industry best practice standards and it encompasses the following elements:

- **Identify** — Develop the organizational understanding to manage cybersecurity risk to systems, assets, data and capabilities.
- **Protect** — Develop and implement the appropriate safeguards to seek to ensure delivery of critical infrastructure services.
- **Detect** — Develop and implement the appropriate activities to identify the occurrence of a cybersecurity incident.
- **Respond** — Develop and implement the appropriate activities to take action regarding a detected cybersecurity incident.
- **Recover** — Develop and implement the appropriate activities to maintain plans for resilience and to restore any capabilities or for services impaired due to a cybersecurity incident.

Governance

As a firm, Federated Hermes considers the security of our firm's, and our clients' data to be among its highest priorities.

Federated Hermes' Board of Directors has ultimate oversight responsibility for cybersecurity risks and threats, assisted by the firm's Audit Committee. Federated Hermes' Board of Directors and audit committee members receive reports on cybersecurity matters on a quarterly basis and more frequently when circumstances warrant as part of their risk management oversight responsibilities. The audit committee also receives reports from Federated Hermes' internal auditors, legal counsel and other officers regarding cybersecurity topics and trends. Additional oversight is provided by our Chief Risk Officer (CRO), who reports directly to the compliance committee of Federated Hermes' Board of Directors on a quarterly basis and Federated Hermes' full Board of Directors as appropriate, on significant enterprise risks, including cybersecurity risks.

Another layer of oversight is provided by an information security and data governance committee which provides executive management oversight of the information security team and Federated Hermes' cybersecurity program. This committee consists of senior executives from across Federated Hermes, as well as senior members of the management team. This ensures that the scope of cybersecurity protocols is integrated across all lines of business.

At the department level, responsibility for data security rests with Federated Hermes' technology department. This group is headed by Federated Hermes' Chief Information Officer (CIO) who directs a dedicated information security team which is responsible for day-to-day oversight of the cybersecurity program. The information security team coordinates cybersecurity activities with all Federated Hermes' business functions and third-party service providers as appropriate, as well as overseeing and coordinating cybersecurity efforts with counterparts at our UK-based subsidiary, Federated Hermes Limited, providing a firm-wide, comprehensive approach to cybersecurity policies and practices. In addition to our internal team that monitors and responds to threats against our network, our Security Operations team are augmented through a partnership with an external Management Security Service Provider (MSSP) that monitors our Security Information & Event Management platform (SIEM) 24x7x365. Potential events or incidents are raised to our internal team for investigation and response.

Federated Hermes maintains a written cybersecurity program protocol, along with ancillary policies and procedures, which set forth the key features of the cybersecurity program. These policies and procedures strive to reflect what Federated Hermes believes are best practices for assessing, identifying and managing cybersecurity risks and are reviewed and updated on a regular basis.



Alignment and certification standards

The Federated Hermes Cybersecurity Program is aligned with the National Institute of Standards and Technology (NIST) Cybersecurity and Framework, which is regarded as a best-practice standard for information security and data governance. In addition to NIST, the Firm aligns globally with other recognized frameworks including CSF, FFIEC CAT, FedRAMP, SOC 1/2, ISO 27001/2 and applies the Center for Internet Security protocols for securing IT systems and data. As of October 2024, Federated Hermes obtained a SOC 2 Type II certification covering key business applications for our US-based entity. Going forward, this SOC 2 Type II certification will be conducted annually.

Assessing vulnerability proactively and reactively

Under Federated Hermes' cybersecurity program, Federated Hermes conducts annual threat identification and assessment exercises. These exercises involve the use of internal staff as well as external third-party cybersecurity experts, who assist with, among other things:

- Firm-wide penetration test every 12 to 18 months, conducted by a specialist third-party
- Weekly internal vulnerability scans of our systems and network
- Regular purple team exercises conducted in partnership between a specialist third-party and our internal security operations team
- Regular tabletop exercises conducted by both internal and external teams to exercise processes and procedures

Information gained from such exercises is used to develop and refine protective and detective strategies and tactics. Federated Hermes' information systems and assets are also monitored to identify cybersecurity incidents and verify the effectiveness of existing protective measures. New protective measures are deployed as threats evolve. Some of the measures employed by Federated Hermes to mitigate cybersecurity risk include, among others, use of firewalls, system segmentation, system monitoring, virus scanning, and periodic penetration and phishing testing. This information helps inform both the proactive measures and reactive measures in place to respond in the event of data breaches.

Employee and vendor awareness and education

Federated Hermes requires:

- Mandatory cybersecurity training for all employees
- Mandatory cybersecurity training for all suppliers and vendors and contractors who have access to client data and who interact with sensitive firm technology systems

Federated Hermes' cybersecurity program requires annual training of all employees on cybersecurity threats, including phishing, data privacy, and cybersecurity awareness campaigns. Phishing tests are conducted quarterly and are designed by the Federated Hermes' Information Security Operations group to be realistic and mimic current email-based threats facing the organization. Individuals who fail the tests are notified along with their direct supervisor and division head and are required to take retraining within 30 days designed to improve their awareness and recognition of these types of threats. Additionally, employees are provided additional training and awareness throughout the year through our annual National Cyber Security Month campaign and ad-hoc awareness initiatives based around the evolving threat landscape. Any employee who interacts with a real phishing email is provided one-to-one remedial training and guidance from our information security team.

Federated Hermes also conducts due diligence on key vendors' privacy and cybersecurity policies and practices to assure alignment with Federated Hermes' policies regarding proper protection of client data. Security product reviews for new technology are conducted to assure alignment with NIST and Federated Hermes' security policies. The importance of cybersecurity and data protection are regularly reinforced to employees through required online training which raises awareness of important protocols each individual must follow when working with sensitive information and data and emphasizes each individual's critical role in safeguarding data and preventing security breaches.

Because Federated Hermes' third-party service providers are a potential source of cybersecurity threats, Federated Hermes conducts due diligence on key service providers relating to cybersecurity. Due diligence consists of reviewing several key data points regarding service providers. These include, but are not limited to, the business processes the service provider will provide, the sensitivity of the data they will store, process, transmit or access, and network connectivity with the service provider. Using this criteria, Federated Hermes will categorize the service provider into a tiered structure. The tiering defines the requirements for conducting the initial and ongoing due diligence.

Data privacy

Federated Hermes cybersecurity and data privacy programs work in tandem to form the foundation of the firm's proactive and incident response plans designed to safeguard the firm's and its clients' personal information.

As guided by our firm's chief compliance officer, Federated Hermes' Privacy Policy notice details information about how Federated Hermes collects and safeguards the personal information of clients across all relevant business lines of the firm. The policy outlines the rights of customers to access, correct and delete personal data.

Federated Hermes uses federal guidance and standards to develop and implement security safeguards to prevent unauthorized access to and otherwise protect client Personal Information. Specifically, Federated Hermes maintains physical, electronic, and procedural safeguards to protect client Personal Information, and has procedures in place for its appropriate disposal and protection against its unauthorized access or use when we are no longer required to maintain the information.

As noted in our policy, we collect data when necessary to process a transaction or a service, or when permitted or required by applicable laws. If Federated Hermes shares Personal Information, it is made available only as permitted by law and for the limited purpose intended to be processed only for such purposes. We require service providers to comply with our standards for handling personal data, particularly those related to protecting such data. These requirements are included in written agreements between Federated Hermes and our service providers.

Please reference Federated Hermes' Privacy Policy Notice (<https://www.federatedhermes.com/us/policies/privacy-policy.do>) and California Consumer Privacy Act Notice (<https://www.federatedhermes.com/us/policies/california-consumer-privacy-act-notice.do>).

Federated Hermes has procedures in place to address data breaches both proactively and in response to an incident. We employ firewalls, encryption technology (using the industry standard Transport Layer Security (TLS) encryption) and user authentication systems (e.g. passwords and personal identification numbers), along with secured connections (digital certificates) where appropriate on our Internet systems to assure the security of data. Federated Hermes' computer systems also generate system and application activity logs, which are reviewed regularly for anomalies and discrepancies, which are investigated thoroughly. Additionally, all employees have required trainings in which the importance of protecting the firm's data are reinforced. These training courses include: Safeguarding Information; Enterprise Data Governance; Information Security Awareness and Data Protection; and Phishing and Security Awareness.

Business continuity

Hand in hand with our cybersecurity program is our Business Continuity Plan, a critical element in managing potential business disruptions. The plan is intended to preserve our ability to conduct business and serve our clients, shareholders, and other stakeholders. Our corporate-wide business continuity strategy is intended to mitigate the firm's reputational, operational, and financial risks from real and potential threats. We perform an annual business impact analysis for each business unit and conduct periodic tests of business unit and firm-level readiness and continually make improvements and adjustments based on these results.



Section 9: Compliance and ethics



Federated Hermes prides itself on a culture of compliance. In a highly regulated industry, such as investment management, knowing the regulatory framework and adhering to it is a business imperative.

Federated Hermes' Compliance Department is responsible for overseeing the policies and procedures to assure compliance with legal and regulatory requirements throughout the company and for Federated Hermes' funds. Compliance policies and procedures cover over 90 different topics that range from marketing and codes of conduct to records retention and trading practices.

Federated Hermes has established Internal Compliance Committees — one for Federated Hermes and its subsidiaries (the Federated Compliance Committee) and one for our London subsidiary, Federated Hermes Limited (FHL) and its subsidiaries (the FHL Risk, Compliance, and Financial Crime Committee) — that administer Federated Hermes' overall compliance program. The Federated Committee is chaired by the chief compliance officer and is composed of the general counsel, the chief risk officer, the chief audit executive, and the FHL Head of Regulatory Compliance. All of these serve to safeguard both the company and the clients we serve.

As noted, compliance and regulatory requirements are integrated throughout the operations of the firm. Key compliance personnel are included in regular ongoing discussions with product management, risk management, legal and our Responsible Investing Office. New regulatory developments are communicated by compliance staff as appropriate.

Federated Hermes is committed to conducting its business in accordance with the highest legal and ethical standards. We believe Federated Hermes' reputation for integrity is its most important asset and each employee, officer and director contribute to the care and preservation of that asset. This reputation for integrity is the cornerstone of the public's faith and trust in Federated Hermes; it is what provides us an opportunity to serve customers, investors and other stakeholders. A single individual's misconduct can do much to damage a hard-earned reputation and no code of business conduct or ethics can effectively substitute for the thoughtful behavior of an ethical director, officer or employee.

Enterprise risk management

Adding another critical layer of protection to mitigate business risk is the Enterprise Risk Management Department (ERM), one of four units comprising the Federated Hermes Corporate Governance Division, along with Legal, Compliance and Internal Audit. ERM, along with its chief risk officer, is responsible for developing, implementing and maintaining a comprehensive risk management program for the firm. Since 2004, ERM has provided a centralized, formal risk assessment and integration program designed to identify, assess, document and mitigate risks, as well as improve risk control processes.

ERM works closely with business units throughout the firm using a formal, multi-phased process to assist them in assessing and mitigating risks associated with their business unit or business processes. Through an Enterprise Risk Management Committee (ERMC) structure, representatives of key business units assist in oversight of overall enterprise risks with a particular focus on risks of individual departments or business processes.

In the first stage, risk identification, "risks" are any condition, issue, threat or action which could impact our firm's ability to serve its clients, shareholders, or other stakeholders and to meet its business objectives and execute its strategies successfully. This includes upside (opportunity) as well as downside (loss potential). ERM works with business unit risk committees to identify its business processes and identify what creates risks within those processes. At this stage each risk is also categorized into one of ten risk types: investment risk, operational risk, financial risk, legal risk, compliance risk, regulatory risk, fiduciary risk, reputational risk, strategic risk and human capital risk. In the next stage, risk scoring, risks are assessed using two parameters. The first parameter is probability, or the likelihood of a risk occurring. The second parameter is impact, the short or long term financial, reputational or strategic effect of a risk on Federated Hermes' business.

In the final stage, the focus is on risk mitigation. ERM works with the business units to move higher risks to lower thresholds by helping the business unit take corrective action — including developing stronger controls and developing and implementing action plans that make risks more manageable. Investment risk management is a key focus and the ERM framework includes a comprehensive structure to manage and control investment related risks which span the investment process. This structure allows ESG/sustainability risk considerations to be viewed within the context of both investment and enterprise risk.

The chief risk officer meets with key corporate entities on a regular basis that include the Board of Directors of Federated Hermes Inc., the Board of Directors of Federated Hermes Limited, and the Board of Directors of the Federated Hermes Funds.

Responsible Investing Office Risk Committee

In 2021, the Responsible Investing Office determined that the attendant risks and opportunities associated with sustainable/ESG investing should be regularly addressed in a process that mirrors that of the ERM. To that end, an offshoot of the Enterprise Risk Management Committee was organized, the Responsible Investment Office Risk Committee (RIORC). The Committee is specifically devoted to consideration of the risks and opportunities associated with sustainability considerations within the investment process. The Committee is comprised of representatives from the Responsible Investing Office, Compliance, Enterprise Risk, Legal and Internal Audit. Key issues and topics include technology, regulatory, marketing, investment integration and all other relevant topics that come before the Committee.

As noted, the Enterprise Risk Management Committee, the Investment Management Risk Committee and the Responsible Investing Office Risk Committee collectively, and through the individual departmental mandates, monitor key issues that impact both corporate operations and our investment portfolios. These issues can include both the near and long-term risks of climate change – as well as the business and investment opportunities they create.

“Climate change poses investment risk through its varying impact on individual companies, industries and even entire economies. To effectively optimize portfolio returns, it is essential to consider the influence of climate change in differing geographies.”

Michael R. Granito, Chief Risk Officer



Safe Reporting Portal

Individuals are encouraged to discuss with management concerns related to matters such as ethics violations, fraud, or compliance concerns. If individuals do not feel comfortable in doing so, Safe Reporting Portal is available to them for filing reports confidentially and anonymously (if preferred).

Federated Hermes provides access to Safe Reporting Portal (hosted by an external party) so that employees, customers and vendors have a confidential and anonymous resource to provide information to its Internal Compliance Committee, the Board of Directors/Trustees of Federated Hermes or its Funds (or their non-management directors), and their respective Audit Committees, and, for Federated Hermes’ subsidiary, its Risk and Compliance Committee and its Fund Boards (if relevant). The Safe Reporting Portal is available 24/7 and is accessible via toll free numbers in both the US and UK and via the following website link <https://www.federatedhermes.com/us/corporate/fund-governance.do>. Topics related to Federated Hermes which are appropriate to report via Safe Reporting Portal include:

- Accounting/auditing related complaints or concerns
- Code of ethics violations
- Compliance and regulatory violations (financial and non-financial)
- Shareholder concerns
- Conflicts of interest
- Copyright or trademark infringement
- Corruption or bribery
- Fraud/misconduct
- Vendor concerns

Section 10: Environmental footprint

Environmental commitment

At Federated Hermes, we remain committed to improving our environmental footprint and energy efficiency across all our corporate operations. We work with landlords in each office location to develop programs aimed at reducing energy usage and improving recycling efforts.

Office space and operations

We lease approximately 425,512 square feet of office space across six cities in the United States, including our corporate headquarters in Pittsburgh, where more than half of our employees work.

At our headquarters building, the landlord provides an annual Energy Star report. Energy Star, a joint program of the Environmental Protection Agency and the Department of Energy, assesses a building's energy efficiency on a scale of 1-100, with higher scores indicating greater efficiency. The report also includes greenhouse gas emissions data, measuring direct and indirect emissions (Scopes 1 and 2) based on the Greenhouse Gas Protocol Corporate Accounting and Reporting Standards.

Challenges and consistency

Our headquarters building, constructed in 1986 as a combined hotel/retail and office complex, faces challenges in achieving high energy efficiency due to its age and mixed-use nature. Despite this, the building's Energy Star score for the office portions of the building (which excludes the hotel and retail spaces) remains consistent, and its greenhouse gas emissions, primarily Scope 2, have been stable over the years. The Energy Star report below reflects the building's total office space of 538,576 square feet, of which Federated Hermes uses approximately half.

	Baseline Year 4/30/2009	Ending Year 12/31/2019	Ending Year 12/31/2022	Ending Year 12/31/2023	Ending Year 12/31/2024	National Median
Energy Star Score	27	29	36	35	33	50
Energy*						
Site EUI (kBtu/ft²)	95.1	87.6	79.0	78.4	80.6	65.3
Source EUI (kBtu/ft²)	266.2	245.4	221.3	219.5	225.8	182.9
GHG Emissions						
Total GHG emissions (metric tons CO₂)	7,852.2	6,742.1	5,606.9	5,907.1	5,806.7	4,702.8
Total GHG emissions intensity (kgCO₂e/ft²)	14.8	12.5	10.4	11	10.78	8.7
Water						
All water use (kgal)	N/A	8,251.6	4,864.7	4,711.0	5,545.7	N/A

*Site EUI is the amount of heat and electricity a building consumes as reflected in utility bills. Source EUI includes the energy used at the site plus the energy consumed in the production, transmission and delivery of that energy to the site.









Expanded recycling

In 2021, Federated Hermes established a Recycling Committee, comprising members from the Responsible Investment Office, Legal Administration, and Corporate Real Estate Services. The Committee's goal is to increase the volume of recycled items while reducing the volume of items sent to trash or landfill. The Committee works closely with landlords in each office to understand and maximize recycling efforts. The updated recycling program was launched in January 2023 at the corporate headquarters and has since expanded to eight additional office locations.

A key element of the updated program is leveraging the existing paper shredding program with Iron Mountain, a global data and information management company. Paper shredded by Iron Mountain is recycled into new paper products, reducing the environmental impact of virgin paper. The Committee recommended a shred-all policy for both confidential and non-confidential paper materials. Previously, only confidential materials were shredded, while other paper was recycled through single-stream recycling.

Iron Mountain provides quarterly and annual summaries of shredding volumes, tracking savings in terms of trees preserved, liters of water saved, kilowatts of energy conserved, greenhouse gases avoided, and solid waste reduced. In 2024, Federated Hermes shredded and recycled over 24 tons of paper across offices in six states.

Environmental metrics	1Q 2025	2024	2023	2022
 Metric tons of paper recycled (1 short ton = 2,000 lbs)	4.98 US short tons	24.27 US short tons	25.41 US short tons	24.60 US Short tons
 Trees preserved	120	582	610	590
 Gallons of water preserved	9,462	46,113	48,279	44,740
 kWh energy saved	14,740.88 kWh	71,839.62 kWh	75,214.04 kWh	72,816.42 kWh
 kWh (icon) Metric tons of CO₂ avoided	23.46	114.31	119.69	115.87
 Pounds of solid waste avoided	398.40	1,941.60	2,032.80	NA

Sources: Iron Mountain; Federated Hermes.

Other energy efficient and recycling efforts include:

- Where possible, Federated Hermes and its landlords use LED lights, low VOC paint, occupancy sensors, sustainably certified janitorial products and actively recycle electronics, office furniture, ink and toner cartridges.
- At the firm's Warrendale office and Federated Hermes Tower, batteries are collected for recycling by the landlords.
- Across all US offices recycling of toner cartridges increased in 2024. Recycling toner cartridges reduces waste going into landfills and reduces the need for new raw materials.

Section 11: Addendum

Governance documents

Federated Hermes and its employees are committed to conducting business in accordance with the highest legal and ethical standards.

The Board of Directors of Federated Hermes has adopted a series of important Guidelines and Charters to ensure that all directors, officers and employees of the company conduct themselves in a lawful and highly ethical manner. In accordance with the Guidelines and Charters, Federated Hermes is committed to maintaining strong internal practices and policies as well as the high standards of financial accounting and reporting. The documents that govern Federated Hermes are available for your review.

- [Code of Business Conduct and Ethics](#)
- [Corporate Governance Guidelines](#)
- [Code of Ethics for Senior Financial Officers](#)
- [Audit Committee Charter](#)
- [Compliance Committee Charter](#)
- [Compensation Committee Charter](#)

Data governance and security policies

- [Federated Hermes Privacy Policy and Notice](#)
- [Business Continuity Plan Summary](#)

Annual legal filings

- [Annual Report](#)
- [10-K Filing](#)

Responsible investing documents and links

- [Federated Hermes Responsible Investing Policy](#)
- [Federated Advisors - Proxy Voting Policy](#)

SASB disclosure topics

Asset management & custody activities

Topic	Metrics	Commentary	Location
Transparent information and fair advice for customers	Description of approach to informing customers about products and services	Federated Hermes' customers are financial intermediaries e.g., banks, RIAs, brokerage firms, who distribute our products to investors. Information about the firm's products and services are found on our website; marketing materials are reviewed by Compliance and submitted to FINRA for review as required. Corporate governance documents, also found on the website, address relevant conflict of interest issues.	www.federatedhermes.com/us/about/investor-relations/corporate-governance.do
Employee diversity & inclusion	Percentage of racial/ethnic group representation for executive management; non-executive management; professionals; and all other employees	Federated Hermes provides overviews of program initiatives designed to foster diverse and inclusive corporate culture. Select percentages reported for gender and ethnicity.	Corporate Sustainability Report pgs. 17-20
Incorporation of environmental, social and governance factors in investment management & advisory	Description of approach to incorporation of ESG factors in investment processes and strategies and description of proxy voting and investee engagement policies and procedures	Federated Hermes provides in-depth description of process, data analytics and research tools used for integration of ESG factors into investment strategies. Description of proxy voting policies and procedures presented and discussion of structured engagement services.	Corporate Sustainability Report pgs. 7-16
Business ethics	Monetary losses associated with legal proceedings, anti-trust, etc.; Description of whistleblower policies and procedures	Federated Hermes discloses any relevant monetary losses due to legal proceedings in regulatory filing as required by law. Whistleblower policies and contact information provided on website.	www.federatedhermes.com/us/about/investor-relations/corporate-governance.do ; Corporate Sustainability Report pg. 27

Specific investments described herein do not represent all investment decisions made by Federated Hermes. The reader should not assume that investment decisions identified and discussed were or will be profitable. Specific engagement references provided herein are for illustrative purposes only and are not necessarily representative of investments that will be made in the future.

Terminology such as “integrated,” “sustainable” or “impact,” among other terms, when used in the context of governance, environmental, social and other factors (factors), is not uniformly defined across the industry. Investment managers may understand and apply such other factors in different ways, and that the role those factors play in investment decisions also varies. Therefore, we recommend investors understand the role of such factors in a strategy to ensure that approach is consistent with their investment objectives. Like any aspect of investment analysis, there is no guarantee that an investment strategy that considers such factors will result in performance better than or equal to products that do not consider such factors. Investing and making buy-and-sell decisions that emphasize such factors carries the risk that, under certain market conditions, the fund or strategy may underperform those that do not incorporate such factors explicitly into the decision-making process. The application of these other factors may affect exposure to certain sectors or securities and may impact relative investment performance depending on whether such sectors or securities are generally in or out of favor in the market.

The ratings involving governance, environment, social and other factors (ratings) assigned are one consideration among others as part of the security selection process and do not represent an assessment of the fund/portfolio itself. The qualitative analysis described does not automatically result in including or excluding specific securities but is used as an additional input to improve portfolio risk/return characteristics.

Certain statements in this report constitute forward- looking statements, which involve known and unknown risks, uncertainties, and other factors that may cause the actual results, levels of activity, performance or achievements of Federated Hermes, Incorporated, or industry results, to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. As a result, no assurance can be given as to future results, levels of activity, performance or achievements, and neither Federated Hermes, Incorporated nor any other person assumes responsibility for the accuracy and completeness of such statements in the future. For more information on these items and additional risks that may impact the forward- looking statements, see the Federated Hermes, Incorporated Annual Report on Form 10-K.