

ESG Insights

Diversity, Equity, and Inclusion Make Us Stronger

March 2024



Diversity, equity, and inclusion (“DEI”) are core to our mission of providing exceptional equity investment performance and client service. We believe a culture that values differences and creates a deep sense of belonging and togetherness allows everyone to fully contribute and perform to their highest potential.

Maintaining a strong foundation in DEI principles allows us to make more informed decisions, manage risks and opportunities more effectively, hire top talent, and increase creativity, innovation, teamwork, and employee engagement. Combined, these factors make us stronger and allow us to achieve greater results for our investment strategy, our business, and ultimately for the clients we are fortunate to serve.

EMPLOYEE EDUCATION AND EMPOWERMENT

Our DEI Committee, a diverse group of employees representing each business unit, is responsible for creating and executing Coho’s DEI policies and implementing a firm-wide DEI education program. We actively seek out educational opportunities that span topics such as unconscious bias and nurturing an inclusive culture in order to raise our awareness, evolve our understanding, and engage and collaborate with our employees to regularly refine and update our processes and policies.

In December 2022, we had a DEI workshop for all employees titled, “Applying DEI Foundations”. We worked with Just Wright Consulting which is a woman- and minority-owned firm as an outside facilitator. The workshop was designed to help us take the next step in our foundational understanding of DEI from intellectual and introspective to practical and interpersonal. The session included a focus group with a cross-section of employees with representation at all levels including senior management at the firm. The focus group reviewed results of the firm’s DEI survey and discussed our DEI policy and goals. As a result of the focus group’s efforts, we had a subsequent session with Just Wright Consulting in July 2023 that focused on examining and enhancing our culture including aspects of diversity and inclusion.

We plan to continue working toward bettering our workplace and community through further education on DEI issues.

BUILDING A DIVERSE TEAM

One of the ways we strive for diversity is through our commitment to form a diverse team of talented individuals that considers different perspectives and collaborates to achieve excellence, while remaining focused on finding the right candidates. Coho continues to strive for diversity in recruitment with sourcing strategies for each open role designed to reach a wide audience and includes diversity sources where possible. Recruitment firms are vetted for their diversity sources and networks prior to

commencing a search, and diversity in the candidate pool is communicated as an important criterion in the search process. In addition, we have been advertising our positions with organizations such as Women in Investing of Philadelphia (“WIN”) and the Tiogo Foundation which focuses on women and diverse populations in our industry.

We acknowledge the structural diversity challenge inherent in our industry and we believe our student co-op program provides an opportunity to promote positive change. In addition to our recruitment efforts for full-time positions, we create opportunities for college students in the Philadelphia area to gain exposure to the investment management industry early in their academic careers. Diversity is prioritized in the recruitment process as an important consideration and thus far, four out of the five participants have been from historically underrepresented groups. We are hopeful that the co-op program will serve as a stepping stone for the students as well as for our own progress toward nurturing a diverse workplace.

RESPONSIBLE INVESTING - A DRIVER FOR SOCIAL CHANGE

While we reflect on how we can make changes within, we also look outward. Key pillars of our ESG investment strategy include engagement and active proxy voting to drive positive and meaningful change in corporate behavior.

We conduct engagement calls with portfolio holding companies on material ESG issues to obtain additional research insights, encourage positive change for the ESG characteristics promoted, and discuss any material controversies. Through regular meetings and discussions with companies, we actively seek increased transparency by encouraging more frequent and robust disclosure and the establishment of tangible ESG goals such as enhanced corporate governance.

In 2023, we participated in 29 engagement meetings with portfolio companies to influence and advocate for commitment to sustainability. Key engagement topics related to DEI include the percentage of women on boards, employee DEI statistics, DEI initiatives, DEI targets and progress including EEO-1 (Equal Employment Opportunity) report disclosures, workplace safety, labor rights, and human rights related issues.

Additionally, we continue to take an active and responsible approach to proxy voting by using customized ESG proxy voting guidelines for casting votes. We believe thoughtful and responsible voting promotes board and management behaviors which should, over the long term, minimize risks for our portfolio companies and translate into strong shareholder returns. We make decisions that we believe are in the best interest of shareholders and benefit stakeholders including employees, society, and the environment.

In 2023, we completed proxy reviews and voted proxies for 27 portfolio companies. We supported shareholder proposals related to DEI policies and impact, workers’ rights, workers’ safety audits, racial equity audits, and pay equity disclosures.

We recently updated our customized proxy voting guidelines to include enhanced corporate governance perspectives. For director elections, we raised our female board diversity threshold to 30%

from 20% to strengthen board accountability. In line with our commitment to promote sustainability in the proxy voting process, we formally adopted support of shareholder proposals focusing on pay equity, a topic gaining increasing importance, following support of our first proposal received last year. Lastly, we will now consider an absence of designated board oversight of sustainability issues, including DEI initiatives, when voting during director elections.

Specific to director elections, we seek increasing accountability for corporate results, including performance on sustainability, and improving board diversity. We introduced additional sustainability and diversity factors that will be considered to strengthen board accountability for these matters. Disclosure of board racial/ethnic minority demographic information will also be formally considered.

We firmly believe that thoughtful and responsible voting promotes board and management behaviors that, over the long term, mitigate risks for our portfolio companies and have the potential to translate into superior shareholder returns.

WE ARE COMMITTED TO THE DEI JOURNEY

The key to success in our diversity, equity, and inclusion efforts is measuring our impact. We deeply value and consistently seek feedback from our employees and continue to solicit their thoughts and experiences about our efforts through formal surveys and informal discussions.

We are not perfect and there is much work to be done. We will learn and evolve. We recognize that we may not have all the answers and this effort is a work in progress; however, we intend to be an agent for positive change in our industry and in our local communities.

The views, opinions and content presented are for informational purposes only. They are not intended to reflect a current or past recommendation; investment, legal, tax, or accounting advice of any kind; or a solicitation of an offer to buy or sell any securities or investment services. Nothing presented should be considered to be an offer to provide any Coho product or service in any jurisdiction that would be unlawful under the securities laws of that jurisdiction. Past performance is not indicative of future results.