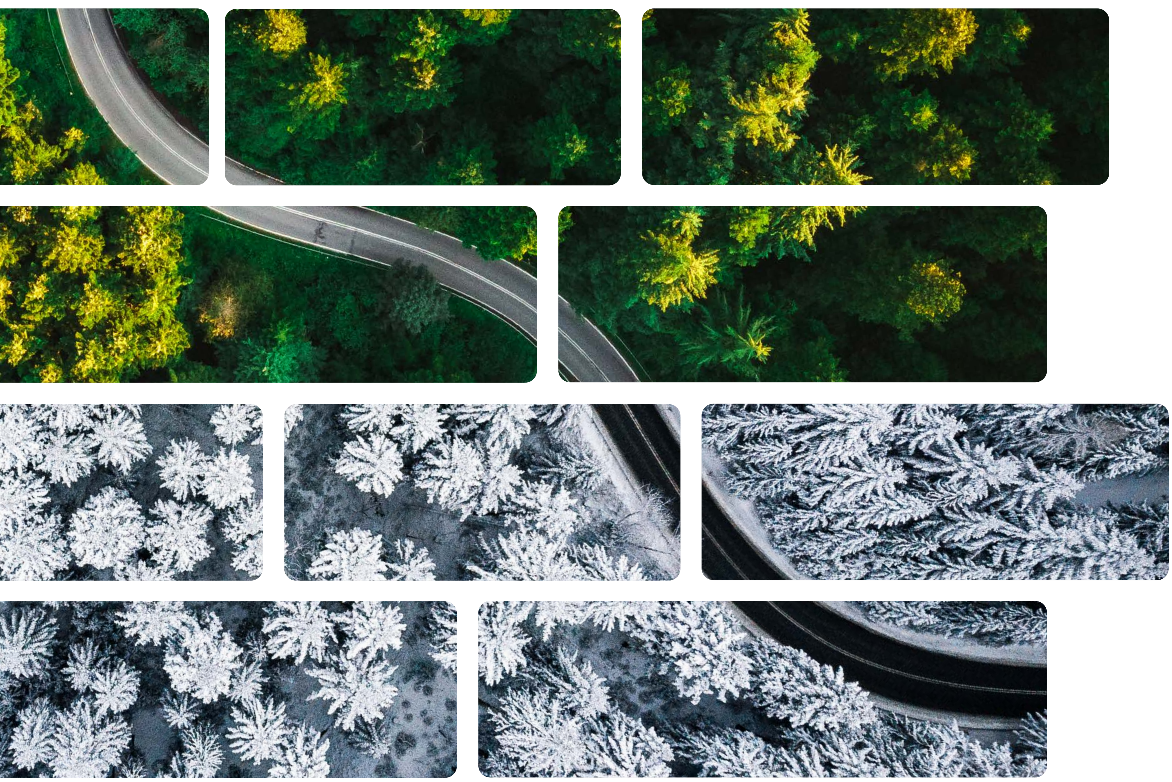
Calvert

2024 Stewardship Report



May 2025

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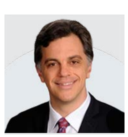
Driving Better Outcomes With Active Engagement

Stewardship is in a time of uncertainty after many years of active shareholder engagement and increasing corporate commitments to sustainability. While Europe and many other places in the world are adopting laws and policies to drive greater corporate and investor action on environmental and social issues, political developments in the U.S. have led some organizations to reconsider their sustainability commitments in response.

Regardless of current headwinds in the U.S., Calvert remains as committed to engaging with the companies in which we invest as we have for 40 years. Today, our company interactions are guided by the Calvert Principles for Responsible Investment, and informed by our deep proprietary research focused on financially material sustainability issues. In 2024[1], we collaborated with select companies in the utilities sector to enhance how they implement and report on their energy transition strategies. We also developed analytical tools that have strengthened our engagement with companies on the effectiveness of their human capital management and inclusion programs in ways that contribute to long-term shareholder value.

We continue to use our proxy votes to ensure management accountability to shareholder interests. While many major asset managers have reduced their support for shareholder proposals, Calvert's approach to proxy voting has remained consistent. For example, we continue to oppose directors who fail either to adopt what we consider reasonable climate strategies or to appoint a diverse slate of directors. These votes signal to management our expectations for governance and underscore our commitment to shareholder interests.

We are proud to present Calvert's inaugural Stewardship Report, which covers the efforts of our engagement team in collaboration with our research teams, portfolio managers and external partners, including asset owners from across the globe. We hope this report clearly reflects Calvert's ongoing commitment to enhancing investment value through strategic and informed engagement.



JOHN WILSON
Executive Director,
Director of Engagement

[1] This report covers Calvert's engagement activities from July 1, 2023, through June 30, 2024. Case study engagements described in subsequent pages were often initiated before this time period but any activity noted is as of June 30, 2024.

2024 in Review

At a Glance

(July 1, 2023–June 30, 2024)

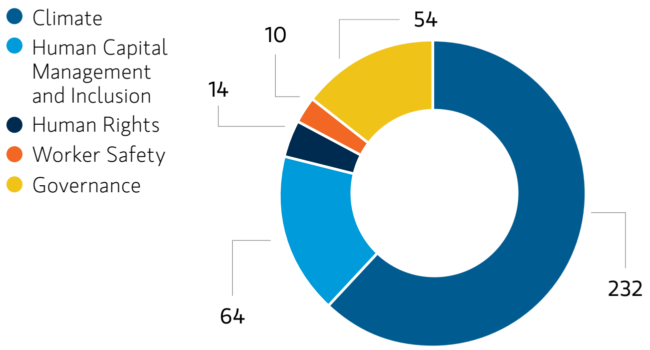
374 Interactions

216 Companies

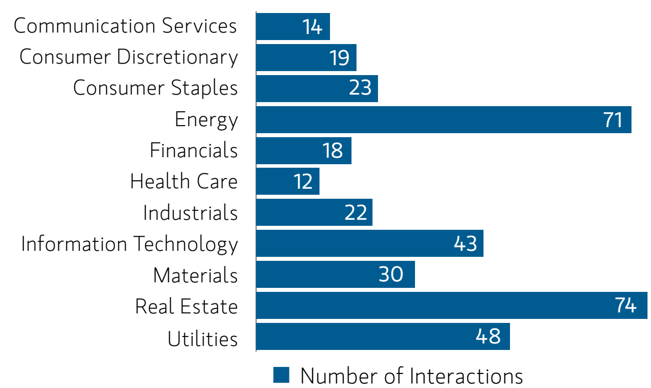
233 Engagements

19 Countries

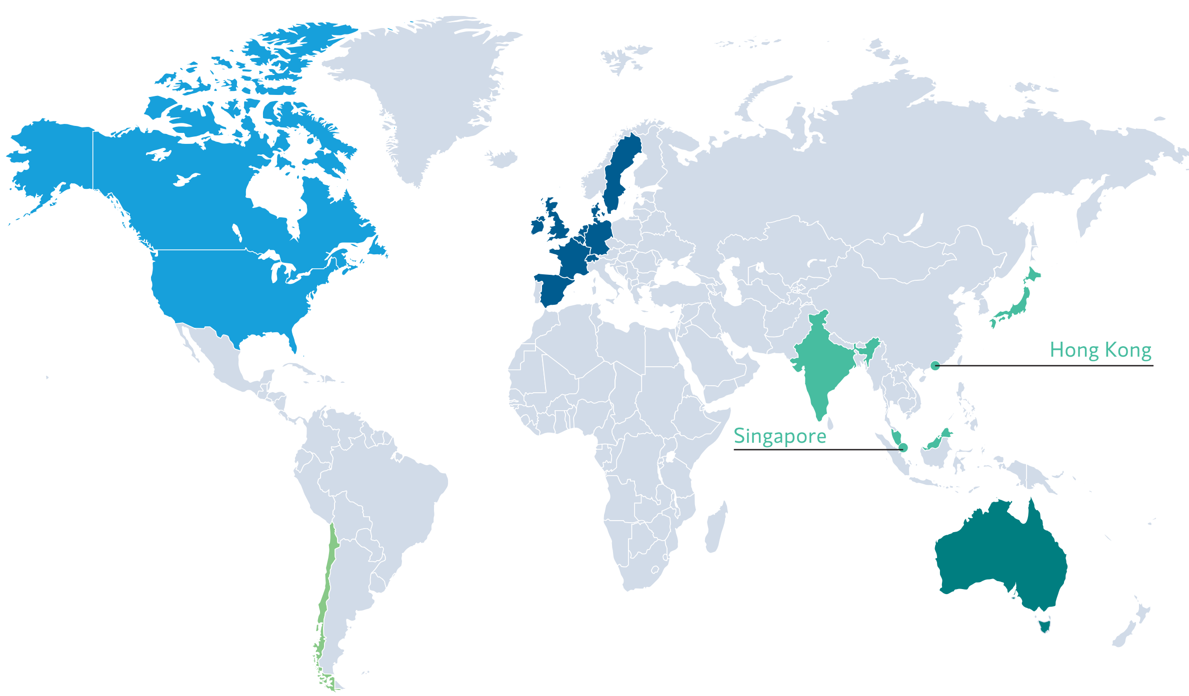
Interactions by Theme



Sector Coverage



Geographies Covered by Engagement



Proxy Voting

(July 1, 2023–June 30, 2024)

Calvert Support of Management-Proposed Resolutions

[Calvert's Global Proxy Voting Guidelines] provide clear guidance on a range of issues, including voting on director elections, which leads us to frequently oppose management resolutions related to corporate boards:

- For failures to address governance, stewardship, risk oversight, strategy, reporting and adoption of policies relevant for financially material issues.
- For lack of independence on the overall board and key committees.
- For lack of sufficiently broad representation on the board, which our research indicates is associated with better long-term financial performance.

99%+[2]

Proxies Voted

86%[2]

Meetings With at Least One Vote Against Management

46%[2]

"Say on Climate"[3] Votes Against Management

CALVERT SUPPORTED

68%

of environmentally focused shareholder proposals

87%

of socially focused shareholder proposals

62%

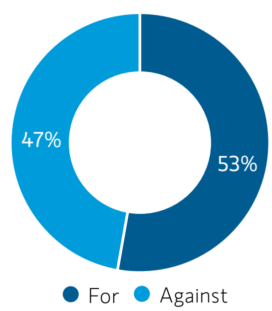
of governance-focused shareholder proposals

Calvert Support of Shareholder-Proposed Resolutions

Calvert's Proxy Voting Guidelines are generally updated each year and include sustainability themes often seen in shareholder proposals. In general, we support:

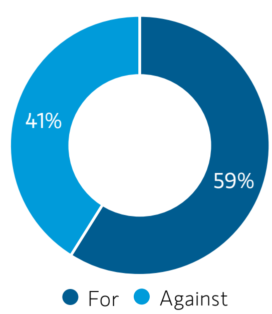
- Proposals requesting companies to report on their environmental practices, policies and outcomes.
- Proposals seeking improved management and reporting of a company's suppliers, supply chain resiliency, and responsible sourcing practices.
- Proposals that request companies to develop appropriate policies respecting human rights throughout their global operations.

Say on Pay Proposals



Calvert voted against management in **47%** of "say on pay" proposals

Director Elections



Calvert voted against management in **41%** of director elections proposals

[2] Represents meetings in which Calvert held voting positions.

[3] "Say on Climate" is an environmentally focused management proposal we see at some companies. These proposals are voluntary and widespread in non-U.S. markets. The aim is to provide shareholders a chance to vote on the company's climate-transition plan. Other environmentally focused proposals that are put forth by shareholder proponents typically ask the company to produce some sort of specific disclosure or take a certain action.

About Calvert

Calvert has been a global leader in Responsible Investing for over 40 years with a dual purpose of creating long-term value for our clients while also driving positive global change.

INVESTMENT FIRM

- Founded in 1976
- Headquartered in D.C. with offices in New York, Boston and London
- Large and diverse team of RI professionals

GLOBAL REACH

- $39.9 billion in AUM[4]
- >45 strategies spanning public equities and fixed income
- Mutual funds, ETFs, UCITS and separate accounts

TRUSTED PARTNER

- Strategic partner for long-term oriented asset owners
- Can support across a range of asset owner needs including knowledge transfer, research, engagement, and custom investment solutions

The Four Pillars of Responsible Investing

Calvert's Four Pillars of Responsible Investing are based on our core belief that companies that effectively manage their sustainability issues make better long-term investments.

PERFORMANCE

We seek to deliver competitive returns.

RESEARCH

We conduct rigorous research focused on financially material sustainability issues.

ENGAGEMENT

We seek to actively engage with companies to help drive performance and positive change.

MEASUREMENT

We assess, measure and report on the sustainability outcomes of our strategies.

A Brief History of Calvert Engagement

Calvert has a long history of active engagement. We have played leading roles in some of the sustainable investment industry's most important developments.

In 1986, Calvert filed one of the first shareholder proposals by an asset manager. In the subsequent years, we supported the founding of key organizations dedicated to active ownership, including CERES, the Carbon Disclosure Project and the Principles for Responsible Investing.

Calvert was also one of the first asset managers to adopt proxy voting policies supporting environmental and social proposals.

In 2020, we led a successful investor effort to encourage companies to publish EEO-1 (workforce diversity) reports, and have launched numerous other thematic engagements on material sustainability issues.

[4] Assets under management as of Q4 2024.

Engagement Approach

The Case for Engagement

Calvert sees engagement as an effective way to drive positive change at the companies we hold in our portfolios, leading to value creation and impact. We also use engagement to inform our proxy voting decisions on key material factors such as environmental sustainability and human capital management.

A Focus on Financial Materiality

At Calvert, we believe that engagement rooted in financial materiality is more likely to result in behavioral change because companies are more likely to respond to sustainability factors that directly impact their long-term financial performance.

Dedicated, Experienced Team

Calvert's dedicated team of engagement professionals has specific expertise advocating for change in corporations on financially material topics. Working closely with our research team and investment professionals, we leverage our company and industry knowledge to identify opportunities to improve a company's overall approach to sustainability in order to improve shareholder outcomes.

Engagement Philosophy

Engagement is fundamental to Calvert's approach to Responsible Investing. Our engagement philosophy encompasses the following characteristics:

- **INFORMED**: We leverage Calvert's extensive investment research to select target companies with the potential for positive change, and to contribute meaningful ideas to improve their financial performance and sustainability risk profile.
- **OUTCOME-ORIENTED**: Our engagements are rooted in each company's unique sustainability risks and opportunities. We set differentiated objectives for each target company to ensure that our engagement catalyzes tangible performance improvements.
- **LONG TERM**: We intend to build a long-term constructive relationship with the company to produce lasting change and continual improvement.
- **THOUGHT-LEADING**: We encourage innovative approaches to sustainability and our thought leadership aligns with how we engage with companies on emerging factors that can impact business strategy and financial outcomes.
- **COLLABORATIVE**: We strive to be collaborative, but we won't hesitate to escalate our efforts with reluctant companies, including, but not limited to, filing shareholder proposals, alerting other stakeholders to our concerns and speaking out in the media as appropriate.

Rigorous corporate engagement can improve corporate behaviors, contributing to a more sustainable and equitable world, and potentially enhancing long-term investment outcomes.

Engagement Selection Criteria

Each year, Calvert strategically develops a list of engagement targets using multiple criteria to support long-term portfolio performance and our clients' desire for positive social outcomes. While no one engagement meets all the criteria outlined below, we believe that the overall strategy meets the objectives articulated by the criteria. Calvert continuously reviews and refines our engagement selection criteria to remain consistent with our understanding of the evolving and diverse client needs.

The following graphic details our criteria for company selection, our guidelines for setting priorities, and our process for working with our internal colleagues to make decisions about our engagement targets.

How do we identify potential engagement targets?

Consistent with our role as a fiduciary, we identify companies where we believe engagement has the potential to unlock shareholder value and impact, according to the following criteria:

MATERIALITY

- Successful engagement can catalyze the creation or preservation of shareholder value.
- Successful engagement can create opportunities to meaningfully improve stakeholder outcomes.

RELEVANCE

- The company is a significant holding in one or more Calvert strategies.

OR

- Engaging the company is an opportunity to increase the investable universe.

QUALITY

- We believe that there is a reasonable likelihood of successful engagement.
- The company's governance is receptive to our engagement efforts.
- The company could feasibly address our concerns.
- Calvert can make a differentiated contribution based on our insight, research and data.

How do we prioritize among potential engagements?

We prioritize among the potential engagements we could pursue each year to ensure that we can rigorously engage with each company, building long-term constructive relationships with their management and boards. To maximize our impact, we have established the following criteria for assembling a portfolio of engagements from among the potential engagement opportunities we identify:

SUSTAINABILITY ALIGNMENT

- Systemic issues
- Societal inflection point
- Industrial cluster/value chain
- Client preferences

INVESTMENT STRATEGY DIVERSIFICATION

- Coverage across strategies
- Coverage across asset classes

GEOGRAPHIC DIVERSIFICATION

- Developed and emerging markets
- Markets of concern to global clients

EXAMPLE: HOW DID WE DECIDE?

THE CASE OF UTILITIES

Utilities are held across our strategies. They are among our largest source of financed emissions but have shown consistent willingness to engage with us on the ongoing execution of their climate transition strategies. We see a challenging but plausible path to long-term decarbonization for these companies.

This chart represents how Calvert generally implements its process under normal market conditions. While this process applies directly to our 2025 engagement strategy, the process used in 2024 and prior years was similar.

How do we leverage internal expertise?

The engagement team leads a multi-stakeholder process to integrate insights from our research and investment teams to produce an extensive list of potential engagements which are then evaluated according to the above criteria. The resulting engagement plan is reviewed and approved by our internal Proxy Voting and Engagement Committee.

Initial Stakeholder Input

- Calvert Research Team
- Equity and Fixed Income Portfolio Managers
- Calvert Engagement Team

Criteria for Engagement Target Selection

FINANCIAL MATERIALITY

- Calvert sustainability research
- Calvert fundamental investment theses
- Existing engagement plan

RELEVANCE

- Overall size of Calvert holdings
- Size of holding in Calvert strategies
- Importance to one or more portfolio managers

QUALITY

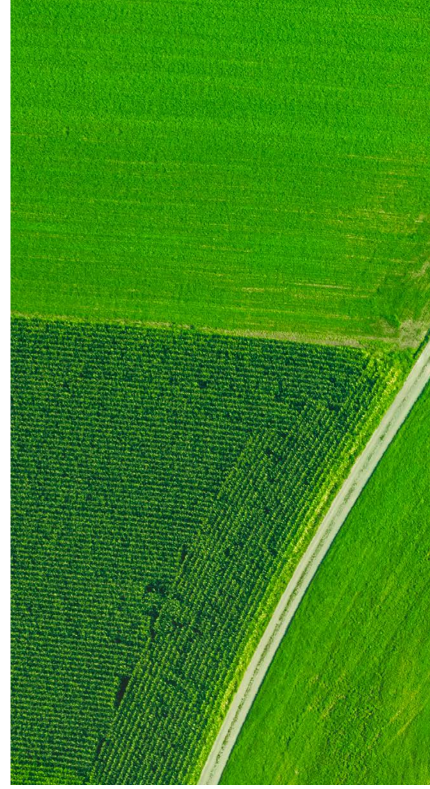
- Probability of successful engagement
- Engagement team expertise
- Investment and research team insights

Final Qualitative Stakeholder Input Review

OPTIMIZED ENGAGEMENT LIST

- Investment strategy distribution
- Asset class, size and geographic distribution
- Proxy Voting and Engagement Committee Review

These steps inform our assessment of potential engagements, but the final decisions are made by the engagement team as approved by the Engagement and Proxy Voting Committee.



Engagement Theme

Climate

Calvert engages with companies to seek improvements in their material climate disclosures and progress toward their climate commitments. Topics include greenhouse gas (GHG) emissions reporting, GHG reduction targets, strategies to achieve these targets, and progress to date. We may also ask companies to address potential social risks and opportunities of energy transition, such as effects on local communities and workforces on which companies depend.

After identifying the opportunities for improvement, we engage with companies to address concerns and set improvement objectives. If necessary, we may escalate through action such as voting against management proposals or filing shareholder proposals. The goal is to improve how companies manage material risks and capitalize on climate-related trends.

Case Study: Iberdrola

BACKGROUND

Iberdrola is a leader in the utility sector known for their strong commitment to renewable energy. The company's growth strategy depends on timely execution of their decarbonization and electrification plans. By prioritizing such activities as maximizing the use of tax incentives that encourage collaboration with stakeholders on climate action, Iberdrola can mitigate the risks associated with their climate strategy and contribute to a just transition.

OBJECTIVES

1. Support Iberdrola's goal of reaching carbon neutrality in electricity generation by 2030 and net zero in Scope 1, 2 and 3 by 2040, ensuring a just and equitable transition.
2. Engage on just transition by encouraging respect for human rights in the renewables supply chain and in the treatment of indigenous communities.
3. Provide guidance to the company on just transition metrics to facilitate disclosure and monitoring processes.

ENGAGEMENT

At Calvert, we believe there is a critical need for disclosure of material information about just transition[5] and human capital management practices that allows shareholders to measure performance across the organization. Despite Iberdrola's goal to become carbon neutral by 2030, Calvert's ongoing interactions with the company (as of June 30, 2024) did not find much evidence that they were systematically measuring their just-transition performance or that this commitment was operationalized throughout the organization.

COMPANY ACTIONS AND OUR NEXT STEPS

Following our continued engagement with Iberdrola, the company has committed to disclosure of material information about just transition and human capital management practices. As of June 30, 2024, the company is in the process of upgrading their internal systems to support enhanced disclosure around just transition.

CLIMATE ENGAGEMENTS
(July 1, 2023–June 30, 2024)

137
Companies engaged

232
Interactions[6]

129
Global shareholder proposals voted by Calvert

[5] "Just transition" is broadly defined as ensuring that no one is left behind or pushed behind in the transition to low-carbon and environmentally sustainable economies and societies.

[6] Interactions here and elsewhere in this report are single exchanges with a company on an engagement issue or theme. Examples include substantive written or email communications, calls, and virtual or in-person meetings. Engagements are made up of one or more interactions, usually over a period of months or years.

Case Study: Ashland

BACKGROUND

Calvert seeks to persuade companies to manage and report on their material greenhouse gas emissions with the same level of rigor that they apply to financial reporting. We encourage companies to disclose complete and consistent emissions data to enhance our ability to analyze and compare issuers, and aid in investment decision-making. We engaged Ashland, a global additives and specialty ingredients company, as part of our effort to address Calvert's financed emissions.[7]

OBJECTIVES

1. Report on Scope 3 emissions in alignment with greenhouse gas (GHG) protocol.
2. Obtain external verification of reported emissions.
3. Clarify the significant Scope 3 emissions restatement from 2020 to 2021.

ENGAGEMENT

We questioned the accuracy of the company's Scope 3 emissions reporting after identifying two clear data errors. While the company initially attributed these errors to updates to calculation tools and methodologies following significant divestitures, the company eventually acknowledged that they had made a mistake after considering our concerns.

COMPANY ACTIONS AND OUR NEXT STEPS

Ashland's leadership appreciated our feedback and recognized that the error could raise questions about the firm's internal controls for emissions data. The company reviewed its process for collecting and analyzing emissions data to improve accuracy, and agreed to acknowledge the error in a future report.

We may reengage the company following the release of their updated disclosures on the topic. We will pay special attention to explanation for the Scope 3 restatement.

[7] Financed emissions are emissions reported by financial institutions generated as a result of financial services provided to companies. In this case, financed emissions pertain to companies held within Calvert portfolios.

Engagement Theme

Human Capital Management and Inclusion

The goal of human capital management and inclusion is to enhance value by attracting, developing and retaining a high-performing workforce, which generally includes people with diverse perspectives. We believe that these diverse perspectives foster better innovation, stronger risk management and improved relationships with stakeholders. Calvert research shows that more diverse companies generally have better financial performance than their less diverse peers. Our engagements aim to enhance a company's human capital strategies and address performance gaps to boost growth, performance and value.

Case Study: Charter Communications

BACKGROUND

Calvert research has found that effective human capital management practices, including creating an inclusive workplace, may be associated with better financial performance. EEO-1 data reports, which companies must submit to the U.S. government, are not typically disclosed publicly. Starting in 2020, Calvert began engaging with the top 100 holdings in the Calvert U.S. Large-Cap Core Responsible Index, urging them to publicize their EEO-1 data reports. After two years of active engagement and two shareholder resolutions, Charter Communications was the last of the Calvert top holdings still refusing public disclosure of their EEO-1 report.

OBJECTIVE

1. Achieve public EEO-1 disclosure or a commitment from Charter's senior management to disclose the report.

ENGAGEMENT

Calvert filed a third shareholder proposal for Charter's 2023 Annual General Meeting (AGM) requesting the public release of this data. In response, Charter committed to making their EEO-1 report public by the earlier of two dates: July 2024 or when the SEC's anticipated human capital management disclosures would mandate public release. Calvert subsequently withdrew this shareholder proposal. As a result, 100 of Calvert's top holdings have now either made their EEO-1 reports public or committed to doing so.

COMPANY ACTIONS AND OUR NEXT STEPS

Charter published their EEO-1 Report as of July 2024. Calvert will continue evaluating the company's efforts to improve inclusion across the firm. Depending on the outcomes, we may engage further to encourage improvements where we believe value can be added.

HUMAN CAPITAL MANAGEMENT AND INCLUSION ENGAGEMENTS
(July 1, 2023–June 30, 2024)

39
Companies engaged

64
Interactions

40
Global shareholder proposals voted by Calvert

Engagement Theme

Human Rights

Calvert believes that it is critical for companies to adopt human rights standards and proactively manage human rights-related risks both within the company and throughout the supply chain. These risks include reputational damage, operational disruptions, legal costs, potential loss of customers and revenues, talent retention, and product delays, among others. We believe that when employees feel safe, their productivity tends to be higher and they can focus on their tasks without unnecessary stress or fear, leading to better performance. Calvert continues to lead initiatives pressing companies and entire industries to respect human rights and establish effective oversight mechanisms.

Case Study: Large Chocolate Brands

BACKGROUND

Calvert's research shows child labor is widespread on West African cocoa farms, in part because income from cocoa farming is often insufficient to allow farmers to hire adult labor. While cocoa prices have risen, environmental challenges like droughts and floods have reduced crop yields and deepened farmer poverty. Over time, lack of investment may exacerbate these trends, threatening the long-term viability of cocoa farming in the region.

OBJECTIVES

1. Provide guidance on calculating and reporting the income of farming households within their traceable cocoa supply chain, a key risk indicator.
2. Set a tangible living-income goal within a specified time frame to achieve this.
3. Disclose annual progress toward achieving the living-income goal, enabling stakeholders to monitor progress and assess associated risks.

ENGAGEMENT

Despite industry efforts, child labor in Ghana and Côte D'Ivoire has grown over the past decade, with nearly half the children in agricultural regions involved in labor, which violates human rights.[8] Calvert identified poverty and low pay as root causes of child labor in cocoa farming. To address this issue, we engaged with multiple stakeholders, including cocoa trader ECOM, NGOs and the companies themselves. Calvert has expressed to companies that whatever additional steps are taken to mitigate these issues, increasing farmer income is essential to alleviating child labor and farmer poverty.

COMPANY ACTIONS AND OUR NEXT STEPS

All engaged companies have taken steps to provide technical support, boost education, and offer community loans to the cocoa farmers. Most have begun to adopt "income accelerator" programs to increase farmer income. While we support these steps, Calvert believes that companies should expand farmer access to these programs with greater urgency.

Calvert's findings suggest that without change to wages, cocoa production may decline, severely affecting the chocolate industry. Our ongoing discussions with these companies emphasize that reducing farmer poverty is vital to the long-term stability of cocoa production.

HUMAN RIGHTS ENGAGEMENTS
(July 1, 2023–June 30, 2024)

8
Companies engaged

14
Interactions

9
Global shareholder proposals voted by Calvert

[8] NORC Final Report: Assessing Progress in Reducing Child Labor in Cocoa Production in Cocoa Growing Areas of Côte d'Ivoire and Ghana, October 2020, p. 12.

Engagement Theme

Worker Health and Safety

At Calvert, we believe that fostering safety in the workplace is not only the right thing to do for employees—but it also yields benefits for the community, the environment and the company. The consequences of neglecting worker safety may include OSHA penalties, project delays, cost overruns, talent-retention issues, reputational harm, and significant regulatory and legal costs. When Calvert engages with a company on worker health and safety, we conduct our own research, create our own custom key performance indicators (KPIs), and interact with the company's management as often as necessary to ensure that progress is being made on this vital issue.

Case Study: Dollar Tree and Dollar General Stores

BACKGROUND

Due to their low-overhead business model, Dollar Tree and Dollar General don't invest in store security as much as other retail chains. Calvert's research indicates that dollar store chains experience disproportionately higher rates of violence than other retail chains. As recently as 2023, Dollar General had a racially motivated mass shooting in which three people, including a teenage employee, were killed.[9]

OBJECTIVES

1. Ensure that management is committed to protecting their employees from violence, particularly gun violence.
2. Improve worker health and safety across their operations, particularly in response to a pattern of OSHA violations, and regulatory settlements related to unsafe conditions.

ENGAGEMENT

We initially focused on worker wages and safety violations and found that the companies were making progress in these areas. Later, our in-depth research uncovered that the companies had significantly higher levels of store violence than peers, including gun violence, and lacked the policies to adequately address this issue. Initially, the companies resisted additional investment in store safety, but Calvert persisted in calling for effective measures to reduce violence.

COMPANY ACTIONS AND OUR NEXT STEPS

Following our efforts, Dollar General's board agreed to implement corporate-wide changes to improve store safety. Following the change of CEO in 2024, we are continuing engagement to monitor how the company implements commitments to worker safety and violence reduction. We will continue to assess appropriateness of worker pay and staffing levels, and ensure incremental progress toward best practices in these areas.

WORKER HEALTH AND SAFETY ENGAGEMENTS
(July 1, 2023–June 30, 2024)

6
Companies engaged

10
Interactions

9
Global shareholder proposals voted by Calvert

[9] CBS News, "As dollar stores spread across the nation, crime and safety concerns follow," Aimee Picchi, Sept. 6, 2023.

Engagement Theme

Governance

Calvert engages with companies to ensure they have effective governance that boosts management accountability, reduces potential risks, and enhances stakeholder confidence to promote long-term value. For example, director elections enable us to hold nominees accountable on issues such as board independence and shareholder rights.

Calvert also engages with companies to inform our policy and voting decisions. Some examples include responding to company inquiries during proxy season or initiating contact to clarify issues before an annual general meeting (AGM) or proxy contest. These discussions often reveal insights not found in written materials, helping us prepare for votes on director nominations, deliberate on shareholder proposals, and update our proxy voting guidelines.

Case Study: Norfolk Southern Proxy Contest

BACKGROUND

Calvert makes best efforts to contact both activists and companies prior to voting proxy contests. In 2024, one such contest took place between activist investor Ancora Group and railroad company Norfolk Southern (NSC).

In 2023 and 2024, NSC experienced multiple train derailments, notably in East Palestine, Ohio, raising significant safety and accountability issues within the railroad industry. The derailments prompted Ancora to initiate a proxy contest with the aim of overhauling NSC's leadership, advocating for the replacement of the entire board, the CEO and COO.

OBJECTIVE

1. Inform Calvert's decision-making on determining support for management nominees or activist nominees in the proxy contest with regards to ensuring that NSC's governance and oversight practices can provide for the overall safety of the company and their trains.

ENGAGEMENT

Calvert had the opportunity to hear from both the activist and the company. Ancora's nominees presented a case for change at NSC with a new strategy focused on efficiency and safety. One of the nominees detailed his background at UPS and elsewhere in the industry.

The company countered that they have refreshed their board and discussed their perspective on causes of the derailment, highlighting their peer-to-peer review approach to safety culture. They detailed the downsides of Ancora's proposed strategy and unwillingness to negotiate, emphasizing the poor safety record at a previous company led by Ancora's COO candidate.

VOTE DECISION

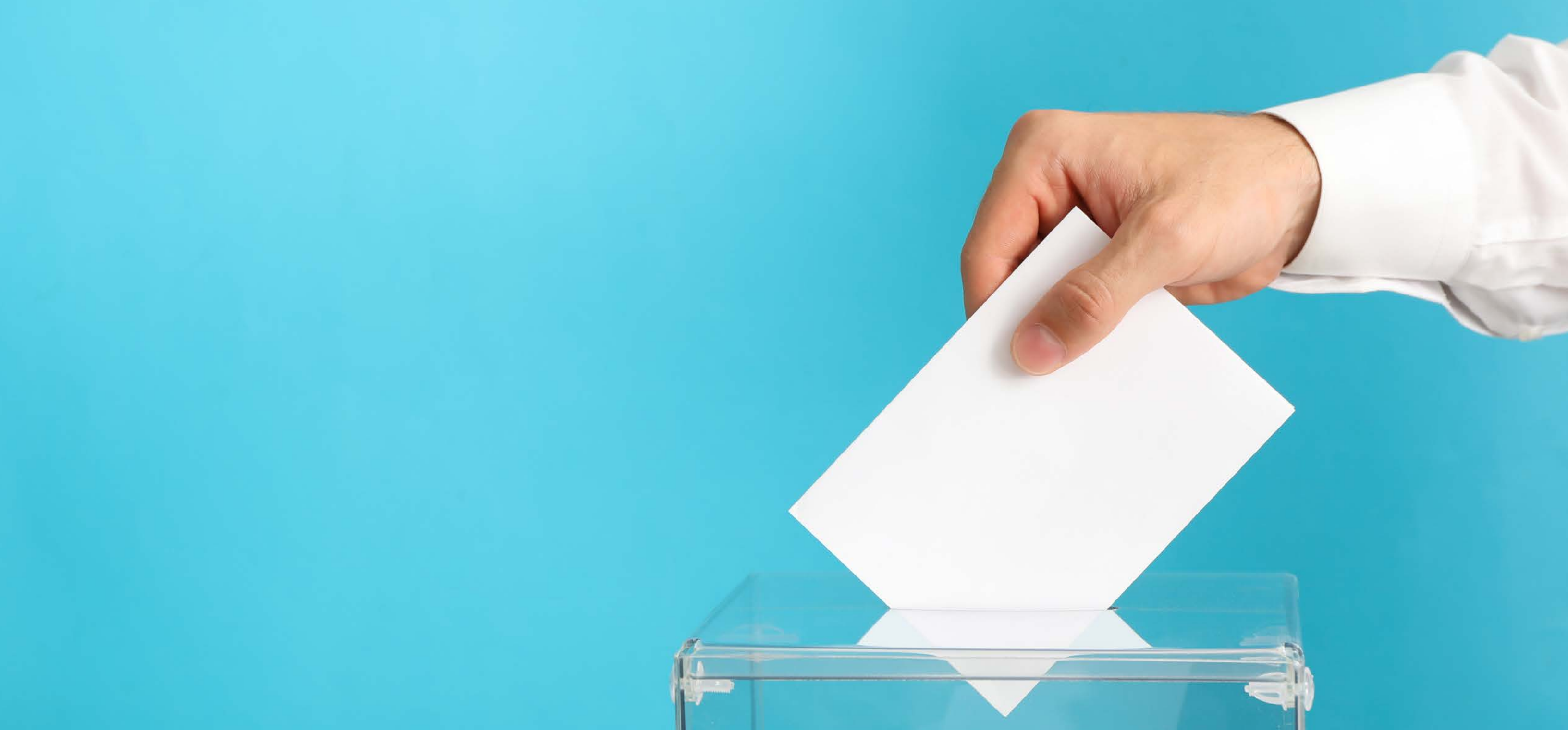
We voted in favor of six out of the seven dissident nominees who had either the necessary expertise in railroad operations and safety and/or experience communicating with the investment community. The election resulted in Ancora securing three board seats, including that of the NSC chair, although NSC's CEO was reelected. A separate shareholder vote on Ancora's proposed bylaw amendment also passed, signaling investors' demand for change in governance and oversight practices.

GOVERNANCE ENGAGEMENTS
(July 1, 2023–June 30, 2024)

36
Companies engaged

54
Interactions

591
Global shareholder proposals voted by Calvert



Proxy Voting

Key 2024 Proxy Voting Trends

1 **DIRECTOR ACCOUNTABILITY**
We generally review guidelines annually to reflect the most up-to-date Calvert views in our voting. For example, in 2024, we changed our guidelines to support a higher standard of board independence. We supported resolutions to separate the CEO and chair positions on boards for better oversight.

2 **CONSISTENT SUPPORT FOR SUSTAINABILITY PROPOSALS**
In the United States, where most shareholder proposals occur, Calvert has consistently supported over 80% of environmental and social proposals despite market sentiment slowing down. In 2024, average support for environmental and social proposals in the U.S. was 16%, compared to 30% in 2021. Globally, we continue to hold companies to a high standard on financially material sustainability issues.

3 **POLITICALLY MOTIVATED PROPOSALS**
We're seeing more shareholder proposals aimed at reversing progress on key sustainability issues, such as diversity or climate change, often filed by politically motivated groups. While the number of these proposals is rising each year, they generally receive less than 5% shareholder support.

4 **EMERGING TRENDS**
Notable emerging topics included artificial intelligence, biodiversity and living wage. Calvert evaluates these issues based on existing guidelines and market developments to assess their financial impact on companies and guide our voting decisions.

Voting on Directors

Consistent with our fiduciary duty and informed by the Calvert Principles for Responsible Investment, Calvert's Global Proxy Voting Guidelines promote accountable governance. Our director votes encourage companies to appoint and maintain boards characterized by independence, relevant expertise and diversity of perspective. Our director votes also encourage companies to adopt governance policies to ensure sufficient board oversight of sustainability risk and opportunity.

In 2024, we voted against 41% of management resolutions related to director elections globally. Our most common reasons for not supporting directors included:

- Failures to address governance, stewardship, risk oversight, strategy, reporting and adoption of policies relevant for financially material issues.
- Lack-of-independence concerns on the overall board and key committees.
- Lack of sufficiently broad representation on the board, which our research indicates is associated with better long-term financial performance.

Directors Support
(July 1, 2023–June 30, 2024)

Case Study: Celanese

At Calvert, we believe company boards can benefit from inclusion of directors from different experiences, perspectives and backgrounds. In an increasingly complex global marketplace, companies' ability to draw on a wide range of viewpoints, backgrounds, skills and experiences is more important than ever.

Calvert voted against Celanese's independent chair and nominating committee in 2023. In line with our proxy voting guidelines, the company lacked both sufficiently broad gender and ethnic representation on the board, and EEO-1 (workforce diversity) disclosure. Calvert believes that boards that include a wide mix of talent and backgrounds will generally be better positioned to deliver financial results over the long term. We also consider EEO-1 disclosure to be financially material.

Ahead of our 2024 vote on directors at Celanese's annual meeting, we found that the company had made improvements to their overall board diversity. From December 2023 to March 2024, the company appointed three new directors. However, we continued to hold the company accountable by voting against the board chair because the company had not disclosed an EEO-1 report. We will continue to monitor these issues for consideration in future director votes.

Voting on Environmental Issues

At Calvert, we believe stable ecosystems are necessary to sustain capital markets and economic growth. We also believe that attending to environmental issues may strengthen companies' long-term returns. We voted against environmentally focused proposals seeking to repeal progress on sustainability efforts or encroaching on management's ability to make decisions to achieve sustainability goals.

Calvert supported over 68% of global environmentally focused shareholder proposals in 2024, demonstrating our commitment to holding companies accountable on management of key financially material risks, such as climate change.

Guided by the Calvert Principles for Responsible Investment, Calvert's proxy voting record on environmental issues reflects our commitment to hold companies accountable for:

- Reducing the negative impact of operations and practices on the environment
- Managing water scarcity and ensuring efficient and equitable access to clean sources
- Mitigating adverse impacts on natural capital
- Diminishing climate-related risks and reducing carbon emissions
- Driving sustainability innovation and resource efficiency through business operations or other activities, products and services

In the U.S., we supported

71 of 88

climate-related shareholder proposals

Outside the U.S., we supported

25 of 41

climate-related shareholder proposals

Say on Climate Evaluation Methodology

Say on Climate is an environmentally focused management proposal on some company ballots. These proposals are voluntary and widespread in non-U.S. markets. These proposals provide shareholders a chance to vote on the company's climate transition plan. At Calvert, we use the criteria below to guide our voting decision on this key topic.

CATEGORY	PRIORITY	AREA OF EVALUATION
Targets and Emissions Reporting (Scope 1, 2 and 3)	High	Net Zero Ambitions Alignment With Paris Agreement 2 Degree Scenarios Scope of Targets Short-Term and Interim Targets Science-Based Targets Absolute vs. Relative Targets Market- and Location-Based Emissions Reporting
Performance and Strategy	High	Year-Over-Year Emissions Trends Capital Allocation for Climate Goals Climate Lobbying Activities and Trade Associations
Governance	Medium	Transition-Related Competencies on the Board Third-Party Assurance Annual Advisory Vote for Transition Plan
Just Transition	Low	Just-Transition Considerations
Reporting	Low	TCFD or Similar Framework Reporting

This chart represents how Calvert generally implements its process under normal market conditions.

Voting on Social Issues

Calvert supported close to 90% of socially focused shareholder proposals globally, demonstrating our commitment to holding companies accountable for improving inclusiveness and human capital management.

Guided by the Calvert Principles for Responsible Investment, Calvert's proxy voting record on social issues reflects our commitment to holding companies accountable for:

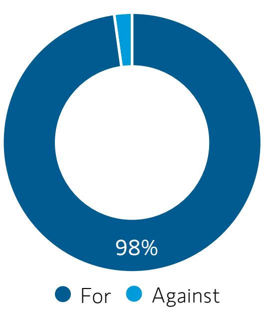
- Respecting consumers by marketing products and services in a fair and ethical manner, maintaining integrity in customer relations, and ensuring the security of sensitive consumer data
- Respecting human rights, respecting culture and tradition in local communities and economies, and respecting indigenous peoples' rights
- Promoting inclusiveness across workplaces, marketplaces and communities
- Demonstrating a commitment to employees by promoting development, communication, appropriate economic opportunity and decent workplace standards
- Respecting the health and wellbeing of consumers and other users of products and services by promoting product safety

POLITICALLY MOTIVATED PROPOSALS

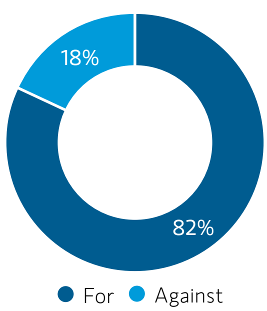
Some politically motivated groups have filed proposals that are aimed at reversing progress made on key sustainability issues. Proponents file an increasing number of these proposals in the U.S. every year. At Calvert, we evaluate each proposal on its merit and consistency with our guidelines, regardless of the proponent. As a result, we oppose proposals intended to roll back sustainability progress but are open to those that advocate for positive governance reforms.

Voting Support for Shareholder Proposals on Socially Focused Topics[10]
(July 1, 2023–June 30, 2024)

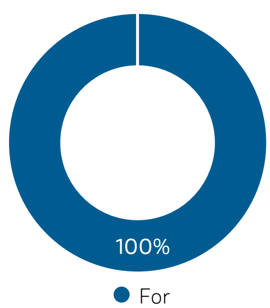
Human Capital Management and Inclusion



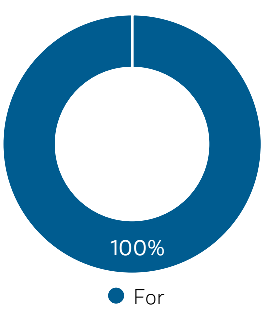
Human Rights and Safety



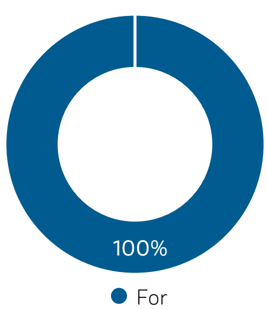
Racial Equity



Worker Rights and Safety



Broad Representation on the Board



[10] Votes against were primarily due to not supporting proposals seeking to repeal key progress made on social issues.

Voting on Emerging Issues

Calvert considers several elements before determining a vote recommendation and rationale for a new proposal type. Leveraging our proprietary research, we start by determining the financial materiality of the resolution to the company's operations. We then examine company disclosures and industry standards, consulting internal experts on best practices as appropriate. Other factors we consider include the proposal's impact on management's decision-making ability and Calvert's guidelines on similar issues. Each of these elements plays a crucial role in shaping our final recommendation, ensuring it is both informed and strategic.

Case Study: Voting on Artificial Intelligence

BACKGROUND

The rapid adoption of artificial intelligence (AI) by businesses raises significant risks to key stakeholders and poses potential social policy issues. Two examples of risks are:

1. AI may be used to potentially automate jobs, which we believe could lead to a shift in the employment makeup of a company.
2. Human resources decisions informed by AI could inadvertently raise bias concerns.

Shareholder proponents are addressing these risks in ways that include asking companies to research and subsequently report on their business operations and accompanying ethical guidelines for AI, to charter a new committee of directors to oversee human rights risks related to the use of AI, or to report on risks to the public of AI-generated misinformation, among other requests.

ANALYSIS

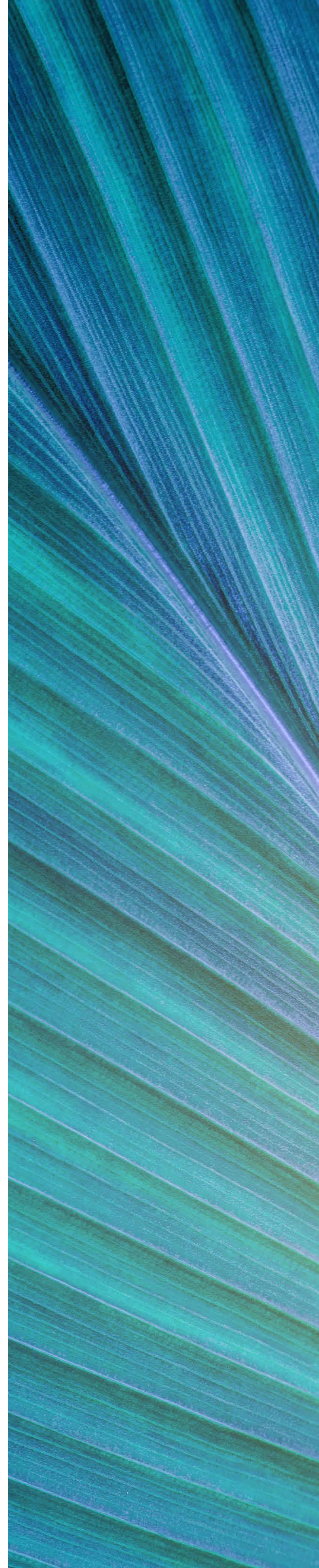
Our vote on AI-related proposals in 2024 involved a careful consideration of all of the relevant issues. We scrutinized whether the company had disclosed any guidelines concerning the ethical use of AI. In the absence of such guidelines, we explored whether the company had made any disclosures related to areas adjacent to the ethical use of AI.

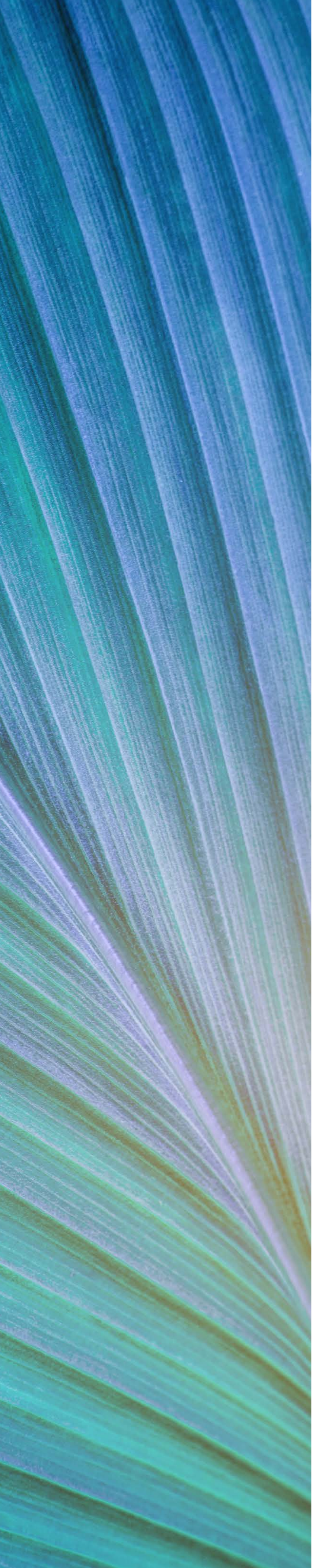
Next, we compared these disclosures against those made by the company's peers to gauge industry standards and expectations. We assessed potential risks the proposal might pose to the company, as well as the company's engagement history with the proponent.

Finally, we reviewed our guidelines to see if there were similar or adjacent issues that could guide our vote decision on this matter.

HOW CALVERT VOTED

We found that since AI is a new and emerging issue, most companies lack robust disclosures on the responsible use and oversight of AI. In 2024, Calvert supported several AI-related proposals aimed at enhancing disclosure.





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Cable and Satellite: Comcast Corporation, Class A; Charter Communications, Inc., Class A; Liberty Broadband Corp., Class C; Multichoice Group Ltd.; Cyfrowy Polsat SA.

Consumer Staples Merchandise Retail: Costco Wholesale Corporation, Walmart Inc., Target Corporation, Dollar Tree, Inc., Dollar General Corporation.

Diversified Metals and Mining: Anglo American plc, Teck, Resources Limited Class B, South32 Ltd., Boliden AB, Ivanhoe Mines Ltd. Class A.

Electric Utilities: NextEra Energy, Inc., Constellation Energy Corporation, Iberdrola SA, Enel SpA, Exelon Corporation.

IT Consulting and Other Services: Accenture plc Class A, International Business Machines Corporation, Tata Consultancy Services Limited, Gartner, Inc., Cognizant Technology Solutions Corporation Class A.

Packaged Foods and Meats: Nestle S.A., Mondelez International, Inc. Class A, Danone SA, General Mills, Inc., Kraft Heinz Company.

Pharmaceuticals: Eli Lilly and Company, Merck and Co., Inc., Novo Nordisk A/S Class B, Roche Holding Ltd Dividend Right Cert., AstraZeneca PLC.

Rail Transportation: Union Pacific Corporation, Canadian Pacific Kansas City Limited , Canadian National Railway Company, East Japan Railway Company, Central Japan Railway Company.

Single-Family Residential REITs: Invitation Homes, Inc., Sun Communities, Inc., Equity LifeStyle Properties, Inc.

Specialty Chemicals: Sherwin-Williams Company, Eolab Inc., Shin-Etsu Chemical Co. Ltd., Givaudan SA, Sika AG.

Risk Considerations

There is no assurance that a Portfolio will achieve its investment objective. Investment strategies are subject to market risk, which is the possibility that the market values of securities owned by a Portfolio will decline and may therefore be less than what you paid for them. **ESG strategies** that incorporate impact investing and/or environmental, social and governance (ESG) factors could result in relative investment performance deviating from other strategies or broad market benchmarks, depending on whether such sectors or investments are in or out of favor in the market. As a result, there is no assurance ESG strategies could result in more favorable investment performance.

There is no guarantee that any investment strategy will work under all market conditions, and each investor should evaluate their ability to invest for the long term, especially during periods of downturn in the market.

A separately managed account may not be appropriate for all investors. Separate accounts managed according to the Strategy include a number of securities and will not necessarily track the performance of any index. Please consider the investment objectives, risks and fees of the Strategy carefully before investing. A minimum asset level is required.

For important information about the investment managers, please refer to Form ADV Part 2.

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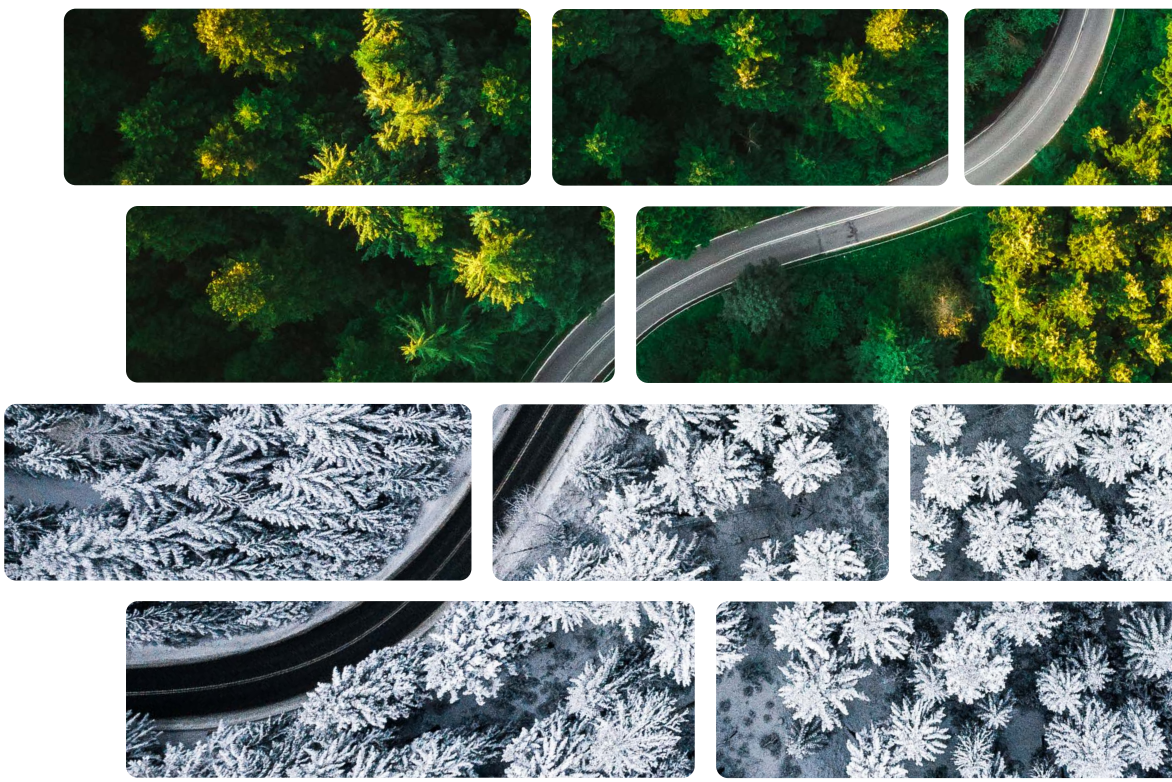

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