



Shareholder Advocacy & Engagement Report

2020–2021



**Our Focus is Risk Reduction in Our Investments
and *Sustainable Income Opportunities*®
for Our Clients.**

INVESTMENT PRODUCTS: ARE NOT FDIC INSURED • MAY LOSE VALUE • ARE NOT BANK GUARANTEED

30 Years, and ESG Since Inception

Miller/Howard launched its first strategy in 1991, integrating environmental, social, and governance (ESG) considerations from inception. Miller/Howard's early commitment endures, enhanced over the years by new strategies, tactics, and partners.

We engage company management directly, through dialogues, letters, and coalition efforts. We file shareholder resolutions in cases where engagements have been ineffective. And we actively vote proxies on behalf of our clients in an effort to protect shareholder value.

We continue to work in coalition with powerful, international players—adding new partners over the years to amplify the investor voice with a focus on sustainable, profitable, justice-seeking ends.

As you see here, our early work with Ceres, the Interfaith Center on Corporate Responsibility, and the United Nations Principles for Responsible Investment continues unabated. We now also work with the Thirty Percent Coalition (board diversity), Climate Action 100+ (climate change), and the Council of Institutional Investors (governance).

TURNING POINTS IN OUR ESG EVOLUTION:

ESG Integration Since the Launch of Our First Strategy

Active Proxy Voting According to Our ESG-Aligned Policy

First Shareholder Proposal Filed

2010 Energy Sector Proposal

Engagement Pushed Energy Company to Publish Its First Sustainability Report

2018 Proxy Season and Beyond: Increasing Scope, Increasing Impact

OUR NETWORK:

Ceres (Collaborator 1995; Coalition 2007)

Interfaith Center on Corporate Responsibility (ICCR)

United Nations Principles for Responsible Investment (UNPRI)

Investor Environmental Health Network (IEHN)

CDP (formerly the Carbon Disclosure Project)

Thirty Percent Coalition and Women's Empowerment Principles

Climate Action 100+

The Council of Institutional Investors

Our Firm-Wide Commitment:

Every strategy, every product, every vote cast by Miller/Howard is influenced by our commitment to ESG.

We work to provide *Sustainable Income Opportunities*® to our clients

We believe that integrating ESG and fundamental analysis helps us uncover risks and opportunities that might not be obvious otherwise. We evaluate companies using our **Guiding Values** in an effort to protect shareholder value, and we may engage companies through our shareholder advocacy program when we identify risks.

GUIDING VALUES

EXEMPLARY GOVERNANCE & CORPORATE CITIZENSHIP

SUSTAINABILITY, EQUITY, & INCLUSION

STRONG DISCLOSURE & RESOURCE MANAGEMENT

RESPONSIBLE CLIMATE CHANGE STRATEGY

Miller/Howard's portfolios all fall into one of two levels:

- Level 1 strategies are ESG-managed and engaged. They include our Income-Equity and Infrastructure Strategies.
- Level 2 strategies are ESG-engaged.

	ESG INTEGRATION	SHAREHOLDER ADVOCACY	ESG-ALIGNED PROXY VOTING POLICY	EXCLUSIONARY SCREENS
LEVEL ONE	SYSTEMATIC	YES	YES	YES
LEVEL TWO	VARIES	YES	YES	NO

For more information about these two levels, including into which a particular product falls, see our ESG Policy or contact us.

The Two Elements of Our Approach:

- Integration of ESG analysis and fundamental research
- Shareholder advocacy

Stock Selection & ESG Integration

*Identify companies that are suitable
for our goal of providing
Sustainable Income Opportunities®*

Primary Purpose:

- Risk Identification & Assessment

What It Looks Like:

- Considering company-level performance on ESG factors that reflect our **Guiding Values**
 - e.g., environmental management and impact indicators, human rights policies, and corporate governance structures
- Integrated research, with the ESG Team participating in portfolio management meetings

Shareholder Advocacy & Active Ownership

*Push companies to take actions
that will move them closer to one or
more of our **Guiding Values***

Primary Purpose:

- Mitigate Risk
- Find Opportunities

What It Looks Like:

- Engagement with company management
- Filing shareholder proposals on the company's voting ballot at its Annual General Meetings
- Partnering with like-minded partners, such as Ceres, the Interfaith Center on Corporate Responsibility

ESG INTEGRATION = FUNDAMENTAL RESEARCH + ESG ANALYSIS

*Understanding of the
totality of a company
allows us to make
more informed
trade decisions.*

*We partner with and push companies
to adopt better practices, greater
accountability, and more sustainable
strategies in pursuit of lower risks
and safer dividends.*

Providing Insights into the Quality of Company Management

Our ESG and Portfolio Management Teams work together to try to gain the fullest possible understanding of companies held in, or under consideration for, our portfolios. We see how each company manages its ESG assets and opportunities—which include its workforce, business and community relationships, and natural resources—and then apply a materiality lens, looking for issues that have the greatest potential to impact that company's profitability now and in the future.

ESG Insights Can Influence:

- A company's eligibility for inclusion in certain strategies.
- The weight of a stock within the strategy—including the decision to avoid a company altogether.
- The timing of exiting a position.

How ESG Data Informed Our Investment Decisions:

Opportunities Identified:

We increased our exposure to renewable energy by identifying and investing in companies that we believe are credibly positioning themselves to improve and increase renewable energy infrastructure.

Position Sold:

We exited a position due to management behavior and disregard for investor concerns, particularly related to executive compensation and governance structures.

Risks Avoided:

We avoided companies with significant governance concerns in order to pursue better opportunities and allocate time to companies that don't present ESG risks.

For example: We chose not to invest in a company controlled by insiders and family members to ensure that the interests of non-insider investors are protected, and the possibility of self-dealing is avoided.

We also avoided companies after the companies' ESG governance and management profiles changed.

For example: After years of attempting to engage a large international company on human rights—made more critical by the company's presence in areas of conflict, and finding the company resistant to both improvements and stakeholder feedback—we decided it was no longer eligible for our Level One strategies.

2021 UPDATES

We enhanced our systematic ESG research process to include two new indicators:

1. A quantitative **CARBON INTENSITY** metric, as recommended by the Task Force for Climate-related Financial Disclosures (TCFD).
2. A forward-looking **ESG TREND** metric, created by our ESG Team and representing how we believe a company's ESG profile is likely to change over the next 6-12 months based on its commitments, risk exposure, and credibility.

An Investor's Right and Responsibility

Investors have an opportunity to ask questions and vote on issues at a company's Annual General Meeting. The meeting agenda, often available in the proxy statement, features a variety of ballot items (called resolutions or proposals) on which investors are asked to vote. These may include ratification of independent auditors, advisory approval of executive compensation plans (Say-on-Pay), election of directors, and yes or no votes on shareholder proposals. Voting on these is the right of every shareholder and most of our clients request that Miller/Howard vote their shares on their behalf.

For each item on the ballot, management will typically issue a voting recommendation. It is widely known that management generally recommends that investors vote **FOR** whatever resolutions management has put forward, and **AGAINST** resolutions shareholders have added to the ballot.

Miller/Howard strives to prioritize investor interests and does not blindly follow management's recommendations. We actively review and vote each item on the ballot according to what we believe best serves our clients. Accordingly, Miller/Howard finds itself sometimes voting against management recommendations.

87.2% Percentage of companies at which we voted against management's recommendation on one or more shareholder proposals in 2020.

The 2021 Proxy Season—which reaches its apex in late spring—has made worldwide headlines. Greater numbers of investors are pushing companies to improve on a variety of environmental, social, and governance issues.

Our 2021 Votes Have Touched on Environmental, Social, & Governance Issues:

COMPANY	MILLER/HOWARD-SUPPORTED/ COMPANY-MANAGEMENT-OPPOSED BALLOT ITEMS*
Pfizer	47.23% Political Spending 28.29% Report on Access to COVID-19 Products** 37.34% Require an Independent Board Chairman
Chevron	60.67% Scope 3 Emissions Reduction 47.83% Report on Impacts of Net Zero 2050 Scenario 47.86% Report on Lobbying Payments and Policy 29.49% Require an Independent Board Chairman
AbbVie	28.43% Require an Independent Board Chairman 36.12% Report on Lobbying Payments and Policy**
Merck & Co	33.57% Report on Access to COVID-19 Products
Citigroup	38.63% Report on Racial Equity Audit 18.30% Require an Independent Board Chairman 23.20% Report on Lobbying Payments and Policy**

*Overall percentage of shareholder support, calculated out of total number of votes cast.

** Miller/Howard filed or co-filed proposal.

2021 UPDATES

Our existing ESG-aligned Proxy Voting Policy was in happy alignment with the goals of Climate Action 100+ climate-related proxy voting goals, as well as Majority Action's "PROXY VOTING FOR A 1.5 °C WORLD" campaign .

Analysis Informs Action

By means of letters, conversations, comparisons to peers, and submitting and/or supporting shareholder proposals, our work from spring 2020 through spring 2021 encompassed a variety of environmental, social, and governance issues. We also worked as part of Climate Action 100+, “an investor initiative to ensure the world’s largest corporate greenhouse gas emitters take necessary action on climate change.”ⁱ

— This Past Year’s Engagements —

ENVIRONMENTAL MANAGEMENT

Cabot Oil & Gas	NextEra Energy
CenterPoint Energy	NorthWestern
Concho Resources	OGE Energy
Edison International	ONEOK
Enbridge	Pioneer Natural Resources
Energy Transfer	Plains All American
EOG Resources	Pipeline
Equitrans Midstream	PNM Resources
Fidelity	Targa Resources
Kinder Morgan	

BOARD GENDER DIVERSITY

Altra Industrial Motion	MDC Holdings
CSG Systems	Owens & Minor
Essent Group	Schneider National
FirstEnergy	Select Medical Holdings
JPMorgan Chase	Triton International
KB Home	Union Pacific
KeyCorp	Valero Energy
LCI Industries	Veritex Holdings
Louisiana-Pacific	Werner Enterprises
	WesBanco

HUMAN RIGHTS

ABB	Merck & Co
Broadcom	Pfizer
General Mills	Target

GOVERNANCE

AbbVie	Genuine Parts
AES	Gilead Sciences
Citizens Financial Group	National Grid
Citigroup	Old Republic
Coca-Cola	International
Crown Castle	Whirlpool

Note: Engagements during the year also addressed reasonable regulations of methane emissions, lobbying/political spending, policies requiring an independent chairperson, and executive compensation. Companies are categorized according to the primary engagement topic; however, we talked to many of them about multiple issues.

2020-2021 Shareholder Advocacy & Engagement Report

ENGAGEMENT

— This Past Year's Engagements *continued* —

RESOLUTIONS	Co-filed a resolution for disclosure of direct and indirect lobbying activities and expenditures: AbbVie	Outcome: 36.1% support
	Filed a resolution for disclosure of direct and indirect lobbying activities and expenditures: Citigroup	Outcome: 23.2% support
	Co-filed a resolution for a policy that, in the future, requires an independent Chair of the Board of Directors: Gilead Sciences	Outcome: 34.6% support
	Co-filed a resolution requesting a report on how company makes decisions that affect access to COVID-19 products, including setting prices: Pfizer	Outcome: 28.3% support

ENGAGEMENTS	Kinder Morgan <i>via Climate Action 100+</i>	Topic: Environmental management and strategy, inclusive of climate change scenario planning and decarbonization plans Focus: Aligning company growth, strategy, lobbying, and performance with the goals of the Paris Agreement
	Broadcom	Topic: Human rights due diligence in the supply chain Focus: Improved sustainability disclosures and human rights due diligence program
	Diversity metrics, multiple companies	Pushing companies to provide diversity metrics —such as the racial and gender composition of the workforce, including across various levels, such as the management, executive, and board levels —because investors need data to make an assessment. The information may illuminate strengths or weaknesses in the scope and quality of a company's recruitment and retention efforts.

Network Letters and Statements, 2Q 2020–2Q 2021

Not only does Miller/Howard strive to represent investor interests when we vote proxy ballots, but we also weigh in on larger conversations that can impact companies' future sustainability and profitability. By raising our voice with other institutional investors, nonprofits, and interested parties, we participate in the global conversation looking for a more ethical and sustainable future.

A small selection of the issues to which we lent support:

Climate Change Action

Contributed to the Climate Action 100+ Midstream Oil & Gas Working Group's *Investor Recommendations for a Net-Zero Aligned Strategy*.

Signatory to investor statement coordinated by ICCR and Ceres in support of reasonable methane regulations.

Public Policy

Legislative Lobby Day: LEAD on Climate 2021.

Miller/Howard met with representatives on Capitol Hill in support of a robust infrastructure/jobs package that will effectively address climate change.

-Convened and organized by Ceres, May 11-12, 2021

Miller/Howard submitted a comment letter to the SEC against unnecessary and burdensome changes to proxy voting rules related to ERISA accounts, 10/2/2020.

Human Rights

Supported improving performance on the Corporate Human Rights Benchmark.

-Signatory to May 2021 investor letter, co-sponsored by the Investor Alliance for Human Rights

In support of corporate responsibility for operations in Myanmar.

-Signatory to June 2021 investor letter, co-sponsored by the Heartland Initiative

2020-2021 Shareholder Advocacy & Engagement Report

Conclusion: Active Owners—Always

Doing good and mitigating harm, managing resources well, transparency and accountability, and positioning for long-term profitability so our clients can meet their financial goals over the short- and long-term: These are the qualities of companies we seek for our **Sustainable Income Opportunities®**. As we've said before, a company's management of human, financial, and natural resources contain within it the seeds of possible wins or losses. As such, ESG management will always be relevant to an investor's interests.

With sensitivity to the dramatic changes so many investors and companies are facing at this challenging time, we will continue to work on behalf of our clients to offer:

Sustainable Income Opportunities® —Doing Good and Doing Well.

*More information is available on our website, including insight papers that articulate our positions on specific issues and past **Shareholder Advocacy Newsletters** and **Engagement Reports**. There you can also access a database of the shareholder proposals we filed.*

- i Specific exclusion screens may vary by strategy; more information is available in our ESG policy on our website.
- ii Task Force on Climate-Related Financial Disclosures (TCFD) website
- iii These companies were held in one or more Miller/Howard-managed portfolios on the dates of record (which is the date used to assess stock ownership for the purposes of issuing ballots to stockholders).
- iv Vote tallies omit broker-nonvotes and abstentions.
- v Investors Seek Greater Climate Action in 2021 Proxy Season, Climate Action 100+ website (April 2, 2021)
- vi Proxy Voting For A 1.5°C World, Majority Action website
- vii Major investors demand ambitious methane regulations in the U.S., Ceres website (May 13, 2021)
- viii Lead on Climate 2021, Ceres website (May 11-12, 2021)
- ix Investors with \$5.8 Trillion Exhort Companies Scoring Zero on the CHRB to Know and Show their Human Rights Risks, Investor Alliance for Human Rights website (May 21, 2021)

All securities listed were held in Miller/Howard strategies at the time of engagement. There is no assurance that the securities have remained or will remain in the portfolio. These securities are being shown for informational purposes only. This sample should not be considered a recommendation to buy, sell or hold any of the securities and is not intended to imply that any one security listed above, or the portfolio as a whole, is appropriate for a particular client. It should not be assumed that any of the above securities were or will be profitable or that investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed.

All investments carry a certain degree of risk, including possible loss of principal. It is important to note that there are risks inherent in any investment, and that there can be no assurance that any asset class will provide positive performance over any period of time. This presentation is to report on the investment strategies of Miller/Howard Investments and is for illustration purposes only. The information contained herein has been obtained from sources and data we believe to be reliable, but we make no guarantee as to its adequacy, accuracy, timeliness, or completeness. Information has not been verified by the brokerage firm, and may differ from documents created by the brokerage firm. This article represents our current opinion, which is subject to change without notice. To receive a list of all recommendations for the previous year, please email compliance@mhinvest.com.

© 2021 Miller/Howard Investments. All rights reserved.

RESOLUTIONS

4 Resolutions Filed:

- Results range from 23 – 36% support

PROXY VOTING

87.2% of companies at which we voted FOR a shareholder proposal on ESG issues, when the company recommended against it.

ENGAGEMENT

- 13 companies engaged on governance issues
- 15 companies engaged on environmental issues
- 26 companies engaged on social issues

PARTNERSHIP ACTIVITY

- Signed &/or submitted 43 investor statements or letters urging improved ESG action by regulators, sectors, and governments
- Worked with >10 investor groups & NGOs

DIVESTMENT

- Custom exclusions for clients (where feasible under platform & custodian restrictions)

Proxy Data for FY 2020
Engagement Data from 2Q20-2Q21

ESG RESEARCH & ADVOCACY TEAM

Luan Jenifer, President
Nicole Lee, Director of ESG Research
Patricia Karr Seabrook, Shareholder Advocacy Coordinator
Daniel Lee, ESG Research Associate



Miller/Howard Investments
10 Dixon Avenue, Woodstock, NY 12498
Tel 845 679-9166 | Fax 845 679-5862
esg@mhinvest.com
mhinvest.com/esg

MH Engagement Report June 2021 3066 PUB RIA WF RBC I AMF 3653972 I CITI SMA210120 I UBS U21Q1_3066 I MS MSWM21-003463

PRINTED ON 100% RECYCLED PAPER