



Minutes of the PRIM Stewardship & Sustainability Committee Remote Meeting
Wednesday, January 21, 2026

Committee members present:

- Treasurer Deborah Goldberg, Chair
- Mary Cerulli
- Michael Even (joined at 9:59 a.m.)
- Ruth Ellen Fitch, Esq.
- Theresa McGoldrick, Esq.
- Dennis J. Naughton
- Marcela Pinilla

Committee members not present:

- Poonam Patidar

The PRIM Stewardship and Sustainability Committee meeting was called to order at 9:34 a.m. Chair Treasurer Deborah Goldberg announced that the meeting was being held in accordance with the provisions of Massachusetts Acts of 2022, Chapter 22, which was most recently amended on March 28, 2025, to include an extension of the 2020 Executive Order ‘Suspending Certain Provisions of the Open Meeting Law’ until June 30, 2027. Accordingly, all members of the Committee participated remotely via telephone and/or internet enabled audio and video conferencing, and public access to the deliberations of the Committee was likewise provided via telephone, with presentation materials made available on PRIM’s website (www.mapension.com). At the start of the meeting, the names of the members participating remotely were announced.

I. Approval of the Minutes (Voting Item)

The PRIM Stewardship and Sustainability Committee approved, by unanimous roll call vote, the minutes of its November 25, 2025, meeting, attached as Appendix A of the Expanded Agenda.

II. 2026 Stewardship Annual Plan

David Gurtz, Deputy Chief Investment Officer, gave an update regarding PRIM’s FUTURE Initiative. He noted it has been nearly five years since the Investment Equity legislation was signed into law and PRIM launched the FUTURE Initiative as its strategic plan to achieve the goals outlined in that legislation. As of December 31, 2025, more than \$16.7 billion, representing 13.6% of the PRIT Fund, is managed by diverse investment managers. Since the launch of the FUTURE Initiative, approximately \$9 billion has been allocated to diverse managers. To reduce barriers to participation, PRIM has directed approximately \$860 million to 42 emerging-diverse managers, supporting capacity building and access to institutional capital. In 2025, the Office of the State Auditor completed its audit of PRIM, which included an assessment of progress toward the legislation’s objectives. The audit resulted in a clean report. Additionally, PRIM recently submitted its fifth annual report to the Legislature detailing these achievements.

Mr. Gurtz also noted the overall progress of the Stewardship Program. 2025 marked a pivotal year for PRIM’s Stewardship efforts, transitioning from the initial “set-up” phase to meaningful integration across asset classes. These efforts are designed to drive long-term value creation, and many initiatives launched in 2025 will continue into 2026, ensuring continuity in core goals. Mr. Gurtz announced the release of its

inaugural Stewardship Report. This report outlines the organization's approach, priorities, and progress to date.

Veena Ramani, Director of Stewardship, presented on the progress of PRIM's Stewardship Program implementation. The Stewardship program was formed to address four specific priorities, based on what research and data showed to be material for PRIT portfolio investments. These priorities are Climate Transition Planning, Fair Pay, Sustainable Forestry, and Transparency. PRIM has addressed these priorities in three stages thus far. In 2025, PRIM made progress on addressing the four priorities in the following ways:

Climate Transition Planning

Ms. Ramani noted PRIM has established a strong analytical foundation for assessing climate risk across its portfolio and has begun engaging managers and companies on key findings. Earlier in 2025, PRIM partnered with Goldman Sachs to develop a framework for assessing climate transition risk, designed to generate actionable insights. This model was applied to the Public Markets portfolio, and follow-up discussions with managers are underway, including questions on how they engage with companies identified as higher risk.

The model cannot yet be applied to private markets due to limited disclosure from private companies. To address this, the Board approved a partnership with the ESG Data Convergence Initiative (EDCI), which promotes standardized reporting on environmental and social issues. PRIM plans to work with relevant GPs to gather climate-related information on their portfolio companies.

Looking ahead to 2026, PRIM will build on this momentum and conduct new analyses. Planned actions include completing manager engagements based on the Goldman Sachs framework and reporting results to the Committee, as well as leveraging the EDCI platform to obtain additional climate data from GPs. PRIM also intends to explore the physical impacts of climate change on its portfolio through a pilot project with the Real Estate team, focusing on weather-related risks to real estate investments.

Fair Pay

Ms. Ramani noted PRIM's major accomplishment this year has been advancing engagement with companies on fair pay practices. Since the fall 2025, PRIM has partnered with Segal Marco to engage 50 public market companies on Fair Pay and Transparency. The objectives are to communicate the importance of maintaining fair practices during challenging times and to encourage transparency, enabling managers to better evaluate risk. To date, PRIM has spoken with over 30 companies and is beginning to see commitments to improve disclosure. A more comprehensive update is expected in June.

Significant progress has also been made on pay and labor practices in private markets. Michael McGirr joined the LP Advisory Council of Ownership Works, a nonprofit focused on developing value-generating models for shared ownership in private companies. Additionally, PRIM adopted a Responsible Workforce Policy to formalize due diligence on labor issues, including pay, in private market investments. These assessments will begin to factor into private equity investments this cycle.

Looking ahead to 2026, PRIM plans to build on this foundation by continuing company engagements in a more targeted, outcome-oriented manner; deepening involvement with Ownership Work's initiatives and highlighting this work to the Committee and Board; and implementing the Responsible Workforce Policy in partnership with the Private Equity and Operational Due Diligence teams.

Sustainable Forestry

Ms. Ramani noted PRIM's key accomplishment for Sustainable Forestry was the analysis of the public markets portfolio for commodity-driven deforestation risk. To address this emerging risk, PRIM partnered with Climate & Co. to develop and adapt an assessment model that identifies at-risk companies and outlines recommended actions. PRIM also joined CDP, a nonprofit that operates a global platform for corporate disclosure on environmental issues, including deforestation.

Looking ahead to 2026, PRIM plans to engage high-risk companies identified through this analysis, encouraging them to disclose their risk management processes via the CDP platform. Additionally, PRIM will initiate engagement with managers on this issue.

Transparency

Ms. Ramani noted PRIM's final priority is Transparency, which underpins many of its stewardship objectives. Engagement efforts have focused on encouraging companies to improve disclosure on pay and human capital practices. PRIM has also advanced transparency through investor partnerships, including CDP and EDCl, and through its collaboration with the Human Capital Management Coalition (HCMC). This partnership supports PRIM's work on human capital by leveraging HCMC research, referencing key metrics, and coordinating with other investors to promote consistent standards. In 2026, PRIM plans to deepen these partnerships and work with the broader investor community to advocate for meaningful, actionable transparency on stewardship issues.

Committee members discussed their satisfaction with the progress of the program, its transparency, and continued dedication to its objective, business driven approach.

Committee member Michael Even joined the meeting at 9:59 a.m.

III. Draft Proxy Voting Guidelines (Voting Item)

Ms. Ramani shared that PRIM staff initiated a comprehensive update to PRIM's Proxy Voting Guidelines, shifting it to a principles-based version for enhanced clarity and effectiveness. These updated Proxy Voting Guidelines allow PRIM to:

- More clearly and succinctly communicate PRIM's expectations for how companies position themselves for long-term value;
- Demonstrate PRIM's sophisticated, research-based approach to voting decisions, rather than mechanically applying voting policies;
- Make situation specific decisions that are based on value generation, rather than being constrained by pre-determined rules that may cause conflict; and
- Adapt to fast evolving ballot resolutions, market circumstances and regulatory changes in a real-time manner.

A draft of these guidelines was shared with the Committee in November, and no changes have been made since that review.

The Stewardship and Sustainability Committee voted, by unanimous roll-call vote, to approve a recommendation to the PRIM Board to approve the updated Draft Proxy Voting Guidelines, attached as attachment D of the Expanded Agenda, and further to authorize the Executive Director to take all actions necessary to effectuate the vote.

IV. Issuance of a Request for Proposals (RFP) for Proxy Voting Services (Voting Item)

Ms. Ramani recommended that the Stewardship and Sustainability Committee make a recommendation to the PRIM Board to approve the issuance of an RFP for proxy voting services. PRIM's contract with Institutional Shareholder Services (ISS), the incumbent provider, expires December 31, 2026.

The Stewardship and Sustainability Committee voted, by unanimous roll-call vote, to approve a recommendation to the PRIM Board to approve the issuance of the RFP for Proxy Voting Services, and further to authorize the Executive Director to take all actions necessary to effectuate the vote.

The meeting was adjourned at 10:16 a.m.

List of documents and exhibits used during the meeting:

- A. Minutes of the PRIM Stewardship and Sustainability Committee Meeting on November 25, 2025
- B. PRIM's 2026 Stewardship Annual Plan
- C. PRIM's Stewardship Program Implementation: 2023-2025 Presentation
- D. Draft Proxy Voting Guidelines