



ESG Engagement Policy

JUNE 2025

As a long-term investor, we recognize that environmental, social and governance (ESG) factors can significantly influence a company's long-term financial performance and resilience. Integrating these factors into our investment process is essential to preserving and enhancing the value of the assets we manage.

As part of our investment activities, we understand our fiduciary duties and are committed to engaging regularly with our investee companies to gain a comprehensive understanding of their strategy, operations, and material ESG issues. These discussions allow us to assess their ESG practices, understand the risks they face, and identify opportunities for improvement.

We believe that active, constructive dialogue with portfolio companies is a core element of responsible investment. Through engagement, we aim to promote strong governance and the effective management of ESG risks and opportunities that may affect long-term shareholder value. These discussions allow us to ask insightful questions, provide meaningful feedback, and encourage continuous improvement. Our approach is to engage directly with companies, as we believe impactful change is more likely when we have a seat at the table.

Engagement Approach

An engagement is defined by a combination of proactive and reactive approaches focused on ESG issues we consider to be financially material. On the proactive side, we raise concerns based on our ongoing fundamental research and sector insights. On the reactive side, we respond to incidents, controversies, or new disclosures that require attention. This dual approach enables us to address both immediate risks and longer-term systemic issues effectively.

We follow a bottom-up, case-by-case methodology where ESG risks and opportunities are identified through company-level and industry-wide analysis. These considerations are determined by our investment team members, whose specialized industry knowledge ensures that each issue is examined within the appropriate context. Their direct involvement ensures that discussions are informed, relevant, and tailored to each company's strategic and operational reality. This depth of understanding helps foster trust with company leadership and increases the likelihood of positive, impactful outcomes.

We align engagement themes with one or more relevant dimensions of the Sustainability Accounting Standards Board's (SASB) Materiality Map to maintain a consistent and standard-aligned framework. Where the opportunity or need presents itself, we may also engage with portfolio companies on topics outside of the SASB framework, such as Indigenous Reconciliation.

We strive to track engagements between company management and our analysts, monitor progress on specific ESG issues, and report on these efforts.





Escalation

Our priority is to foster positive change through constructive dialogue, but we will escalate engagements when necessary to safeguard our clients' interests and ensure accountability. Escalation may be considered when the issue is of significant financial importance and we see deterioration in the situation, despite efforts to resolve it. We may also escalate an engagement when the company does not adequately acknowledge or respond to the concerns we have raised.

When escalation is deemed necessary, we will consider a variety of tools and actions based on specific circumstances, including but not limited to:

- Direct engagement with the Board or management
- Exercising proxy voting rights
- Collaborative engagement with other investors
- Divestment, considered after all other engagement options have been exhausted

The choice of escalation tool will be determined on a case-by-case basis, considering the materiality of the issue and our position in the company.

