

Connor, Clark & Lunn Investment Management's (CC&L) primary focus is on delivering on our clients' performance objectives. Our investment strategies are rooted in rigorous research, executed through disciplined investment and risk management processes. Consistent with our fiduciary duty, all environmental, social and governance (ESG) factors are taken into account to the extent we believe they have a material impact on risk and/or return.

RI BELIEFS

We believe that, all else equal, companies with sound business practices, including appropriate attention to environmental issues, social practices and corporate governance, are more likely to outperform those without. More specifically, we believe that companies that are attentive to climate change, diversity and inclusion, human capital management, and board structure will have better long term financial outcomes than those that ignore these issues.

We believe that, all else equal, companies with unsustainable ESG practices are likely to be subject to a higher cost of capital and operational risk.

We believe that, all else equal, the impact of ESG practices on the outlook for risk and return increases with investment horizon.

We believe that ESG best practices and regulations can differ across individual issuers, industries, sectors, and regions and our ESG approach should reflect these differences.

We believe that addressing issues relating to ESG through our research, assessment of risk and opportunities, engagement activities and proxy voting is preferable to simply divesting of or screening out securities from our investable universe.

We believe that we can best advocate for greater attention to ESG issues in our investable universe by participating in and supporting relevant coalitions, such as the Canadian Coalition for Good Governance, the UN-backed Principles for Responsible Investment (PRI), Climate Engagement Canada and various industry initiatives.

We believe that we have a responsibility to advocate for the integrity of capital markets by supporting policies that advocate for greater transparency and promote sustainable business practices.

GOVERNANCE

Board of Directors

The CC&L Board of Directors (Board) has ultimate responsibility for our approach to responsible investing (RI).

ESG Committee

The ESG Committee (Committee) was created to oversee all ESG activities in support of the firm's RI agenda and to make recommendations to the Board within the scope of the Committee's mandate, which is reviewed and updated by the Board periodically. The Committee reports directly to the Board and is responsible for the day-to-day oversight, management, and communication of the firm's approach to RI. The composition of the Committee was purposefully created in order to facilitate the flow of information between the Committee and the investment teams, as well as to foster dialogue across investment teams. The Committee's Terms of Reference set out details on the Committee's mandate and structure and is reviewed and updated by the Board periodically.

Risk Management Committee

CC&L's Investment Risk Management Committee is responsible for risk oversight of the firm's investments. This committee reviews ESG risk reports for our portfolios on a monthly basis.

Conflicts of Interest

Conflicts of interest, including those related to responsible investment, are documented in CC&L's Corporate Governance Manual. As per the Manual, the Board has adopted the CFA Asset Manager Code of Conduct, a voluntary code designed to be broadly adopted within the industry for managers seeking to adhere to sound ethical practice. The Code applies to all personnel and requires disclosure of conflicts of interest generated by any relationships.

ESG INTEGRATION

Each of CC&L's investment teams is responsible for the integration of ESG factors into their investment process. Our approach to integrating ESG factors into each team's investment process reflects the set of RI beliefs set out in the first section of this document.

Fundamental Equity Investment Process

The Fundamental Equity team (FE team) integrates ESG factors into its research using both a top-down and bottom-up approach. From a top-down perspective, the FE team considers longer term secular themes, such as climate change, income inequality and demographic shifts, and incorporates these views into both stock specific research and portfolio tilts. These themes can reflect risks and/or opportunities.

From a bottom-up perspective, the FE team takes into account ESG considerations through its research, target price analysis, engagements with management and/or members of the board of directors, and proxy voting. The team relies on proprietary research which is augmented by data gathered through its customized ESG issuer questionnaire, MSCI data used by our Quantitative Equity team, and external publicly-available ESG information. To the extent that there is a material financial implication (positive or negative) over the investment time horizon of the strategy, the team will reflect this in its financial forecasts and target price analysis. They will also use this information to inform their proxy voting decisions and to prioritize additional engagement activity. The FE team shares the quantitative model's risk parameters which adds another element of ESG integration into their process, as ESG factors are integrated into the CC&L quantitative process.

Quantitative Equity Investment Process

CC&L's Quantitative Equity team (Q team) integrates ESG factors using MSCI data into its investment process as systematic risk factors, as well as predictors of stock-specific risk. In addition, MSCI carbon data is used to manage carbon exposures for all quantitative strategies. The Q team is committed to undertaking ongoing ESG research with the objective of improving the quantitative model's forecasts of risk and/or return.

Fixed Income Investment Process

The Fixed Income team (FI team) systematically integrates ESG considerations into its investment process through the team's sovereign and provincial bond analysis, as well as with respect to corporate credit research. In addition to its own proprietary research, the team draws on external data, such as Bloomberg ESG data, as well as the responses from the CC&L ESG issuer survey created in collaboration with the FE team, to better understand any ESG issue that may be highlighted. The analysis includes an issuer's relative preparedness in adapting to the demands of climate change, the quality of management, the strength of the company's governance model, labour practices and any other ESG risks. The team will adjust the spread forecast for a security where the research indicates that an ESG issue materially affects the risk profile of the business within the investment forecast horizon.

PROXY VOTING, STEWARDSHIP AND ENGAGEMENT

CC&L engages with investee companies on a range of issues, including ESG, to support its research efforts and to exercise its influence as an owner. This is done through meetings with management and/or members of the board of directors which are undertaken by the FE team and FI team on a regular and ongoing basis, as well as through proxy voting, engagement activity, and collaborative initiatives undertaken by the Stewardship and Engagement team in accordance with CC&L's Voting Rights Policy and Stewardship and Engagement Policy. CC&L's engagement activities are directed to markets and companies where we have the greatest investment exposure and on issues most likely to be financially material to a particular company. CC&L assesses materiality based on internal investment research. Records are kept of all engagement activity.

AFFILIATIONS

CC&L is a member and/or supporter of various domestic and global industry organizations. These affiliations may complement our independent stewardship and engagement efforts, may provide opportunities to expand our knowledge of ESG issues, gain access to experts and educational content or otherwise further our understanding of best practices as they relate to ESG. Our participation in these initiatives and organizations is approved by the Board. The following lists some of CC&L's affiliations:

- Canadian Coalition for Good Governance (CCGG)
- Principles For Responsible Investing (PRI)
- International Corporate Governance Network (ICGN)
- Responsible Investing Association of Canada (RIA)
- Climate Engagement Canada (CEC)
- Task Force on Climate-Related Financial Disclosures (TCFD)

ADVOCACY

CC&L believes that we have a responsibility to advocate for the sustainability and integrity of capital markets. We believe that certain ESG issues are best addressed through regulation and public policy. We will advocate in areas where we believe we have expertise or unique insight that can assist in the formulation of public policy. Our advocacy activities are approved by the Board.

DISCLOSURE

CC&L's framework for ESG reporting and disclosures is set out by the ESG Committee in accordance with directives from the Board and reflects the needs of our clients and any legal requirements.

United Nations Principles for Responsible Investment

As a signatory to the UN-backed PRI, we are required to report annually on our ESG related activities in accordance with the PRI reporting framework. Our PRI Transparency Reports are available on our website.

Proxy Voting

Our proxy voting records are provided to clients quarterly and additional details are made available upon request.

Climate-Related Disclosure

Our Climate-Related Disclosures Report outlines how climate-related risks and opportunities are measured and managed in our investment process. This report further reinforces our support as endorsers of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD).

Responsible Investing Update

CC&L reports annually on the firm's ESG initiatives and provides highlights on our active ownership activities in our Responsible Investing Updates. This report is made publically available on our website.

Responsible Investing Policies

All of our RI policies are available to clients annually as part of the communication of our governance documents, and are also available on our website.