

Stewardship and engagement refers to interactions that CC&L may have with companies to exercise influence as an owner, including interactions regarding environmental, social, and governance (ESG) issues. These interactions encompass meetings with management and/or board directors, proxy voting, and collaborative initiatives. The purpose is to support company research, influence corporate practice (or identify the need to influence), and encourage improved disclosure.

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.

CC&L receives support from the CC&L FG's Group's Stewardship and Engagement (S&E) team. The S&E team provides support to CC&L's analysts and portfolio managers to more proactively engage with investee companies, collaborate with like-minded investors, and facilitate proxy voting.

CC&L's approach to stewardship and engagement activities is set out below:

VOTING RIGHTS

CC&L has a fiduciary duty to vote proxies both in a timely manner and in the best interests of our clients. The central tenet of our proxy voting policy is that good corporate governance enhances long-term shareholder value. CC&L's approach to proxy voting is covered in CC&L's Voting Rights Policy.

DIRECT CORPORATE ENGAGEMENT

Where CC&L identifies material ESG risks in an investee company, or where CC&L's views about a proxy vote differ with management, CC&L may raise the issue with management and/or the board of directors in person or in writing. Direct Corporate Engagement activities may involve both the portfolio manager and the S&E team. The choice about which issues to engage on is made with reference to themes prioritized by CC&L, the size of the position, the materiality of the issue and how frequently CC&L has voted against management in the past. The S&E team makes decisions regarding its engagement activities together with the relevant portfolio manager. Records are kept of all engagement activity.

The first step in an engagement is generally a dialogue with the company to understand the issue and voice any concerns. Where the outcome of this discussion does not satisfy the portfolio manager, various escalation steps may be considered including using our proxy voting rights in support of our engagement goals. Escalation activities will be undertaken at the discretion of the portfolio manager when the issue is deemed to be material and prior engagement efforts have not been successful. Escalation strategies are determined on a case-by-case basis and may include voting against directors, collaborating with other investors, reducing exposure and complete divestment.

As an additional source of engagement and information, CC&L created a custom issuer questionnaire on ESG practices. The questionnaire asks issuers to provide information on issues such as a company's commitment to net zero greenhouse gas emissions by 2050, whether the business is aligned with any of the United Nations Sustainable Development Goals and information on board diversity to the extent available. Both the investment teams and the S&E team use the information gleaned.

COLLABORATIVE ENGAGEMENT AND INITIATIVES

In addition to undertaking independent engagements, CC&L also seeks to participate in collaborative engagements and initiatives sponsored by other institutional investors, industry associations or advocacy groups. These collaborations allow us to pool resources and speak with a stronger unified voice to protect the interests of shareholders in the companies in which we invest on behalf of our clients.

The S&E team helps identify collaborative initiatives and activities that meet CC&L's engagement objectives and guidelines.

REPORTING

CC&L reports annually on our ESG initiatives and active ownership activities in our Responsible Investing Update. This report is made publically available on our website. Additionally, CC&L provides a summary of its proxy voting record to its clients on a quarterly basis. Additional information is made available to our clients on request.

CC&L also reports on our activities annually through the UN PRI reporting process. Our Transparency Report is released publicly. Additional information is made available to our clients on request.