

# CC&L QUANTITATIVE EMERGING MARKETS EQUITY STRATEGY

## QUEEN'S UNIVERSITY ENDOWMENT FUND

July 2023

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## CC&L QUANTITATIVE EMERGING MARKETS EQUITY FUND

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Completed By: Maxine Smalley  
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### PREAMBLE

In accordance with Queen's University's Responsible Investing Policy, as approved in May 2017, we require all of Queen's External Investment Managers to take due regard of environmental, social, and governance ("ESG") factors in making investment decisions. Managers will be asked to engage where appropriate and report to the University on their ESG activities on an annual basis.

Link to Responsible Investing Policy:

<http://queensu.ca/secretariat/sites/webpublish.queensu.ca.uslcwww/files/files/policies/board/Responsible%20Investing%20Policy.pdf>

**To assist with our due diligence, we request that you respond to the following questions no later than July 28<sup>th</sup>, 2023.**

Note: Responses to this questionnaire will be posted in full on Queen's website.

### GENERAL

#### **1. Please provide your ESG-related policies.**

Please refer to the attached "Appendix I Responsible Investing Policy", "Appendix II Stewardship & Engagement Policy" and "Appendix III Voting Rights Policy", and "Appendix IV Climate Related Disclosure".

#### **2. Are sustainable investing and ESG factors integrated into your investment process and portfolio management decisions? If yes, please provide details.**

ESG factors, using MSCI data, are integrated into CC&L's quantitative 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.

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Within the three different pillars, MSCI ESG Ratings identify 10 themes and 37 key issues which are highlighted in the below table.

3 Pillars	10 Themes	37 ESG Key Issues	
Environment	Climate Change	Carbon Emissions Product Carbon Footprint	Financing Environmental Impact Climate Change Vulnerability
	Natural Resources	Water Stress Raw Material Sourcing	Biodiversity & Land Use
	Pollution & Waste	Toxic Emissions & Waste Packaging Material & Waste	Electronic Waste
	Environmental Opportunities	Opportunities in Clean Tech Opportunities in Green Building	Opportunities in Renewable Energy
Social	Human Capital	Labour Management Health & Safety	Human Capital Development Supply Chain Labour Standards
	Product Liability	Product Safety & Quality Chemical Safety Financial Product Safety	Privacy & Data Security Responsible Investment Health & Demographic Risk
	Stakeholder Opposition	Controversial Sourcing	
	Social Opportunities	Access to Communications Access to Finance	Access to Health Care Opportunities in Nutrition & Health
Governance	Corporate Governance*	Board* Pay*	Ownership* Accounting*
	Corporate Behaviour	Business Ethics Anti-Competitive Practices Tax Transparency	Corruption & Instability Financial System Instability

\*Corporate Governance Theme carries weight in the ESG Rating model for all companies. In 2018, CC&L Introduced sub-scores for each of the four underlying scores: Board, Pay, Ownership, and Accounting

### 3.

#### a. Are you a signatory to the UNPRI?

Yes, CC&L has been a signatory to the UN PRI since 2015.

#### b. If you are signatory to other coalitions, please list them.

##### Canadian Coalition for Good Governance

CC&L is an active member in the Canadian Coalition for Good Governance. In addition to CC&L's engagement activities, the firm collaborated extensively with the Canadian Coalition for Good Governance as an active member of this organization. Phil Cotterill, CC&L's Head of Client Solutions and a director at CC&L, is a director of the CCGG.

##### International Corporate Governance Network (ICGN)

In July 2019, CC&L became supporters of the International Corporate Governance Network (ICGN) through its affiliation with member CC&L Financial Group. This membership complements CC&L's active involvement in the Canadian Coalition for Good Governance.

Task Force on Climate Related Financial Disclosures (TCFD)

In June 2021, CC&L endorsed the recommendations of the Task Force on Climate Related Financial Disclosures (TCFD). In doing so, CC&L actively encourages investee companies to incorporate the TCFD recommendations in their future disclosures.

Climate Engagement Canada (CEC)

In October 2021, CC&L became founding participants in Climate Engagement Canada, a Canadian-led collaborative engagement platform to drive broader, more consistent dialogue between finance and industry on climate risks and opportunities. The goal of the engagement is to educate company boards and senior leaders on the concerns and expectations of the financial sector as they relate to a timely transition to net-zero by 2050, spur organizational change, and move Canada forward on achieving commitments to the Paris Accord. CC&L will have more information on this initiative at a later date.

**c. Indicate any other international standards, industry guidelines, reporting frameworks, or initiatives that guide your responsible investing practices.**

Please refer to the response 3(b) above.

CC&L participates in collaborative engagements and initiatives sponsored by other institutional investors, industry associations, or advocacy groups. These collaborations allow CC&L to pool resources and speak with a stronger unified voice to protect the interests of shareholders in the companies in which it invests in on behalf of its clients.

Examples of collaborative initiatives CC&L has participated in during the last 3 years:

- In January 2020, CC&L signed on to a letter put forward by the UN PRI to be sent to the SEC which voiced concerns over proposed rule changes related to proxy voting. The proposed changes would make it meaningfully more difficult for shareholders to put forward shareholder proposals and would hinder the independence and timeliness of proxy advisor recommendations such as those CC&L utilizes from ISS.
- In September 2020 CC&L signed on to the Responsible Investment Association's (RIA) Canadian Investor Statement on Diversity & Inclusion. The Statement acknowledges the existence of systemic racism and its impacts on Black and Indigenous communities and People of Colour in Canada and globally and asks Canadian public companies to endeavor to increase transparency, adopt policies and expand and disclose organizational efforts to address barriers to diversity and inclusion.
- In June 2021 as members of the CCGG, CC&L supported a submission sent to the US Securities & Engage Commission (SEC) in response to the SEC's request for public input on the topic of climate change disclosure. In this letter the CCGG advocated for increased disclosure, support for the Task Force on Climate-related Financial Disclosure (TCFD) as an appropriate framework for climate-related financial disclosures and indicated support for the International Financial Reporting Standards Foundation's (IFRS) initiative to establish an International Sustainability Standards Board (ISSB) as a global standard setter to achieve consistency and global comparability in sustainability reporting.

- In January 2022, CC&L supported a CCGG submission to the Canadian Standards Association (CSA) in support of the CSA's proposed approach to align disclosures with the recommendations of the TCFD and encouraged harmonization with the International Sustainability Standards Board.

**4. Please describe how ESG oversight and integration responsibilities are structured at your firm, including the process for escalation of key ESG issues. How do you obtain ESG information/data (e.g., public information, third party research, reports and statements from the company, direct engagement with the company)?**

The CC&L Board of Directors has ultimate responsibility for the firm's approach to Responsible Investing (RI). In 2015, the Board established the CC&L ESG Committee, which is comprised of leaders from each of the firm's investment teams, the client solutions team, and compliance team. The ESG Committee is required to meet at least quarterly, however, meetings and discussions are more frequent in practice. 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 CC&L ESG Committee reports directly to the Board and its mandate is to oversee and coordinate firm wide RI activities including:

- Integration of ESG factors in investment processes,
- Education of the firm's teams including the internal communication of industry best practices and gathering of team insights regarding RI,
- External communication efforts including reporting to CC&L's clients on RI issues,
- Stewardship and engagement practices, including proxy voting,
- ESG related policies and guidelines, including proxy voting and stewardship and engagement policy,
- Oversight of commitments under industry collaborative initiatives, including as a signatory to the UN-backed Principles for Responsible Investing (PRI),
- Review and evaluation of additional industry collaborative initiatives, and
- Most importantly, recommendations to CC&L's investment teams and the Board of ongoing improvements in all of these areas.

Each of the investment teams are responsible for ensuring the firm's ESG policies are being implemented.

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The CC&L ESG Committee is comprised of the following individuals:

Name	Title	Tenure (ESG Committee)*	Tenure (CC&L)*	Tenure (Industry)*
Lori Satov	Portfolio Manager, Client Solutions	8 yrs.	12 yrs.	28 yrs.
John Novak	Portfolio Manager, Fundamental Equity	8 yrs.	17 yrs.	30 yrs.
Dion Roseman	Portfolio Manager, Quantitative Equity	8 yrs.	19 yrs.	30 yrs.
Brian Milne	Senior Credit Analyst, Fixed Income	4 yrs.**	5 yrs.	13 yrs.
Derrick Crowe	Chief Compliance Officer	8 yrs.	22 yrs.	22 yrs.

\*As of 2023

\*\*All have been committee members since the creation of the CC&L ESG Committee in 2015, with the exception of Brian Milne who replaced David George on March 4, 2019.

The ESG Committee and investment teams also receive the support of the centralized Stewardship & Engagement (S&E) team, who assist with direct corporate engagement, collaborative initiatives and proxy voting.

ESG factors, using MSCI ESG rankings are integrated into CC&L's quantitative 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. In addition, the global proxy research and voting services of Institutional Shareholder Services Inc. (ISS) are employed to help analyze and vote proxies on behalf of CC&L's clients. ISS prepares the voting recommendations in accordance with the CC&L's customized guidelines for all items for which it is entitled to vote.

### 5. What channels do you use to communicate ESG-related information to clients and/or the public? Do you produce thought leadership (written reports and publications)? If so, is the information available to the public? Please provide links, if applicable.

As a signatory to the UN-backed PRI, CC&L is required to report annually on ESG related activities in accordance with the PRI reporting framework. The firm's PRI Transparency Reports are available on its website.

CC&L's proxy voting records are provided to clients quarterly and additional details are made available upon request.

CC&L's first annual Responsible Investing Update was sent to clients in November 2019 and annually thereafter. These updates provide information on the firm's ESG and active ownership activities. Additional interim information is always available to clients upon request.

In July 2021, CC&L endorsed the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. As official supporters of the TCFD, CC&L published its own TCFD-aligned disclosures and will continue to advocate for further adoption of the recommendations in their engagements with issuers. CC&L will provide carbon related exposures for their equity portfolios on request.

All of the firm's RI policies are available to clients annually as part of the communication of CC&L's governance documents and are also available on the firm's website.

Please refer to the attached "Appendix V Responsible Investing Update", "Appendix VI CC&L PRI Transparency Report" and "Appendix IV Climate-Related Disclosure Report".

**6. Do you have periodic reviews of your ESG process/approach to assess its effectiveness? What are the results? What would cause you to disregard ESG issues in your investment/analysis decisions?**

The ESG Committee sets out an annual project plan at the beginning of each calendar year for Board review and approval. Additional projects may arise throughout the year, however, and the Committee is flexible in adding new initiatives to their agenda as needed.

In 2022, CC&L's ESG Committee undertook a market research project looking at RI practices to ensure CC&L is adhering to industry best practices and to identify areas where we can improve on our approach. The review consisted of discussions with client and consultants, and an evaluation of market best practices. Areas of focus for this project included our approach to ESG integration, proxy voting, engagement, communication, and climate change. The conclusions from this research will be used by each of our teams as they consider ways to improve and enhance the firm's overall approach to RI.

In addition, the Quantitative Equity team undertakes regular research projects in order to find ways to improve the integration of ESG factors into our investment process.

All of CC&L's investment strategies incorporate the assessment of ESG factors in their analysis of securities. CC&L does not anticipate disregarding ESG factors at any point in the future, as the firm believes these factors form an integral part of the analysis and research it undertakes for each of its strategies.

## CLIMATE

**7. Describe how you identify, assess, and manage climate-related risks.**

CC&L's approach to climate risk is documented in the firm's Task Force on Climate-related Financial Disclosures (TCFD) aligned disclosure published on our website. Please refer to the attached "Appendix IV Climate Related Disclosure"

At the firm level, portfolio carbon exposure is reported to the CC&L Investment Risk Committee on a monthly basis.

At the firm level CC&L also utilizes engagement, both direct and collaborative, to address climate risk. For example, in 2021 CC&L became founding participants in Climate Engagement Canada (CEC) as part of Connor, Clark & Lunn Financial Group. CEC is a Canadian finance-led collaborative initiative to drive dialogue between the financial community and Canadian corporations on climate-related risks, opportunities, and transition to a net zero economy.

At the strategy level, all of CC&L's quantitative equity strategies utilize carbon data from MSCI to manage carbon exposures. This is in addition to the inclusion of MSCI ESG Ratings, which are integrated into the quantitative investment process as systemic risk factors as well as predictors of stock-specific risk.

In regards to climate risk, CC&L updated its guidelines to withhold votes from certain directors if a company has not established appropriate climate risk oversight and is testing a custom ISS tool to assist in aligning our voting outcomes with this update to our policy. As supporters of the Task Force on Climate-Related Financial Disclosures (TCFD), we feel this is an important way we can encourage companies to mitigate the risks associated with climate change.

**8. Describe the climate-related risks and opportunities you have identified over the short, medium, and long term.**

CC&L's strategy towards climate risk focuses on both our integration activities, which tend to reflect a shorter-term time horizon, and the firm's stewardship activities that reflect longer term advocacy. Integration of climate risk in the quantitative equity team's strategies involves use of carbon data from MSCI to manage carbon exposure as well as integration of ESG Ratings from MSCI as systemic risk factors as well as predictors of stock-specific risk. MSCI's ESG Ratings take into account key issues such as carbon footprint, product carbon footprint, financing environmental impact and climate change vulnerability.

**9. Describe the resilience of your investment strategy, taking into consideration different climate-related scenarios.**

Within CC&L's quantitative strategies a disciplined risk management process is critical in its endeavor to deliver consistent excess returns for its clients. The firm's risk management framework ensures that it takes investment risk only when warranted by an attractive investment return, and it otherwise minimizes uncompensated risk exposure in portfolios. Within CC&L's process, risk management involves not only the monitoring of portfolio holdings but, more importantly, the direct integration of risk assessments into portfolio construction, ensuring that portfolio risk is calibrated to operate within mandate constraints in the context of the prevailing capital market environment.

To date, the team has found that ESG factors are effective at explaining systematic risks however are not meaningful at explaining persistent out/under performance of securities. As a result, environmental, social, and governance factors are currently included in CC&L's risk model both as systematic risk factors as well as contributors to stock-specific risk forecasts but do not contribute to CC&L's return forecasts. The proliferation of ESG aware strategies over the past several years has contributed to ESG factors becoming increasingly important systematic risks going forward. This management of risk is an important aspect of our process that enables portfolios to add value through different environments.

At a firm level, CC&L does not take into consideration different climate-related scenarios for its portfolios, including a 2° Celsius or lower scenario.

That said, CC&L's Investment Risk Management Committee is responsible for risk oversight of the firm's investments. This committee reviews portfolio carbon metrics and ESG scores on a monthly basis.

**10. Do you track the carbon footprint of portfolio holdings?**

Yes, CC&L subscribes to company-specific carbon emission data from MSCI to manage carbon exposures for all quantitative strategies. CC&L Investment Management will provide carbon emission reporting against the QEM benchmark based on MSCI data on a quarterly basis, if desired.

**If yes, please describe the methodology and metrics used, and whether you have a set target for reducing the portfolio's footprint.**

CC&L subscribes to company-specific carbon emission data from MSCI to manage carbon exposures for all quantitative strategies. The carbon footprint is calculated based on Scope 1 and Scope 2 emissions using MSCI data. The Quantitative Equity team manages portfolio carbon exposure to be similar to the benchmark over the long-term, though there may be fluctuations (positive or negative) over the shorter



term. The carbon emissions are measured against the MSCI Emerging Markets Index benchmark on a quarterly basis.

**11. What are your firm's emissions? Please demonstrate how/whether you are taking steps to reduce these scenarios?**

In December 2021, CC&L Financial Group retained an external consultant to assist with the measurement of its corporate carbon footprint. The initial aim of this project is to establish an understanding of the GHG emissions associated with its operations. With that understanding, CC&L Financial Group is looking forward to developing strategies to implement changes and initiatives that will help lessen its impact on the environment, and in particular, its carbon emissions.

**12. For the mandate you manage for Queen's, what percentage of equity holdings (if applicable) have credible net zero commitments?**

CC&L does not have current statistics on the number of issuers that have made net zero commitments in its portfolios.

**13. How do you assess the credibility of a company's emission reduction targets?**

Assessing the credibility of individual company's emission reduction targets is not part of CC&L's quantitative investment process.

At the firm level, when reviewing the credibility of issuers decarbonization plans CC&L will often consider: I) whether the company has a long term GHG reduction goal and interim targets; II) which scope of GHG emissions are included in the target; and III) if the goal is aligned with 1.5 degrees or a net zero scenario. In addition, CC&L believes that companies should have strong governance frameworks in place that establish accountability and oversight of climate change at the senior leadership level.

**14. What forward-looking metrics do you use to assess an investment's alignment with global temperature goals?**

As noted, CC&L's Quantitative Equity team integrates ESG factors using MSCI data into its investment process as systematic risk factors as well as predictors of stock-specific risk. MSCI's ESG ratings include forward looking assessments such as whether an issuer has made carbon reduction targets.

## DIVERSITY

**15. Please provide the composition of your senior leadership team and board of directors, including women and visible minorities. How do you encourage diversity of perspectives and experience?\***

- Currently 32% of CCLIM overall are female. CC&L Investment Management currently does not track minority, legally protected racial or ethnic groups, disability or protected veterans.

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- Currently 19% of CCLIM's owners are female. CC&L Investment Management currently does not track minority, legally protected racial or ethnic groups, disability or protected veterans.
- Currently 11% of the board of directors are female. CC&L Investment Management currently does not track minority, legally protected racial or ethnic groups, disability or protected veterans.
- Currently 24% of CCLIM's Quantitative Equity Investment Team are female. CC&L Investment Management currently does not track minority, legally protected racial or ethnic groups, disability or protected veterans.

CC&L's approach to Diversity & Inclusion (D&I) is documented in the attached "Appendix VII CC&L Financial Group and Affiliate's Diversity and Inclusion Policy". The Policy aims to promote diversity across the entire organization, including through hiring and promotions, the composition of committees, decision-making, and in management composition. In line with this commitment, CC&L embraces the diverse perspectives of everyone who works at the organization. Across CC&L Financial Group, diversity means that the firm understands, accepts and values differences between people, including those of different ethnicity, genders, ages, religions, disabilities and sexual orientations as well as differences in education, personalities, skill sets, experiences and knowledge. Inclusion means that the firm endeavors to create a collaborative, supportive and respectful environment that promotes the participation and contribution of all people who work there. Through fostering an environment that focuses on diversity and inclusion, we want people to feel comfortable to be themselves and to contribute ideas, without fear of judgment or reprisals. It requires treating individuals in the same way, not more or less favorably because of any particular characteristic. This means that decision making about professional opportunities is matched to merit, unclouded by overt or unconscious bias.

While CC&L does not currently use fixed targets, as a part of CC&L Financial Group, CC&L has established five formal D&I objectives.

- Measure where the firm stands today and track progress over time
- Ensure awareness that D&I is integral to the firm's culture and business goals
- Create a process to continually identify opportunities for improvement and prioritize solutions
- Enable people to be themselves at work to facilitate their happiness and productivity, and also foster better teamwork, collaboration and innovation
- Support D&I outside of the workplace through CC&L Foundation philanthropy and volunteerism

Examples of webinars and other networking opportunities hosted by CC&L Financial Group and its Affiliates include:

- In March 2021, CC&L hosted a virtual panel discussion on International Women's Day featuring female senior leaders across CC&L. The discussion focused on each panelist's career journey, leadership insights and words of wisdom through the lens of their diverse backgrounds.
- In March 2021, CC&L, in partnership with Ad Idem Consulting Group, presented "Women in the City". The virtual event provided an opportunity for participants to meet fellow women in finance professionals to share experiences and learn from the panel of female leaders and mentors. In addition, the event provided an opportunity to network within this inclusive and like-minded group of women in finance.

- In June 2021, CC&L hosted the webinar “Raise Every Voice: A Discussion about Inclusion” with panelists from various levels of management throughout CC&L and its Affiliates. The panelists shared their respective stories about resilience and resourcefulness and focused on Juneteenth, Allyship, mentorship and how the firm can create a space to make everyone feel welcome.
- CC&L’s Culture Committee undertook a series of breakout sessions to further identify and source ideas for areas where the firm can improve – similar to Women in Leadership CC&L is working through these and in the process of developing recommendations.
- Leadership development training has been rolled-out company wide and a big part of this initiative is to ensure CC&L provides the skills to become leaders to everyone, rather than simply people who the existing leaders will think are going to be leaders in the future.

## PROXY VOTING

### 16. What proportion of the time do you vote with or against management on shareholder resolutions, board appointments, and auditor appointments? What proportion of the time do you vote with or against management on ESG issues? How does this break down for climate, diversity, and remuneration issues?\*

CC&L QEM Strategy voting statistics for the reporting period 01/01/2023 – 06/30/2023 :

Proportion of votes with or against management on shareholder resolutions:		
	Number of Proposals	Percentage
Against Management	37	15%
With Management	204	85%

Proportion of votes with or against management on board appointments:		
	Number of Proposals	Percentage
Against Management	1472	28%
With Management	3739	72%

Proportion of votes with or against management on auditor appointments:		
	Number of Proposals	Percentage
Against Management	262	41%
With Management	382	59%

Proportion of votes with or against management on ESG issues:		
	Number of Proposals	Percentage
<b>Environment*</b>		
Against Management	0	0%
With Management	0	0%
<b>Social</b>		

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Against Management	14	37%
With Management	24	63%
<b>Governance</b>		
Against Management	2830	21%
With Management	10942	79%

\* Please note that we did not vote against any Climate related proposals during this period.

Proportion of votes with or against management on climate related issues:		
	Number of Proposals	Percentage
Against Management	0	0%
With Management	0	0%

\* Please note that we did not vote against any Climate related proposals during this period.

Proportion of votes with or against management on remuneration-related issues:		
	Number of Proposals	Percentage
Against Management	360	26%
With Management	1037	74%

Proportion of votes with or against management on board diversity proposals:		
Against Management	n/a*	

\* Please note that we did not vote against any D&I proposals during this period.

### 17. What proportion of all independent ESG shareholder resolutions do you support?\*

CC&L QEM Strategy voting statistics for the reporting period 01/01/2023 – 06/30/2023:		
	Number of Proposals	Percentage
Against Management	37	15%
With Management	204	85%

### 18. What proportion of remuneration packages do you vote in favour of? In your view, is the current level of executive remuneration too high, too low, or about right? How is this view reflected in your voting record on remuneration?\*

CC&L QEM Strategy voting statistics for the reporting period - 01/01/2023 – 06/30/2023 :

Proportion of votes in favor of remuneration packages:		
	Number of Proposals	Percentage
Against	360	26%
For	1037	74%

**19. Have you ever co-filed an ESG-related shareholder resolution? If so, how many and with what frequency?\***

CC&L has not yet filed any shareholder resolutions.

**20. Have you ever voted against a director for explicitly ESG-related reasons? If so, why? If not, would you consider doing so in the future?\***

Yes, CC&L has customized proxy voting guidelines that reflect its views on ESG issues such as board diversity, board independence, auditor independence, climate risk, and more. For example, since the implementation of CC&L's updated guidelines in April 2022, the QEM strategy voted against 239 director elections due to lack of gender diversity between January 1<sup>st</sup> – June 30<sup>th</sup>, 2023.

## ENGAGEMENT

**21. How many companies do you engage with? What proportion of your engagements focus on environmental and social issues? What are your engagement goals? Are these goals outcome/action-based (e.g. decreases in emissions or increases in number of women on the board) or means-based (reporting on emissions or number of women on the board)?\***

While not specifically part of CC&L's quantitative equity process, the Stewardship and Engagement team provides support to CC&L's fundamental equity analysts and portfolio managers to more proactively engage with investee companies, collaborate with like-minded investors and facilitate proxy voting. CC&L's engagement activity focuses on the Canadian universe where they believe they have the largest influence given their holdings across their fundamental and quantitative mandates. Engagement with companies outside of Canada is undertaken on an ad-hoc basis.

In recent years, CC&L's engagement and proxy voting activity has increased its focus on climate and D&I issues. These themes align with our collaborative engagement activity, such as our endorsement of the TCFD recommendations, status as founding members of Climate Engagement Canada and our support for the Responsible Investment Association's (RIA) Canadian Investor Statement on Diversity & Inclusion. In addition, our custom proxy voting guidelines focus on some key governance themes, specifically board independence, insiders on key committees, gender diversity, tenure and overboarding and climate related disclosures.

**22. What is your policy around the escalation of engagement; how and why might this happen and what is the ultimate tool you might use (e.g. voting against board re-election, etc.)?\***

In circumstances where the outcome of CC&L's engagements do not satisfy the portfolio manager, various escalation steps may be considered including using the firm's proxy voting rights in support of these 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. CC&L does not have any restrictions on the escalation measures that can be used.

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