

Stewardship and engagement refers to interactions that CC&L may have with companies, regulators, and other stakeholders in consideration of the best interests of our clients' investments. These include interactions regarding environmental, social, and governance (ESG) issues that may affect long-term value creation. Stewardship and engagement efforts encompass meetings with management and/or board directors, proxy voting, and collaborative initiatives. The purpose is to gain greater clarity with respect to material ESG issues, promote increased transparency and disclosures, and share perspectives and our views of best practices with respect to material ESG issues with the ultimate objective of improving and protecting the long-term risk-adjusted performance of our portfolios.

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 Connor, Clark & Lunn Financial 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

As part of the fundamental equity and fixed income investment process, CC&L's portfolio managers will meet directly with the management and/or board of directors of companies to discuss material issues, which may include ESG factors, where relevant. The S&E team sets out its engagement activities and objectives together with the relevant portfolio manager, and these will generally be more long-term in nature and focused on specific ESG themes. The choice about which issues to engage on is made with reference to themes prioritized by CC&L, the size of the position, and the materiality of the issue, among other considerations. Records are kept of all engagement activity.

CC&L's engagement generally focus on establishing and maintaining a dialogue with a company with the aim of understanding material issues, promoting increased transparency and disclosures and sharing perspectives and views of the best practices with respect to these issues. Where the outcome of CC&L's engagement efforts does not satisfy the portfolio manager, various escalation steps may be considered and 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, but are not limited to, voting against directors, collaborating with other investors, reducing exposure and complete divestment.

## 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 CC&L 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. In all cases, CC&L retains responsibility for its own investment and voting decisions and acts independently in setting responsible investing strategies, policies and practices.

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

## CONFLICTS OF INTEREST

Conflicts of interest are disclosed 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.

## REPORTING

CC&L reports annually on our ESG initiatives and stewardship and engagement activities in our Responsible Investing Update. This report is made publicly 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 stewardship activities through the UN-backed Principles for Responsible Investment (PRI) reporting process. Our PRI Transparency Report is available on our website. Additional information is made available to our clients on request.