

2025 RESPONSIBLE INVESTING UPDATE

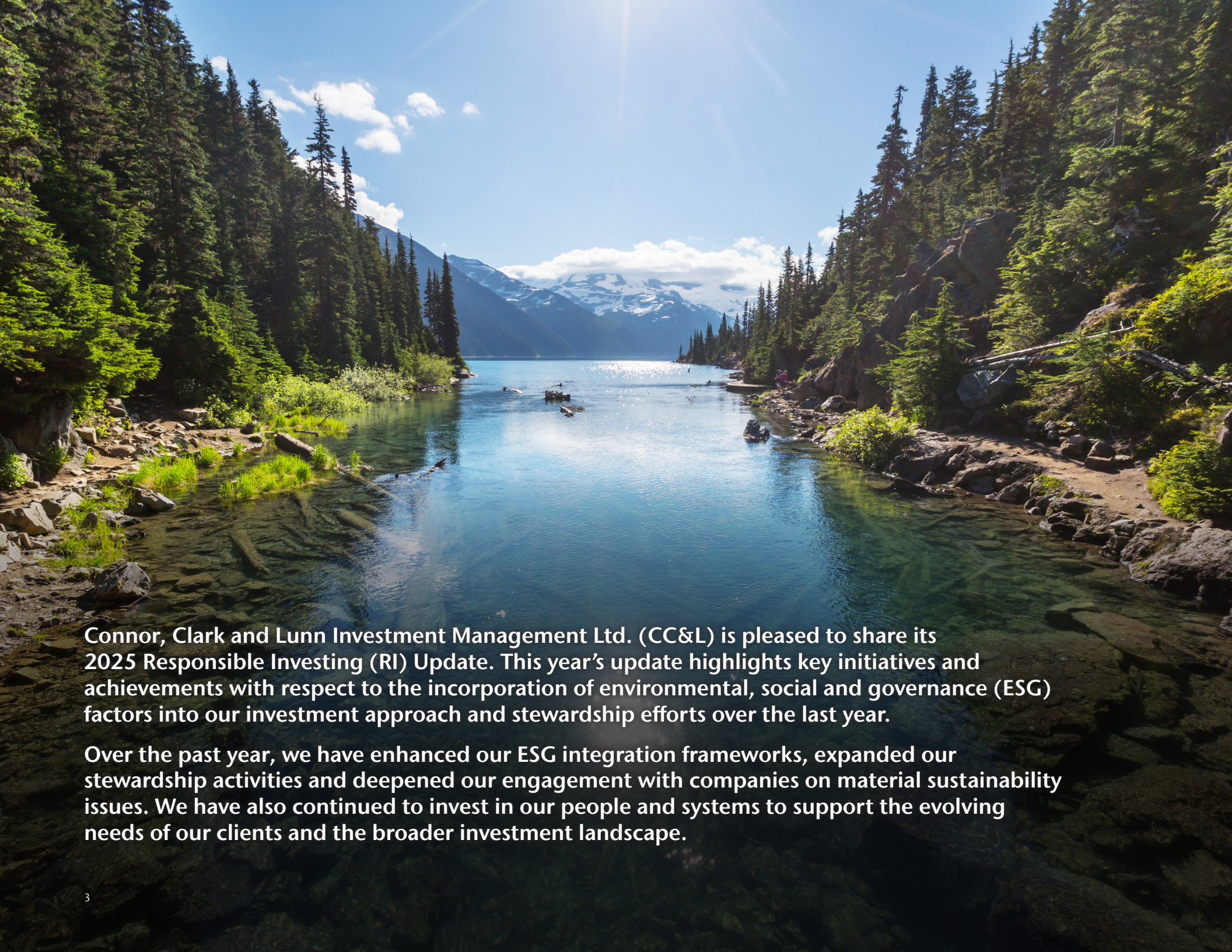






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Connor, Clark and Lunn Investment Management Ltd. (CC&L) is pleased to share its 2025 Responsible Investing (RI) Update. This year's update highlights key initiatives and achievements with respect to the incorporation of environmental, social and governance (ESG) factors into our investment approach and stewardship efforts over the last year.

Over the past year, we have enhanced our ESG integration frameworks, expanded our stewardship activities and deepened our engagement with companies on material sustainability issues. We have also continued to invest in our people and systems to support the evolving needs of our clients and the broader investment landscape.

CC&L's approach to RI at a glance

We believe that our investment processes should be based on rigorous research and account for all factors – including ESG – that materially impact the valuation of the companies in which we invest.

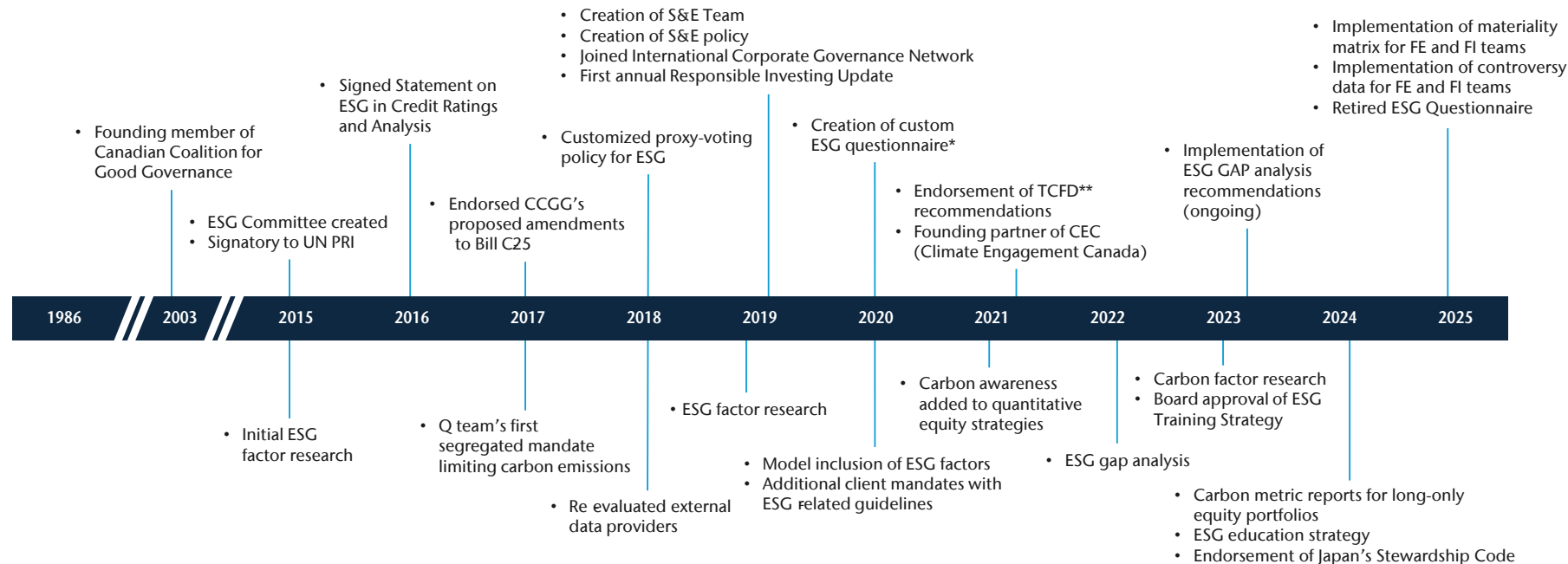
CC&L believes that, all else equal, companies with sound business practices, including appropriate attention to environmental issues, social practices and corporate governance, are more likely to outperform those without. More specifically, we believe that companies that are attentive to climate change,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



Evolution of RI at CC&L

Since our inception, CC&L has incorporated all relevant factors, including material ESG considerations, into our investment process. In 2015, we formalized our commitment to RI by becoming a signatory to the UN Principles for Responsible Investment (PRI) and establishing a dedicated ESG Committee. Since then, we have evolved our tools and practices to create a systematic framework, elevating our approach to RI with respect to our stewardship activities as well as our three investment teams' approaches to ESG integration.

FIGURE 1: EVOLUTION OF RESPONSIBLE INVESTING



*Custom ESG questionnaire retired due to improved corporate disclosures.

**Task Force on Climate-related Financial Disclosures.

As of June 30, 2025. Chart is for illustrative purposes only and is not drawn to scale. Source: Connor, Clark & Lunn Investment Management Ltd.

Governance and oversight

The CC&L Board of Directors has ultimate responsibility for the firm’s approach to RI. To support this, the Board established the CC&L ESG Committee, composed of leaders from each of the firm’s investment teams, the client solutions team and the compliance team. The committee was purposefully created to facilitate the flow of information between the investment teams and the committee, and to foster cross-team dialogue. Reporting directly to the Board, the ESG Committee is mandated to oversee and coordinate firm-wide RI activities.

Over the last several years, the ESG Committee has been focused on implementing the recommendations from its 2022 ESG market research project which examined industry best practices and identified opportunities for improvement. As a result, the firm has focused on enhancing ESG integration, engagement strategies, communication efforts and internal training. We are pleased to share our progress in these key areas below:

ESG EDUCATION HIGHLIGHTS:

100%

ESG ORIENTATION
SESSIONS FOR NEW HIRES
FIRM-WIDE

34

UPDATES FOR THE ESG
COMMITTEE ON NEW AND
EMERGING TOPICAL ESG TRENDS,
EVENTS AND REGULATIONS

100%

ESG COMMITTEE MEMBERS
RECEIVED TRAINING ON THE
GLOBAL ESG REGULATORY
LANDSCAPE IN LATE 2024

5

CONFERENCES
ATTENDED RELATED TO
SUSTAINABILITY AND RI





Highlights



ESG EDUCATION

Launched in January 2024, CC&L's ESG Training Strategy creates a framework that formalizes and enhances our approach to ESG education. This includes identifying education and information-sharing needs on current and emerging ESG issues that will support the firm's approach to ESG. Our training initiatives over the past year are highlighted on page 5.



ESG CONTROVERSY MONITORING

The ESG Committee completed a project in December 2024 to allow for the systematic monitoring of ESG controversies, using third-party ESG controversy data from MSCI. This was incorporated into the Fundamental Equity (FE) and Fixed Income (FI) teams' investment processes beginning in 2025. The FE and FI teams' portfolio managers are notified of any material ESG controversies associated with companies in their portfolios and analysis is conducted to address any incidents deemed financially material. All follow-up outcomes are tracked and can include additional engagement with management on these issues.



ESG MATERIALITY MATRIX

CC&L's FE and FI teams developed an in-house sector materiality matrix to identify the most financially material ESG topics for each sector in the Canadian market. This serves to standardize CC&L's approach to integrating material ESG factors. The development of the model was completed in 2024 with implementation in the FE and FI teams' investment processes beginning in 2025. The matrix was created through consultations with sector specialists from the FE and FI teams, supported by sell-side research and informed by best practices from established materiality frameworks.

The financial materiality of each ESG issue within a sector is assessed and assigned a score, reflecting both the magnitude and likelihood of its impact. Where an ESG issue is deemed financially material to an issuer and its operations, CC&L's FE and FI teams and Connor, Clark & Lunn Financial Group's (CC&LFG) Stewardship & Engagement (S&E) team will reflect the issue in their investment analysis and/or stewardship efforts, as deemed appropriate by the investment teams.



STEWARDSHIP AND ENGAGEMENT

CC&L's ESG Committee is overseeing a project to enhance the firm's approach to engagement that will augment those carried out by the investment teams and the CC&LFG S&E team that supports CC&L's ESG Committee and investment teams. This project could lead to an expansion of the scope of CC&L's engagement focus to include global markets. This project is ongoing in 2025.



EMISSIONS REPORTING

In 2024, CC&L completed a project to enhance its client reporting by incorporating carbon emissions metrics into its quarterly reports. As part of this initiative, CC&L engaged with clients and consultants and also reviewed industry best practices and methodologies to determine the most appropriate metrics. Beginning in Q3 2024, quarterly reports for CC&L's long-only equity portfolios now include total carbon emissions, carbon footprint, carbon intensity and weighted average carbon intensity*.

A project is currently underway to expand this reporting framework to include CC&L's fixed income portfolios. This work is expected to be completed later this year.

**Please note that the carbon emission data shown are for informational purposes only as these metrics are an outcome of our investment approach. These metrics do not change a fund's investment objectives or constrain the fund's investable universe, except in cases where these metrics have been explicitly incorporated into the agreement for a separately managed account.*

ESG integration

We believe that understanding and managing the potential impact of material ESG risks and opportunities through our investment approach is preferable to divesting or screening out companies from our investment universe.

Our approach to ESG integration

At CC&L, material ESG factors are incorporated into each of our teams' investment processes. CC&L's FE and FI teams evaluate ESG issues that may have a material impact on valuations within the relevant investment horizon.

QUANTITATIVE EQUITY

The Quantitative Equity (Q) team incorporates MSCI's ESG rankings as systematic risk factors, as well as predictors of stock-specific risk, in the investment process.

FIXED INCOME

ESG criteria are factored into the FI team's investment process through the team's research. The team invests in Canadian government and provincial bonds where ESG risks are generally lower. Therefore, the team's ESG research tends to focus on corporate issuers and the potential impact that ESG factors may have on their ability to repay debt. Where there is a material ESG issue within the investment horizon of the team's forecasts, the FI team will adjust the credit spread forecast accordingly.

FUNDAMENTAL EQUITY

The FE team integrates ESG factors into its research using both a top-down and bottom-up approach. From a top-down perspective, the team considers longer-term secular themes, including, but not limited to, climate change, income inequity 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 portfolio managers' company-specific research takes into consideration the extent that there is a likely material impact of an ESG issue over the investment time horizon of their forecasts. An ESG issue, whether a risk or an opportunity, will be reflected in the financial forecasts and target price analysis and/or included in discussions with management.



Case study – Physical climate-related risks and wildfires

In 2024, insured damages from severe weather events in Canada surpassed \$8.5 billion, exceeding the previous record of \$6 billion set in 2016. The increasing frequency and severity of wildfires in Canada pose a growing threat to the operational continuity and financial stability of oil and gas companies, particularly those with assets concentrated in wildfire-prone regions such as Northern Alberta.

In May and June 2025, extensive wildfires in Northern Alberta forced multiple precautionary shutdowns and curtailed production at several oil sands facilities, including assets operated by Suncor Energy, Imperial Oil and Syncrude Canada. As of early June, it was reported that over 344,000 barrels per day of oil sands production – approximately 7% of Canada's crude output – had been curtailed due to wildfire-related evacuations, power outages and safety concerns. Although the fires did not directly damage infrastructure, the poor air quality and road closures disrupted logistics and worker access. These wildfires represent an increasingly frequent manifestation of physical climate risk, a material environmental concern for oil sands operators. While insured and temporary in this case, repeat disruptions – especially if more severe or prolonged – could pressure margins and operating reliability, which matters for investors that are already cautious on transition risks and long-duration carbon exposure. The market reaction to this specific event was modest. However, it reinforces an ESG-driven vulnerability that, over time, may widen credit spreads, lower valuation multiples and increase volatility, especially if insurers raise premiums or capital markets demand higher compensation for event risks. Given the longer-term nature of this risk, CC&L's FE and FI teams did not adjust their forecasts, however, this issue is included in ongoing analysis by these teams.



Case study – ESG considerations in the generative artificial intelligence (AI) thematic

The rapid advancement and adoption of generative AI technologies have become a central theme in equity markets, offering transformative potential across sectors. As long-term investors, CC&L's FE team believes it is critical to assess this theme through a robust ESG lens – identifying both the material opportunities and emerging risks that AI introduces to companies, stakeholders and the broader economy.

OPPORTUNITIES: Energy infrastructure, clean tech and AI-driven capex

One of the most significant implications of AI adoption is its impact on electricity demand. The International Energy Agency (IEA) projects a doubling of global electricity demand by 2050, driven in part by the growth of AI, the electrification of transportation and the shift to clean energy systems. Generative AI accelerates this trajectory due to its intensive computational and energy requirements, particularly in training and deploying large-scale models. This surge in demand presents long-term structural tailwinds for several sectors including utilities, industrials, technology hardware and key commodities such as uranium and copper. In Canada, many public companies are well-positioned to benefit from AI-related capital investment. CC&L's portfolios are overweight companies that are well-positioned to benefit from AI-related capital investment. CC&L's FE team recognizes that we are still in the early stages of this trend, with substantial opportunities for investment and innovation.

RISKS: Governance and oversight of AI use

As generative AI becomes embedded in core business operations, it brings new dimensions of oversight risk. Company boards are increasingly expected to demonstrate competence in supervising AI-related initiatives, such as strategic alignment and ethical use. CC&L's FE team assesses whether companies have clear governance structures in place to manage AI risks, including accountability for data use, model transparency and integration with existing risk management

frameworks. Inadequate oversight can expose companies to reputational, regulatory and operational risks – particularly as public scrutiny and stakeholder expectations continue to rise.

As part of our general business risk assessment, for certain sectors, the FE team's ESG integration process considers how companies are preparing their leadership teams and governance structures to responsibly manage AI, and whether they are building the internal capacity to support long-term, sustainable value creation

ENVIRONMENTAL IMPACT: Growing but still emerging

AI's environmental footprint is rising as data centres become major consumers of electricity. Some projections suggest that AI workloads could account for nearly half of global data centre energy consumption in the coming years. While still an emerging risk, rising demand could strain aging grid infrastructure and increase reliance on high-emission energy sources.

The FE team is closely monitoring how companies manage their energy needs – particularly the sourcing of clean power – and whether they are disclosing the lifecycle emissions of AI applications. Transparent carbon accounting and energy-efficient data solutions will become increasingly important as AI adoption scales.

The FE team recognizes the profound potential of generative AI to reshape industries and long-term investment landscapes. At the same time, we are actively incorporating ESG factors – particularly governance and environmental externalities – into our evaluation of companies exposed to this theme. By combining a forward-looking view on capital formation with a disciplined approach to risk, we aim to position portfolios for durable performance in the AI era while aligning with responsible stewardship principles.

Proxy voting highlights:

83,676

TOTAL NUMBER OF VOTES

8,857

COMPANY MEETINGS

63

COUNTRIES

18%

VOTES AGAINST MANAGEMENT

1,797

SHAREHOLDER RESOLUTIONS

Stewardship and Engagement

At CC&L, we view stewardship as an important component of our active ownership approach. It enables us to gain clarity on material ESG issues, promote greater transparency and disclosure and share our perspectives on best practices.

Stewardship and Engagement encompass our interactions with companies, including discussions of ESG matters during meetings with management and/or board directors, proxy voting and participation in collaborative initiatives.

Our ESG Committee and investment teams are supported by the CC&LFG's S&E team that assists with direct corporate engagement, collaborative efforts and proxy-voting activities.

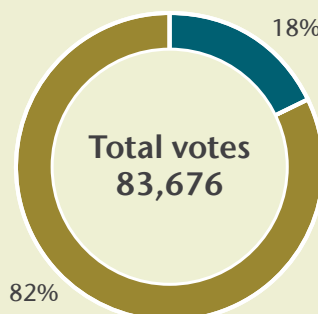
Proxy voting*

As part of our fiduciary duty to clients, CC&L votes proxies 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 votes proxies in alignment with our custom proxy-voting policy. This policy reflects our views on best practices for corporate governance, among other issues, and guides voting decisions across the firm. We may use our voting as a tool to escalate concerns with issuers' attentiveness to ESG risks of a pecuniary nature. CC&L's proxy-voting policy is reviewed annually and amended as needed to ensure that it reflects evolving industry standards and best practices.

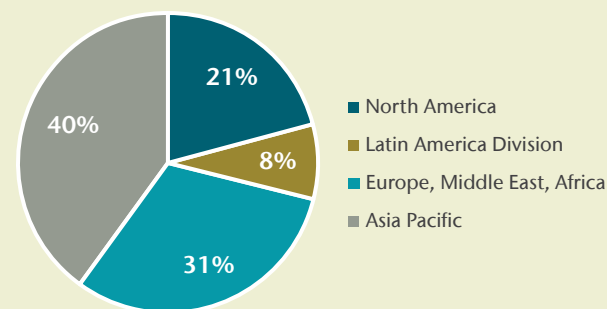
Over the last year, CC&L executed 83,676 votes, voting against management 18% of the time.

Figure 2: Total proxy votes



■ Votes against management ■ Votes with management

Figure 3: Total proxy votes by region



*Unless otherwise stated, data in the "Proxy voting" section represents the reporting period July 1, 2024 – June 30, 2025.
Source: Institutional Shareholder Services Inc. (ISS)

Table 1 provides a summary of CC&L's proxy-voting activity from July 1, 2024 – June 30, 2025, across all proposals on which we were eligible to vote.

Table 1 – Votes against management and ISS by proposal category

Proposal Category	Votes Against Management	% of Votes Against Management	Votes Against ISS*	% Votes Against ISS	Total No. of Proposals
Audit related	1,621	32%	1,532	31%	5,009
Capitalization	966	17%	2	0%	5,549
Company articles	313	14%	0	0%	2,228
Compensation	2,061	21%	8	0%	9,999
Corporate governance	39	62%	1	2%	63
Director election	7,840	21%	4,575	12%	37,491
Director related	739	10%	123	2%	7,292
E&S blended	11	6%	9	5%	192
Environmental	90	65%	80	58%	138
Miscellaneous	79	15%	4	1%	526
Mutual funds	0	0%	0	0%	3
Non-routine business	184	10%	1	0%	1,886
Routine business	521	5%	76	1%	10,999
Social	105	32%	65	20%	326
Strategic transactions	302	20%	2	0%	1,512
Takeover related	58	13%	0	0%	463
Grand total	14,929	18%	6,478	8%	83,676

*Votes against ISS indicate where CC&L's custom voting policy deviates from ISS' benchmark voting policy.





In order to make more informed investment decisions and better evaluate issuers' exposure to climate risks and opportunities, CC&L encourages better climate-related disclosure through its active ownership activities. As shown in Figure 4, CC&L voted against over 800 resolutions over the last year, due to these factors.

During the reporting period, CC&L voted on 1,797 shareholder proposals, which included 118 environmental, 118 social and 1,468 governance resolutions, with 93 covering multiple ESG pillars. CC&L supported 58% of shareholder proposals on which we were eligible to vote. Figure 5 below provides a breakdown of the shareholder proposals CC&L supported by ESG pillar. Additionally, for the reporting period, CC&L noted a 19% decline in the number of shareholder-filed proposals it was eligible to vote compared to the previous year. This is consistent with industry trends depicting lower numbers of shareholder resolution filings.

Figure 4: Votes against management due to climate risk assessments

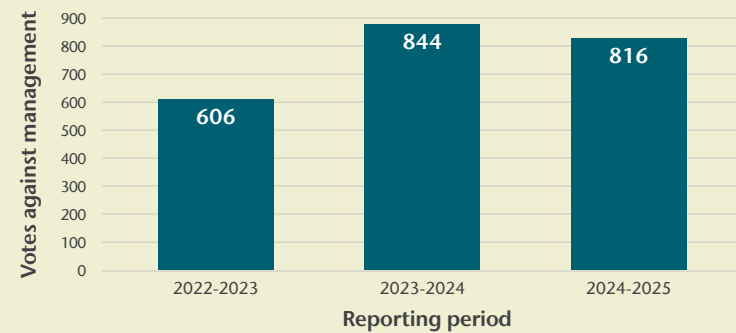
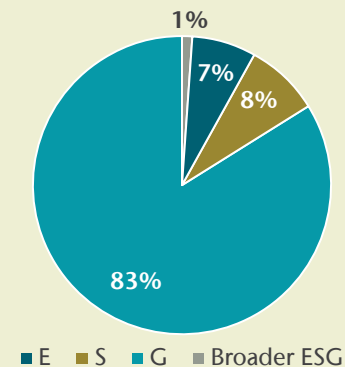


Figure 5: Shareholder proposals supported by ESG pillar



Proxy-voting case studies



CLIMATE DISCLOSURE

In September 2024, CC&L supported two shareholder resolutions at an annual meeting of a Canadian convenience store operator; both resolutions were aimed at enhancing environmental disclosure. The first resolution called for greater transparency in the company's plans to reduce greenhouse gas (GHG) emissions. CC&L supported it, considering that improved disclosure would help investors better assess how climate-related risks are being managed. The second resolution requested the publication of a decarbonization plan. CC&L's support reflected the view that increased transparency would strengthen alignment between the company's stated climate commitments and its actual practices, while also improving shareholder understanding of climate risk oversight. Although neither resolution passed, they received 17% and 6.4% shareholder support, respectively.



RESPONSIBLE USE OF AI DISCLOSURES

In December 2024, CC&L supported several shareholder proposals at the annual general meeting of a leading American technology conglomerate. These proposals addressed key concerns related to the ethical use of AI, human rights and corporate accountability. Specifically, they called for increased transparency in several areas including the use of AI in oil and gas development, the management of misinformation risks and the company's operations in countries with significant human rights concerns. CC&L's support reflected a commitment to greater disclosure and oversight in areas that pose reputational, operational and ethical risks. While none of the proposals passed, they received meaningful levels of shareholder support, underscoring growing investor interest in these issues.



HUMAN RIGHTS AND GLOBAL SUPPLY CHAIN MANAGEMENT

In September 2024, CC&L supported a shareholder proposal at the annual general meeting of an American multinational corporation specializing in athletic footwear and apparel. The proposal called for the company to report on the impact of adopting worker-driven responsibility principles and supporting binding agreements when sourcing from high-risk countries. CC&L supported the resolution as such further disclosure would offer shareholders valuable insights into the effectiveness of the company's human rights policies in these regions and evaluate whether the company is effectively managing the risks and opportunities associated with its global supply chain. Moreover, this level of transparency could enable the company to identify and mitigate operational risks that may affect long-term shareholder value.



EXECUTIVE COMPENSATION

In May 2025, CC&L voted against the election of a director at the annual general meeting of a Canadian communications services company. The resolution proposed the re-election of a previous director and member of the compensation committee – CC&L withheld support due to concerns surrounding executive compensation and company performance. These included significant increases in former CEO total compensation including maximum bonus payouts and a substantial separation payment. Additionally, the proposed increase in the share reserve for the company's omnibus incentive plan raised concerns about excessive equity awards and potential shareholder dilution. These practices do not align with Canadian-market best practices.

Engagement

The primary objectives of CC&L’s engagement activities are to improve and protect the long-term, risk-adjusted performance of our portfolios and to improve the availability of disclosures and decision-useful information for investors. As such, engagement is an important component of our active ownership efforts. It provides us with the opportunity to gain greater clarity on material ESG issues, promote increased transparency and disclosures and share perspectives and our views on best practices for these issues.

Engagement interactions with companies include meetings with management, dialogue with companies and collaborative initiatives.

DIRECT ENGAGEMENT

The portfolio managers and analysts of CC&L’s FE and FI teams engage directly with the management of companies they invest in as part of their approach to investment research. ESG issues identified as material within the team’s investment horizon will form part of these discussions.

Where there is a material ESG issue of a longer-term nature, typically outside of the investment horizon, the S&E team will proactively engage with the investee companies in collaboration with the portfolio managers. CC&L may raise issues

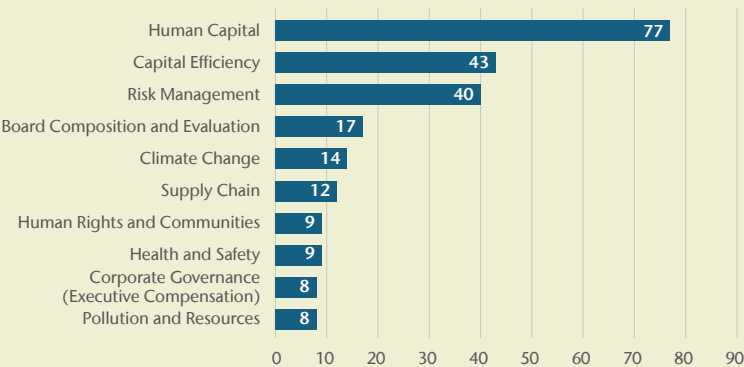
with management when material ESG risks in an investee company have been identified, a material ESG controversy has been identified and/or where CC&L’s views regarding a proxy vote differ from management.

Additionally, CC&L’s FE and FI teams work together with the S&E team to develop an annual focus list of companies with which to engage. The companies are selected based on a quantitative and qualitative analysis, which includes an assessment of the company’s exposure to ESG risks and opportunities, ESG performance, significance of ESG incidents or controversies and other holistic considerations.

In all cases, engagement objectives are set and outcomes and follow-up actions are tracked.

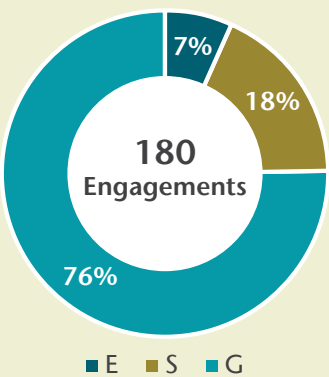
During the reporting period, CC&L’s FE and FI teams and S&E team held 180 engagements with 133 issuers where ESG issues were discussed. Figure 6 highlights the most common topics discussed during these engagements, excluding topics related to the company’s Annual General Meeting. Figure 7 indicates CC&L’s engagement activity broken down by ESG pillar.

Figure 6: Top 10 engagement topics



*Source: Connor, Clark & Lunn Investment Management Ltd.

Figure 7: Engagement breakdown by ESG pillar



*Source: Connor, Clark & Lunn Investment Management Ltd.
Numbers may not add to 100% due to rounding.

Engagement examples



HUMAN CAPITAL MANAGEMENT AND GOVERNANCE: In January 2025, CC&L engaged with a Canadian construction and engineering consulting firm, addressing issues related to human capital management and governance. Following a review of the company's policies, CC&L raised concerns on external performance metrics tied to human capital, upon which the company reaffirmed its reputation for attracting top talent and highlighted that 2024 was the strongest year for employee retention. On governance, the company explained how ESG metrics have been integrated into executive compensation via a strategic multiplier and acknowledged existing gaps in ethics training for contractors and part-time employees. The company outlined their plans for addressing these concerns. As a result of these discussions, CC&L intends to monitor the company's progress in these areas ahead of its 2025 annual disclosures.



CLIMATE-RELATED DISCLOSURES: As part of its broader 2024 ESG-focused engagement program, CC&L met with a Canadian oil and gas exploration and production company in November 2024. CC&L inquired as to whether the company had plans to adopt a long-term net zero target disclose material Scope 3 emissions and enhance the measurement and disclosure of biodiversity-related environmental impacts. The company provided updates on its sustainability progress, noting that it had already met its 2025 Scope 1 and 2 emissions reduction targets and expected to do the same for water and land goals. However, the company cited an unsupportive policy environment and uncertainty surrounding Bill C-59, in addition to greenwashing risks such as barriers to setting a long-term emissions target. While the board had opted not to publicly disclose Scope 3 emissions, the company confirmed these had been measured and assured and that they stood ready to disclose them if required by regulation. The company also highlighted ongoing biodiversity initiatives and their plans to increase reporting and target-setting. CC&L commended the company's emissions progress, acknowledged the regulatory challenges and encouraged both the disclosure of Scope 3 emissions and adoption of an ISO-certified environmental management system.



INDIGENOUS RIGHTS AND COMMUNITIES: In June 2025, CC&L engaged with a Canadian operator of renewable power assets as part of its ESG controversy monitoring process to address risk management concerns related to Indigenous rights, legacy asset liabilities and governance practices – particularly concerning ongoing litigation with a local First Nations community. During engagement, while the company acknowledged the associated reputational risks and stakeholder relationship, they had reaffirmed the legal validity of its asset acquisition, asserting that the duty to consult falls on the Crown. Additionally, the company detailed significant advancements in ESG due diligence, including board-level oversight, integrated human rights assessments and enhanced grievance mechanisms. Although the company expressed alignment with the principles of Free, Prior, and Informed Consent (FPIC), it highlighted the difficulty of formalizing a global commitment due to varying definitions. CC&L encouraged the company to expand Indigenous equity participation models, improve disclosure of engagement outcomes and further reinforce transparency and accountability.



HUMAN RIGHTS AND COMMUNITIES: In June 2025, CC&L engaged with a Canadian mining company to discuss human rights and resettlement practices at one of the company's projects in the Central African Copperbelt, following concerns raised by civil society reports and MSCI's controversy monitoring process. The mining company outlined their efforts to strengthen accountability, including appointing full-time grievance officers, an independent livelihoods advisor and conducting third-party reviews by independent ESG consulting firms, which found no adverse outcomes. The company highlighted their improvements in grievance resolution, infrastructure investment and a new 25-year human rights strategy covering security, gender, responsible sourcing and resettlement. CC&L nonetheless encouraged the company to improve disclosures on its independent human rights assessments and will continue to monitor the effectiveness of the company's stakeholder engagement and grievance mechanisms, given the ongoing resettlements and associated reputation risk.



CORPORATE GOVERNANCE AND BOARD STRUCTURE: In December 2024, CC&L engaged with board members at a Canadian insurer as part of the company's offseason shareholder engagement program, with discussions covering board structure, executive compensation, succession planning, auditor selection and ESG practices. The company highlighted its initiatives over the past year, including an executive compensation strategy considered well-aligned with shareholder interests. CC&L also discussed the company's auditor tenure. The company emphasized the strength of its audit tender process and the reappointment decision based solely on audit quality and internal independence criteria. Additionally, CC&L inquired into board oversight of business ethics in light of prior controversies and encouraged greater disclosure, to which the insurer responded by detailing its governance practices, such as regular board meeting updates, compliance reporting and the appointment of a board-level whistleblowing champion. CC&L will continue monitoring the company's progress on these matters in the lead up to its annual meeting.

Collaboration

CC&L participates in collaborative engagements and initiatives with like-minded investors, industry associations and advocacy groups to pool resources and speak with a stronger, unified voice. CC&L participates in collaborative initiatives only where these are consistent with CC&L's fiduciary duty to its clients and in line with CC&L's RI approach.

Our participation in these groups allows us to exchange knowledge with peers, discuss best practices and challenges and communicate to companies and/or policymakers on shared expectations.



CLIMATE ENGAGEMENT CANADA

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 set up to drive dialogue between the financial community and Canadian corporations on climate-related risks, opportunities and transition to a net zero economy. In its capacity as a member of the CEC, CC&L actively participated in collaborative engagements with Cenovus Energy and Methanex Corporation in 2024. Please see below for details on these discussions.

Cenovus Energy Inc.: In August 2024, CC&L had an engagement with Cenovus (CVE) as part of CEC with the objectives of receiving an update on Cenovus's stance on Bill C-59, and their timeline for releasing climate disclosures which they had recently taken off their website in response to the Bill. Cenovus explained that they were forced to remove environmental information from their website and delay the publication of their 2023 sustainability report due to legal concerns around the Bill, and that they didn't plan to publish this information until they received further guidance from the Competition Bureau on the Bill following its consultation. Cenovus assured us that their environmental approach and internal initiatives have not changed, that they were participating in the Competition Bureau's consultation on the Bill and that they were still reporting all legally required information. Cenovus indicated that increased clarity on what is within the scope of the Bill and how it aligns with provincial legal requirements would reduce their uncertainty in disclosing information. The CEC group empathized with the difficult position of issuers like Cenovus, but reiterated the importance of decision-useful environmental disclosures for investors. The CEC group voiced the expectation that Cenovus publish full environmental disclosures once the Competition Bureau has released updated guidance, agreeing to a follow-up CEC engagement later in the year to check in on the company's progress.

Methanex Corporation: In October 2024, CC&L engaged with Methanex Corporation (MX), a Canada-based methanol producer. The objectives of this engagement were to encourage Methanex to set a long-term GHG emissions reduction target, adopt a credible decarbonization strategy and disclose details of its public policy engagement on climate. Methanex shared its progress towards achieving its 2030 GHG emissions reduction target, but highlighted the lack of a supportive policy environment as a key barrier to setting a longer-term target. Regarding its decarbonization strategy, Methanex provided updates on its ongoing carbon capture, utilization and storage (CCUS) project at its Medicine Hat facility in Alberta, expansion of its Low Carbon Solutions team and outlined several low carbon methanol production opportunities. On public policy engagement, Methanex highlighted some of the recent initiatives conducted by its trade associations, including the Methanol Institute and Chemistry Industry Association of Canada (CIAC). The CEC group encouraged Methanex to disclose additional details regarding its trade associations and lobbying efforts. CC&L followed up with Methanex to share resources related to best practices disclosures around Scope 3 emissions and climate lobbying. CC&L will continue to monitor Methanex's progress on the topics raised and is looking to arrange a follow-up CEC engagement in 2025.



CANADIAN COALITION FOR GOOD GOVERNANCE

CC&L is an advocate of good governance practices globally and is pleased to be a founding member of the Canadian Coalition for Good Governance (CCGG). The members of CCGG manage approximately \$6 trillion in combined assets and CCGG provides a cohesive voice on behalf of investors on corporate governance issues related to Canadian public issuers. Two examples of CCGG initiatives that CC&L participated in:

CCGG's response to the Canadian Sustainability Standards Board consultation: In June 2024, CC&L supported a CCGG response to the Canadian Sustainability Standards Board (CSSB). This was on the matter of the CSSB's consultation on Canadian Sustainability Disclosure Standards, regarding the adoption of the International Sustainability Standards Board's (ISSB) IFRS Sustainability Disclosure Standards in Canada, which includes disclosure of information regarding sustainability-related risks and opportunities.

CCGG's response on greenwashing provisions: Following the new provisions added to the Competition Act in Canada aimed at greenwashing in June 2024, the Competition Bureau launched a public consultation to inform its enforcement guidelines for the new greenwashing provisions in Bill C-59. In September 2024, CC&L submitted feedback to the CCGG and the PRI, both of whom responded to the Competition Bureau's public consultation on behalf of their members. CC&L submitted its comments in support of measures designed to discourage and prevent greenwashing and welcomed additional clarification and guidance from the Competition Bureau regarding appropriate methods of substantiation, conflicting disclosure regimes and use of cautionary statements. A copy of the CCGG and PRI consultations can be found on their websites.



PRINCIPLES FOR RESPONSIBLE INVESTMENT

In 2015, CC&L became a signatory to the UN PRI. As signatories, CC&L has committed to adhering to the six principles and to transparently reporting on its ESG activities in accordance with the PRI reporting framework.

CC&L has completed the 2025 PRI reporting framework, which includes highlights on its RI initiatives from 2024. The PRI assessment results are expected to be available later in 2025.



INTERNATIONAL CORPORATE GOVERNANCE NETWORK

In July 2019, CC&L became a supporter of the International Corporate Governance Network (ICGN). This membership is through its affiliation with member CC&LFG and complements CC&L's active involvement in the CCGG.



TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

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.

^{*}The TCFD disbanded in 2023, having been incorporated into the IFRS's ISSB standards. However, its climate disclosure recommendations are still widely used for reporting.



CC&L is a sustaining member of the RIA through its affiliation with member CC&LFG.



Corporate Social Responsibility

We at CC&L Financial Group, as a firm, are committed to being responsible corporate citizens and we strive to have a positive impact on the communities where we live and work. We recognize that our business practices should consider the impact on our workplace, community and society. In addition, through CC&L Foundation, we focus on philanthropic and volunteering initiatives.

Below we provide a summary of some of the initiatives undertaken by CC&L Financial Group over the last 12 months.

CULTURE OF INCLUSION AT CC&L FINANCIAL GROUP

To ensure our people feel a sense of belonging, we strive to foster a culture that unites people of diverse backgrounds and perspectives, in an environment where everyone has the opportunity to achieve personal and professional success.

Over the last 12 months, we focused on education, communications and events to promote a culture of inclusion, celebration and learning throughout the year. Some examples include:

- Observed and celebrated Black History Month, Lunar New Year, International Women's Day, LGBTQ2S+ Pride Month and National Day for Truth and Reconciliation.
- Promoted the 4 Seasons of Reconciliation Course across the company. This course describes the foundation of the relationship between Canada and Indigenous peoples and promotes a renewed relationship through education.
- Communicated and encouraged voluntary participation in the demographic data collection project. About 50% of our employees across CC&L Financial Group have completed the survey.
- Updated our employee engagement survey to begin linking employee data while ensuring anonymity of responses. This approach will increase our ability to evaluate how different groups see their work experience with us.

- CC&L also continues to advance its Women in Leadership (WiL) initiative – a voluntary committee dedicated to identifying the root causes of gender-based leadership gaps in finance, both within our firm and across the industry. The committee is focused on proposing actionable solutions to close these gaps.

Additionally, there have been ongoing initiatives focused on company culture, many of which stemmed from the WiL initiative, recognizing that these activities will not only benefit women, but all staff. Recent highlights include:

- **Embedding real-time feedback:** All employees participated in third-party training on giving and receiving feedback.
- **Career development:** We launched a firm-wide career development program, including an annual seminar on compensation transparency, leadership training and targeted manager education to help embed development practices within teams.
- **Enhanced parental leave support:** We introduced a standardized framework to guide staff and managers through the leave process, alongside access to external coaching and an enhanced policy that includes top-up benefits for all employees that are expecting a child.

ENVIRONMENTAL STEWARDSHIP AT CC&L FINANCIAL GROUP

We believe that through our actions we can contribute to the vitality of our environment, and we are committed to undertaking initiatives that support ongoing environmental stewardship.

Over the last 12 months, the Environmental Stewardship Committee has focused on the following initiatives:

- Continued to measure and monitor the GHG emissions generated through our business activities.
- Continued to monitor developments around collaborative initiatives.
- Provided education regarding the sustainability practices of our major travel partners so that individuals can consider this information in making travel choices.
- Provided education on low-emission commuting solutions and centralized information on office service amenities to create awareness of environmentally friendly options.
- Delivered events and communication circulars to promote a culture of environmental consciousness such as the Earth Month Personal Carbon Footprint Faceoff and Bike-to-Work Week.
- Continued to develop a paper waste reduction strategy relating to trade confirmation receipts and other materials provided by third-party partners and vendors.

Separately, CSR considerations have been included in the design of our new Vancouver office space to promote a healthy, inclusive and environmentally conscious workplace.

HEALTH AND WELLNESS AT CC&L FINANCIAL GROUP

We believe the health and well-being of the people who work here is critical to maintaining our collective performance. We are committed to undertaking initiatives that support a safe and healthy work environment within a culture where everyone feels secure and supported.

The Health & Wellness committee focused on the following initiatives over the last 12 months:

- Hosted Health and Wellness Month, which included workshops on topics such as “the power of embracing failure” and “the benefits of meditation.” In addition, a company-wide fitness challenge was held where participants collectively took over 23 million steps to travel 16,895 kilometres. This challenge was a fantastic way to motivate CC&L’s employees to get active.
- Launched CC&L’s inaugural Canada-wide participation in the Terry Fox Run, with over 100 enthusiastic participants. Thanks to participant efforts, we raised over \$31,000 for cancer research, including generous donation matching from CC&L Foundation.
- Promoted Mental Health Month, by learning from experts about ways to manage stress, talk about mental health and be present in our bodies to connect our mental and physical health through a variety of in-person and virtual workshops.
- Supported several employee-led health and wellness activities, including supporting teams of participants in the Bay Street Hoops charity basketball tournament as well as the Ontario Ride to Conquer Cancer.



CONNOR, CLARK & LUNN FOUNDATION

We aim to enrich the communities in which we live and work by creating opportunities for both philanthropy and volunteerism through CC&L Financial Group and its affiliates in support of causes that are important to our clients, employees, partners and stakeholders.

CC&L Foundation provides support to a broad range of organizations that focus on promoting a better environment, improving education, advancing science and medicine, creating stronger communities and encouraging the arts. Over the last 12 months, CC&L Foundation supported a broad range of philanthropic and volunteer opportunities, some of which are highlighted below:

- Participated in The Grand Défi Pierre Lavoie 1000 km team cycling event in Quebec, a fundraising initiative that aims to promote healthy life habits among young people and to support research on orphan hereditary diseases.
- Provided support through the Canadian Red Cross and the Jasper Community Team Society to those impacted during the Alberta wildfires.
- Organized an employee-led Week of Giving campaign focused on strengthening communities, alleviating poverty and addressing food insecurity. This initiative supported CC&LFG's community partners, including the United Way. This firm-wide initiative has raised almost \$8 million over 20+ years.
- Made a multi-year commitment to BC Children's Hospital Foundation and its Heart Centre program to purchase essential medical equipment to support children across the province who face serious injuries and illnesses.
- Participated in the CanSupport Dragon Boat Race to raise awareness and funds for the Cedars Cancer Foundation to improve the quality of life of cancer patients and support fundamental research initiatives.
- Aided students through bursaries and scholarships, including Concordia University and Carleton University's Women in Finance programs, Indspire's Building Brighter Futures program, the National Educational Association of Disabled Students and the Onion Lake Education Trust Fund.
- Held an internal fundraiser to support inclusivity and allyship during Pride Month, with donations directed to Rainbow Railroad.
- Participated in a Canada-wide blood drive campaign in partnership with Canadian Blood Services.
- Provided support to the United Way British Columbia Kapwa Strong Fund, created to provide immediate and long-term support to those directly impacted by the tragic events at the Lapu Lapu Day Festival on April 26, 2025.







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