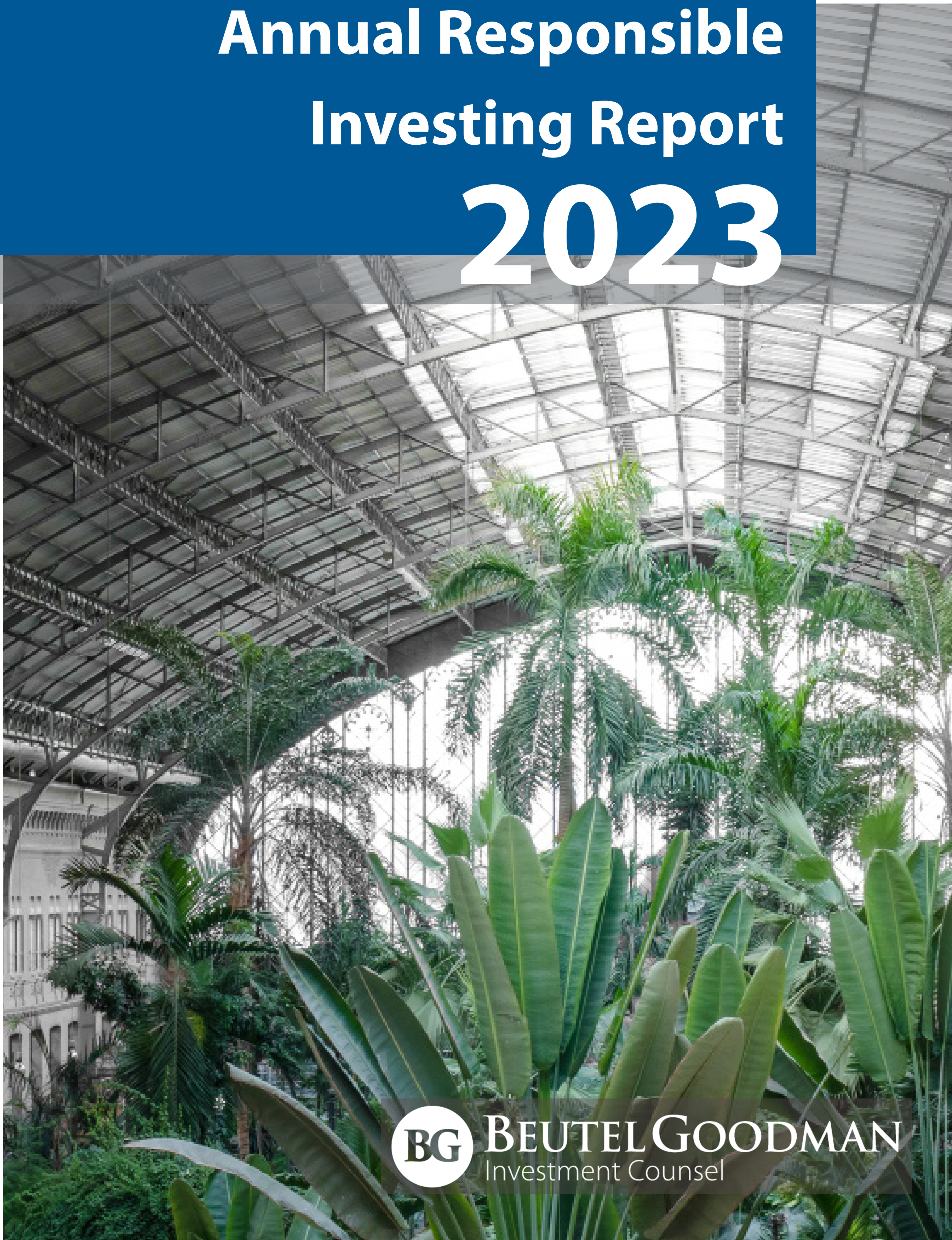
Annual Responsible Investing Report 2023

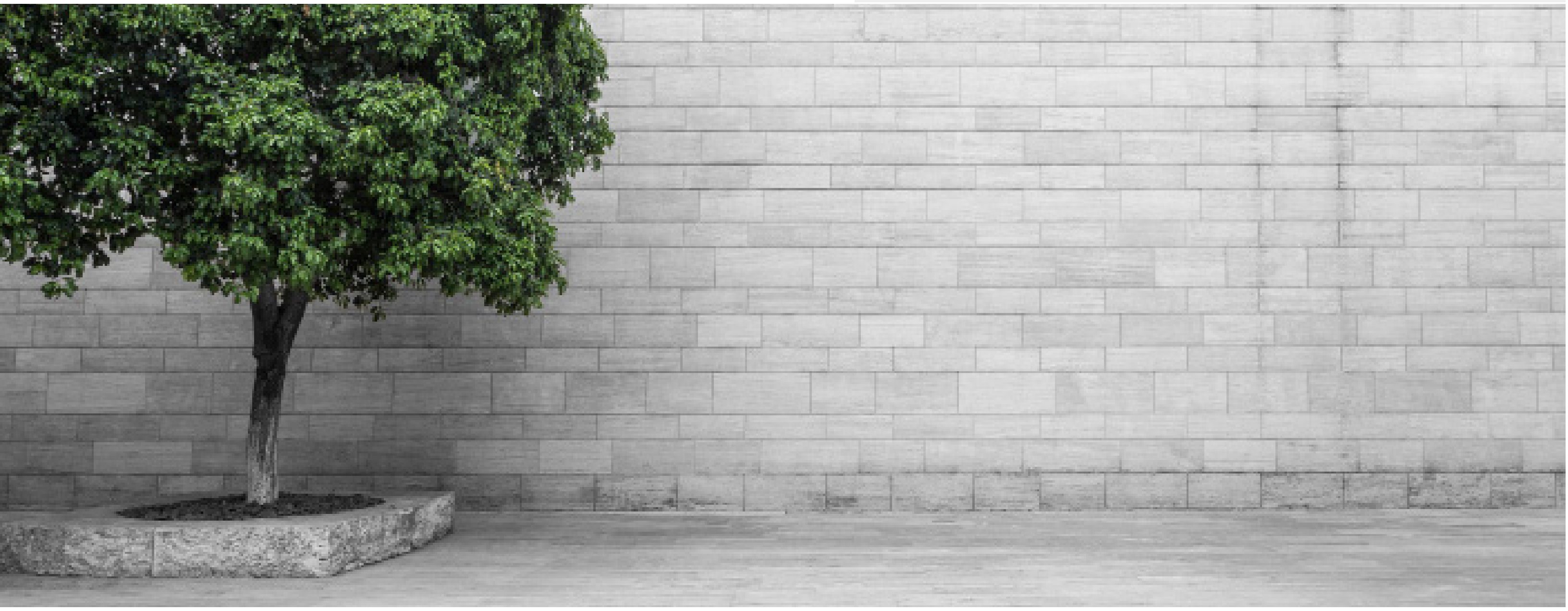


BEUTEL GOODMAN
Investment Counsel

At Beutel Goodman, we continue to progress on our ESG journey to help us deliver superior risk-adjusted financial performance to our clients over the long term. This report covers developments in 2023.

Part of our highly disciplined investment research process involves meeting with company management, which can provide important insights into issuers and, as applicable, how ESG factors may impact long-term stakeholder value. We believe that we can effect change on ESG issues that may enhance a company's long-term value by engaging with management as owners of a company's stock or bonds. In our engagements in 2023, we continued to probe companies on their commitments to reducing GHG emissions and committing to Net Zero GHG emissions by 2050. Physical risk and climate adaptation became very topical as global temperatures rose to record levels and droughts, wildfires and other climate-related events impacted companies, with some credit rating agencies now starting to incorporate wildfire risk into their ratings assessment of business risk. On the social side, we have been engaging with companies on issues such as the potential impact of artificial intelligence and energy transition on their labour forces, the rise of cybersecurity threats and Indigenous relations.

In addition to engagement, proxy voting provides a means to have our voices heard. We evaluate shareholder proposals and consider whether the proposal aligns with the interests of shareholders, encourages long-term value creation and is consistent with our objective of advancing companies' financial performance, including on any material ESG factors identified in our investment process. We also consider the steps that the company may already have taken to address the issues raised in the proposal. The number of environmental and social shareholder proposals received for our portfolio companies has increased, and we are actively and directly engaging with stakeholders, including our investee companies and at times, the shareholders who have filed the proposals. These conversations can provide us with valuable context and help inform our voting decisions. A summary of our proxy voting in 2023 is available here: https://www.beutelgoodman.com/proxy-voting-season-2023.



In 2023, we also:

- Augmented our ESG staffing by hiring an additional ESG Analyst;
- Continued to pursue ESG-related advocacy by signing the CFA Institute Diversity, Equity and Inclusion Code for Investment Professionals in the United States and Canada;
- Committed to pursuing the Canadian Council for Aboriginal Business's (CCAB) Progressive Aboriginal Relations (PAR) certification; and
- Published our inaugural TCFD report.

We look forward to 2024 as we endeavour to engage further on net-zero targets, Scope 3 emissions disclosure, supply-chain due diligence, human rights and biodiversity, which we believe will enhance the long-term value of investments for our clients. Projects we will continue to work on include climate-scenario testing, ESG training for staff, priority engagements and looking inwardly at Beutel Goodman's own carbon footprint and diversity, equity and inclusion. Engagement, proxy voting and collaboration remain the cornerstones of our active ownership approach, and we are focused on remaining diligent and thoughtful in these critical areas.

Sue McNamara, CFA
Head of Responsible Investment
Senior Vice-President, Fixed Income

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Vice-President, Portfolio Analytics & Responsible Investment
FSA Credential Holder

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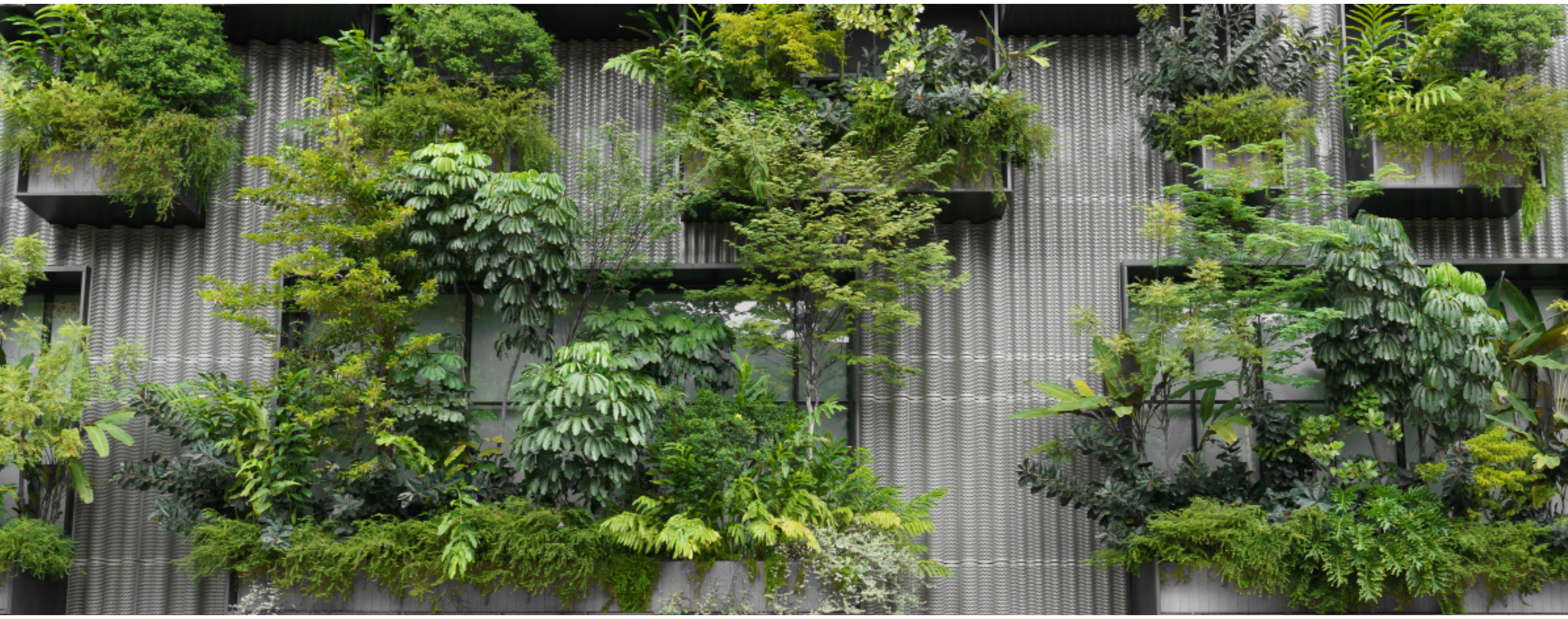

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2023 RESPONSIBLE INVESTING ACTIVITIES

STAFFING & RESOURCES

Under Sue McNamara's leadership, our Responsible Investing team has grown and refined its methods of carrying out the firm's responsible investing strategy.

The team brought on David Idon as an ESG Analyst in the second quarter of 2023. David brings seven years of experience in ESG consulting and financial services to the team. David works with our responsible investing leads and on the firm's responsible investing research, stewardship programs and ESG disclosure.

PROCESS ENHANCEMENT

As part of our research and valuation process, we are continually refining our ESG data collection and internal communications and recordkeeping. We improved our **ESG monitoring process**, centrally documenting material ESG information, such as ESG-related engagements, proxy-voting decisions, potential engagement topics, rating changes, portfolio company progress and ESG-related controversies. This process has allowed us to refine how we prioritize engagements, identifying the companies where ESG considerations are financially material and that we will aim to engage with in 2024.

We have three main categories for our priority list:

(i) Companies with severe or very severe ESG-related controversies as determined by MSCI;

(ii) Companies with low MSCI ESG ratings; and

(iii) Companies with the largest carbon footprints in our portfolios as measured by MSCI ESG Manager.

We hold **quarterly ESG review meetings** with the equity and fixed income portfolio managers to share insights and ESG portfolio analysis on holdings, including risk profile, climate risks, controversies and human rights issues, and discuss emerging topics in ESG. We also have quarterly meetings with the marketing and client service teams as part of our ongoing ESG education process.

Our equity and fixed income teams complete a **standardized ESG factsheet** as part of the research for the companies that we cover. This aims to ensure that material ESG issues are included in our investment research and valuation process, and that records are maintained for monitoring and updates. The factsheets also help to inform our engagements and focus on financially material ESG-related risks.

We started maintaining an **ESG regulatory tracker** to help us understand and monitor the direction of ESG regulation and how emerging regulation may affect our process. This is also shared with portfolio managers during the quarterly review meetings.

Beutel Goodman's Responsible Investing Policy Statement is subject to ongoing review and enhancement. Enhancements revolve mainly around the governance framework for our ESG activities, as well as our collaborative initiatives. The current version of the policy is in Appendix E.

As part of the Principles for Responsible Investment (PRI), we are also developing a human rights policy.

REPORTING

In addition to our **Annual Responsible Investing Report** and **Quarterly Responsible Investing Reports**, we published our inaugural **TCFD Report** in 2023, outlining our assessment and approach to climate risks and opportunities.

FIRM INITIATIVES

In the first quarter of 2023, Beutel Goodman became a signatory to the CFA Institute Diversity, Equity and Inclusion Code for Investment Professionals in the United States and Canada ("DEI Code"). The DEI Code aims to foster commitment from institutions to DEI action that will lead to greater inclusion of wider viewpoints from the best talent, which should lead to better investment outcomes, help create better working environments and generate a cycle of positive change for future generations.

Beutel Goodman continues to support the Beutel Goodman Charitable Foundation. In 2023, the foundation funded 13 registered charities in support of youth achievement and mental wellness, as well as in support of humanitarian efforts in the Middle East.

Beutel Goodman recognizes the importance of respecting Indigenous rights and interests. In 2023, we committed to pursuing the Canadian Council for Aboriginal Business's (CCAB) Progressive Aboriginal Relations (PAR) certification. PAR supports progressive improvement in Indigenous relations through the commitment, management and reporting of company leadership initiatives to strengthen positive relationships with Indigenous communities. We also hosted a webinar with Ernie Daniels, President and CEO, First Nations Finance Authority (FNFA), discussing the creation of FNFA, the challenges and successes of the organization since its formation, and his thoughts on some of the Indigenous issues that are important to us all as we work towards truth and reconciliation in Canada.

Beutel Goodman has been a PRI signatory since 2019 and reported our Responsible Investing activities for Fiscal Year 2022 in the third quarter of 2023. Beutel Goodman's **2023 PRI Public Transparency Report** was made publicly available on the PRI website in January 2024.

We joined **Climate Action 100+** in 2022. In 2023, we continued in our role as Collaborating Investor to engage with these focus companies: Duke Energy Corp. and Unilever plc. In addition, we completed the CA100+ Consultation on Strategy Renewal (2023–2030) survey.

In the fourth quarter, **Climate Engagement Canada (CEC)**, an initiative we are a founding member of, released its inaugural Net Zero Benchmark, which provides a set of common standards for investors to evaluate the progress of corporate issuers towards aligning with the Paris Agreement. CEC also released the Net Zero Assessment of Canada's top emitters. The expectation is for CEC participants to use the Net Zero Benchmark to frame and measure engagements with Focus List companies (the top 40 Canadian companies that CEC's engagement efforts are focused on). From the list, we are participating in ongoing engagement with Cenovus Energy Inc. and Pembina Pipeline Corp. on the fixed income side and Lundin Mining Corp., Canadian Pacific Kansas City Ltd. and Loblaw Companies Ltd. on the equity side.

*Logo used with permission from CEC. Climate Engagement Canada is a finance-led initiative that drives dialogue between the financial community and corporate issuers to promote a just transition to a net zero economy. For more information, please visit CEC's website at https://climateengagement.ca/about/

THOUGHT LEADERSHIP

Our Head of Responsible Investing, Sue McNamara, moderated a featured session at the Canadian Bond Investors' Association (CBIA) 2023 Annual Conference in November. At the session, "Integration of ESG in Fixed Income & the State of the Labelled Bond Market", Sue and industry experts discussed ESG's role in fixed income.

Sue also hosted a fireside chat with Chris Lopez, EVP, Chief Financial and Regulatory Officer at Hydro One on the challenges of operating as a large utility operator in Canada, how the company is positioning itself for the energy transition, and its sustainable finance program. The transcript and replay are available on our website.

We published two **insight pieces** related to responsible investing during the year.

- What Colour is my Bond?, November 9, 2023
- Proxy Voting Season 2023, November 15, 2023

RESPONSIBLE INVESTING STRATEGIES

The **BG Sustainable Bond Fund** is a private fund available for our discretionary managed clients, with an objective to maximize portfolio returns by investing in a diversified portfolio comprised primarily of Canadian dollar denominated debt instruments using a responsible investment approach that will seek to deliver a materially reduced carbon footprint compared to the Fund's benchmark over time.

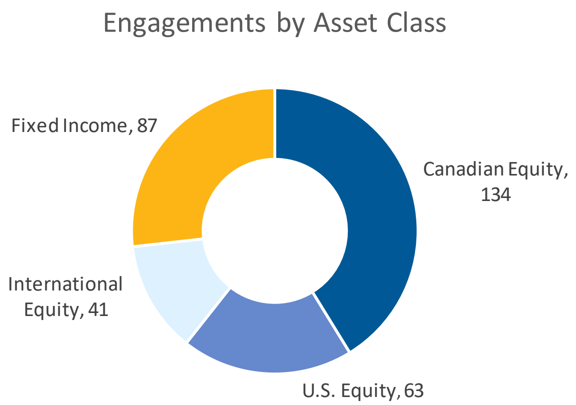
In October 2023, we launched a **U.S. Sustainable Bond Strategy** also available for our discretionary managed clients, that has a similar objective and strategy to the Canadian fund, but invests primarily in U.S. dollar-denominated debt instruments.

In December 2023, we launched a **Sustainable Canadian Equity Strategy** available for our discretionary managed clients. The mandate will invest in Canadian large cap and small cap equities, seeking to maximize returns through capital enhancement, investment income, and the integration of a responsible investing approach. The strategy is committed to seeking net zero GHG emissions by 2050 at the portfolio level and has set an interim target of GHG emission intensity reductions of 50% by 2030, versus a 2019 base but does not exclude fossil fuel-exposed investments.

2023 ENGAGEMENT AND PROXY VOTING

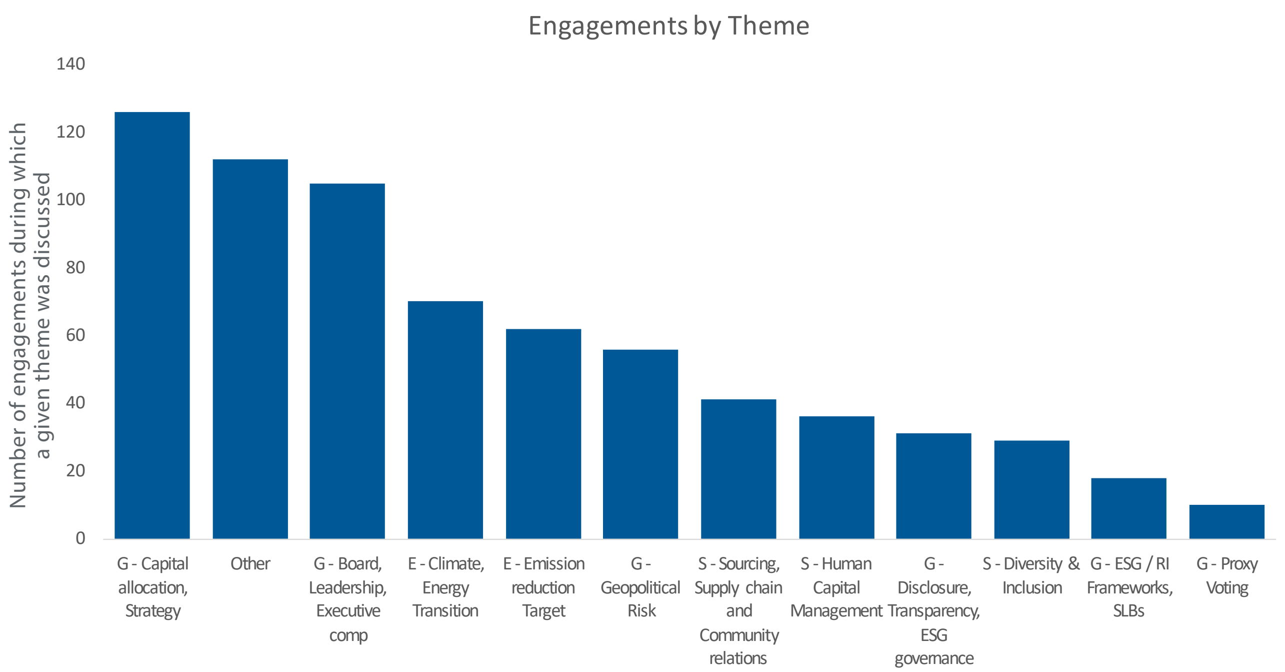
ENGAGEMENT

We actively engage with company management and boards on issues, including ESG issues, through direct dialogue. In 2023, our investment teams conducted **325 engagements** that included ESG-related discussions with the management and/or boards of portfolio companies. These meetings were across our three investment teams — Canadian Equity, U.S. and International Equity, and Fixed Income — which highlights the commitment of all our investment professionals to company engagement, including understanding and integrating ESG into our process.



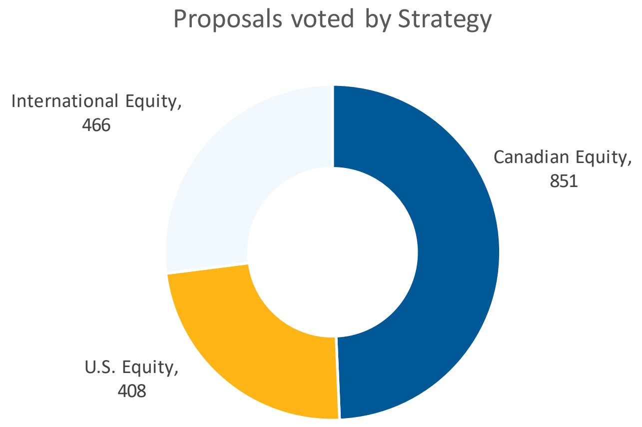
An overview of 2023 engagement statistics broken down by asset class is included in Appendices A, B, C and D. In the case of joint fixed income and equity engagements, we include the engagements under equities to avoid double-counting.

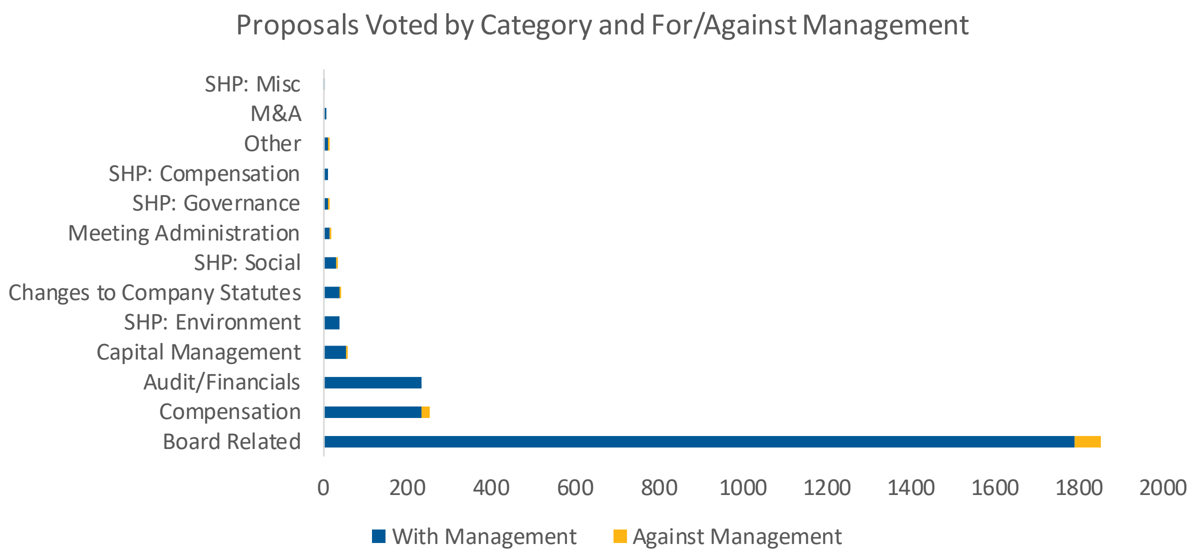
Our investment teams focused on several engagement themes in 2023, as shown in the chart below.



PROXY VOTING

The proxy voting statistics below have been aggregated for all accounts managed on a discretionary basis by Beutel Goodman across all strategies. An overview of 2023 proxy voting statistics for our various flagship funds are included in Appendices A, B and C.





Management did not provide recommendations for four proposals; in those cases, the votes were classified as a vote with management.

RESPONSIBLE INVESTING CASE STUDIES

CANADIAN EQUITY — PROXY VOTING EXAMPLE: RB GLOBAL INCORPORATED FORMERLY KNOWN AS RITCHIE BROS AUCTIONEERS INCORPORATED

DISCIPLINED INVESTMENT PROCESS
Complete company review prompted by RB Global's (RBA) transformational bid to acquire IAA. **"Second set of eyes" deep-dive analysis** by a secondary analyst on the team.
Review and Assessment — 1) core IAA business, 2) combined RBA + IAA entity. **Independent Research Process** — new financial models of RBA, IAA standalone and RBA + IAA. **Research included** numerous meetings with: • RBA senior management and board members; • IAA senior management; • Sell-side analysts; • Industry experts; and • A **Glass Lewis** analyst, to discuss due diligence process and considerations.
CONCLUSION
• **Governance concerns thoroughly** discussed with RBA management. • RBA + IAA risk/reward estimated as **superior** vs. standalone RBA. • We voted **FOR** the **Contested Merger Proxy**, WITH management, AGAINST Glass Lewis's recommendation. • **Vote results: 53.9% FOR**

CANADIAN EQUITY — ENGAGEMENT EXAMPLE: TC ENERGY INCORPORATED
KEY TOPICS DISCUSSED

- Spoke with the **Indigenous Relations** team regarding controversy identified by MSCI, alleging violation of Indigenous rights during Coastal GasLink pipeline construction within Wet'suwet'en Territory.
- **Protesters** are mainly opponents of pipeline projects and were participating in unlawful and illegal activities with significant destruction of equipment; TC Energy's responsibility of maintaining a safe and secure work environment prompted surveillance of the area.
- **Indigenous Relationships**: TC Energy has relationships across 20 Indigenous communities along the pipeline route, with project agreements in place and full support of all 20 groups.
- **Indigenous Participation in Projects**: 17 groups elected to have an equity option agreement to eventually become owners; TC Energy realizes the value of Indigenous participation.
- **Indigenous Agreements**: These agreements have a variety of categories, including ongoing revenues, certain milestone payments, employment contracting opportunities (medic camps, clearing, designated services) and environmental monitoring, which can benefit Indigenous communities.
- **Beutel Goodman's View**: In our view, TC Energy is managing the risk of future disruption by continuing community relations and Indigenous participation in projects.

BG Engagement Priorities

- Capital allocation
- Executive compensation
- Board composition and board diversity
- Alignment with reporting frameworks
- Indigenous relationships
- Net zero targets — climate strategy

BG ESG Assessment		
	Positive	Negative
E	Short- and long-term GHG emissions targets	No Scope 3 emissions targets. Targets are not science-based
S	Focus on employee diversity, inclusion and belonging	MSCI identified controversy alleging Indigenous rights violations
G	Board has independent majority	Potential overboarded director

Source: Beutel Goodman.

Summary provided for illustrative purposes only and may not represent all matters discussed.

U.S. EQUITY — ENGAGEMENT EXAMPLE: FLOWSERVE CORPORATION
KEY TOPICS DISCUSSED

- Spoke with the **CEO** on sustainability issues.
- **Emissions Reduction Targets**: No net-zero target, but Flowserve has done a materiality assessment and has software systems in place to measure and comply with the current carbon intensity reduction target to 2030.
- **Scope 3 Emissions**: The company is gaining an understanding of Scope 3 emissions, including looking at SBTi, before making a commitment to a target; discussions and relationships with suppliers will be key.
- **Board Composition / DEI**: The Board has had significant refreshment in the last five years; a recent new board member increased female representation on the board to 4 of 11.
- **Customers' Energy Transition**: Customers are launching programs to decarbonize assets using hydrogen, CCUS, storage; Flowserve can help to scale projects from prototype to production.
- **Beutel Goodman's View**: We are encouraged by Flowserve's 3D strategy, which creates opportunities to help larger customers decarbonize existing assets, to assist smaller companies to scale cleaner technologies, and to use Flowserve's Red Raven connected platform to create more efficiencies for customers.

BG Engagement Priorities

- Capital allocation
- Executive compensation
- Board composition and board diversity
- Alignment with reporting frameworks
- Executive compensation tied to ESG targets
- Net-zero targets

BG ESG Assessment

	Positive	Negative
E	Goal to reduce Scope 1 and 2 carbon emissions intensity by 40% by 2030	Significant number of customers are refiners (FLS sees this as an opportunity to help decarbonize existing assets)
S	Female representation of the board is >30%	Talent recruitment/retention
G	Exec Comp linked to 3D strategy (diversification, decarbonization, digitization)	Insufficient disclosure of STIP[1] and LTIP[2] performance goals

Source: Beutel Goodman.

Summary provided for illustrative purposes only and may not represent all matters discussed.

[1] short term incentive plan, [2] long term incentive plan

INTERNATIONAL EQUITY — ENGAGEMENT EXAMPLE: UNILEVER PLC
KEY TOPICS DISCUSSED

- Spoke with the **VP, Sustainability** regarding the MSCI-identified controversy alleging Unilever's contribution to global plastic pollution in addition to the failed advisory vote on remuneration.
- **Sustainability Efforts**: Unilever's new CEO aims to drive accountability and progress on the company's sustainability efforts, starting with four key ESG pillars: climate, nature, plastics and livelihoods; these have been incorporated into the company's executive compensation-performance share plan (Sustainability Progress Index).
- **Plastic Waste**: The firm's existing plastic goal deadline is 2025; at that time Unilever will set its ambition for future years. The company is a member of the Business Coalition for a Global Plastics Treaty and continues to make progress on plastic pollution, guided by the mantra of "Less plastic, Better plastic, No plastic".
- **Climate Transition Action Plan** (CTAP): Unilever will present its updated CTAP at the 2024 AGM.
- **Failure of 2023 Advisory Vote on Remuneration**: We voted against both 2022 and 2023 proposals; the Board held two rounds of consultations with shareholders and has announced that it intends to freeze the CEO salary for two years.
- **Changes in Remuneration Plan (Annual Bonus)**: Removal of business winning metric in executive compensation; replaced with underlying sales growth as well as tying compensation to underlying operating profit and free cash flow.
- **Beutel Goodman's View**: We are encouraged by Unilever's engagement with shareholders and the Board's response to the failed "Say-on-Pay" vote, as well as the company's re-focused and purposeful sustainability efforts.

BG Engagement Priorities

- Capital allocation
- Executive compensation
- Board composition and board diversity
- Alignment with reporting frameworks
- Executive compensation tied to ESG targets
- Net-zero targets

BG ESG Assessment

	Positive	Negative
E	SBTi Near Term Target: reduce Scope 1 and 2 GHG emissions 100% by 2030	High plastics usage
S	Unilever has been involved with the SDGs since they began	Allegations of forced labour in value chain in Malaysia
G	Gender and ethnically diverse board	Capital allocation and growth strategy post GSK failed bid; failed 2023 Remuneration Report proposal

Source: Beutel Goodman.
Summary provided for illustrative purposes only and may not represent all matters discussed.

FIXED INCOME — ENGAGEMENT EXAMPLE: ENBRIDGE INC.
KEY TOPICS DISCUSSED

- Spoke with the **Treasurer** regarding Enbridge's Indigenous relations, CEO succession, health and safety, and energy transition opportunities.
- **Indigenous Relations**: Enbridge released its first Indigenous Reconciliation Action Plan (IRAP) in September 2022. The IRAP is to advance Enbridge's commitment to reconciliation in the communities where we live and work.
- **Governance**: Change in CEO; the Board Chair replaced the retiring CEO.
- **Sustainable Finance**: SLB framework and opportunity for social bonds.
- **Safety**: Two fatalities in 2022.
- **Emissions Reduction Targets**: Consider Science Based Targets initiative (SBTi) verification.
- **Energy Transition Opportunities**: Hydrogen blending, renewable natural gas, carbon capture and storage, renewable energy, U.S. Gulf Coast LNG.
- **Scope 3 Emissions**: Defining Scope 3 emissions for midstream business is challenging.

BG Engagement Priorities

- Stranded asset risk for liquids pipelines
- Executive compensation tied to ESG targets
- Indigenous relations
- Capital allocation
- Pipeline safety and integrity

BG ESG Assessment

	Positive	Negative
E	Have committed to Net Zero by 2050 with interim targets	Targets not verified by SBTi
S	Changing strategy towards interactions with Indigenous	Negative sentiment towards company over past dealings with First Nations
G	Strong board independence; ESG is linked to STIP	Significant votes against directors

Source: Beutel Goodman.
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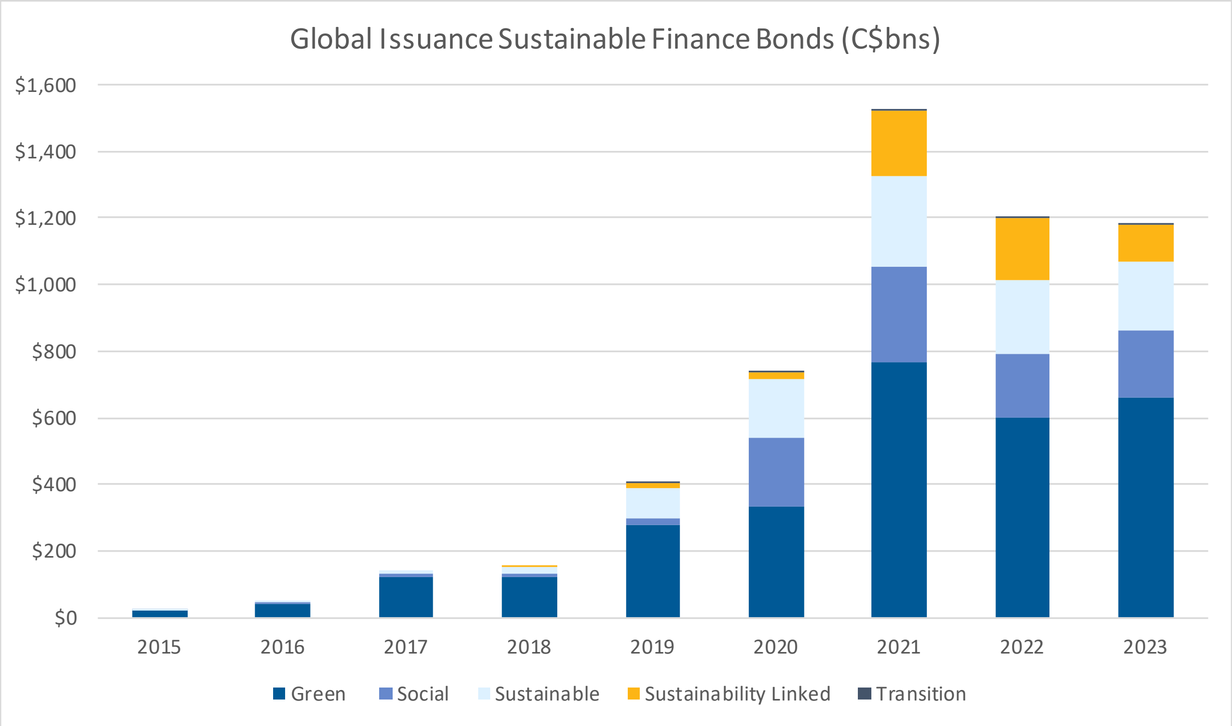
FIXED INCOME — SUSTAINABLE FINANCE 2023 ROUNDUP



Source: Bloomberg LLP, as at December 31, 2023.

Sustainable finance issuance (including green, social, sustainable, sustainability-linked and transition bonds) declined in 2023 by ~2% versus 2022, marking the second consecutive year of decreased labelled bond issuance. There are several reasons for the decline. New issuance fell globally as interest rates rose and periods of market volatility reduced new issue opportunities across all of fixed income. The reduction in corporate new issuance was most pronounced in the high-yield sector, previously a significant source of corporate sustainable finance. Specific to the sustainable finance market, regulatory uncertainty and reputational risk likely also contributed to the decline in issuance. Greeniums started to decline or in some cases disappear altogether, which may have kept some issuers on the sidelines. Further, global sustainable funds experienced their first year of net outflows since Morningstar first began tracking the data, which likely reduced some demand for sustainable finance.[1]

In 2023, $1.18 trillion in sustainable finance bonds was issued globally. Green bonds still make up the majority of issuances, at 56%, followed by sustainable and social bonds at 17% each, and sustainability-linked bonds (SLB) at 9%. Transition bonds continue to constitute a small part of the market at 0.4%.

The issuance of SLBs declined significantly for the second year in a row (by 39% year over year). This is most likely attributable to growing pains within the sector. Poorly constructed SLB frameworks have brought incidents of greenwashing to the forefront, leaving some companies reticent to use the structure. In 2024, the focus will be on Italian energy supermajor, Enel SpA, the largest SLB global issuer with ~$35.1 billion outstanding. The company faces an important test for the key performance indicator (KPI) on some of its SLBs, specifically that the company's Scope 1 emission intensity equal

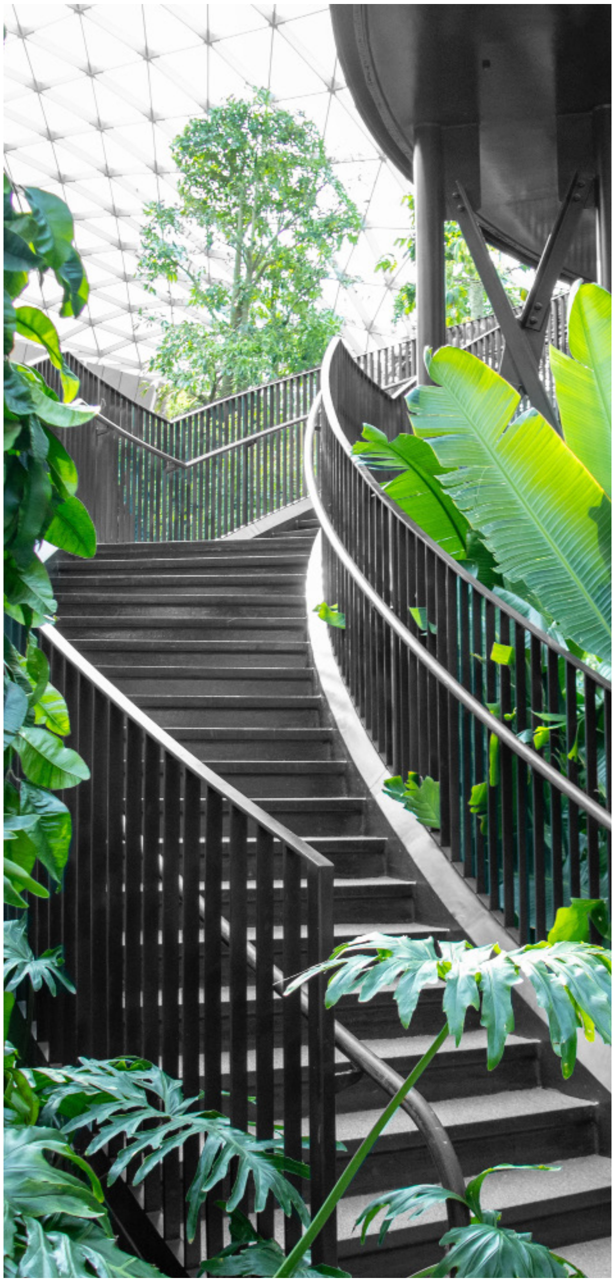
[1] https://www.morningstar.com/lp/global-esg-flows

148 gCO_2/kWh or lower at December 31, 2023. Due to changes in European energy policy that have delayed the phasing out of coal-fired plants, there is a significant possibility that Enel misses its 2023 targets, and would have to add 25 basis points to the coupon for those bonds. Enel has nine SLBs outstanding totaling €6.5 billion and US$3.25 billion with that KPI and observation date.

Government-related issuers (government agencies and supranationals) made up 49% of the sustainable finance issues followed by corporates (41%), sovereigns (6%) and securitized (4%). The largest sovereign issuers were France, China, Germany, South Korea and Japan.

In Canada, there were 31 sustainable finance issues during the year, totaling $17.7 billion, consisting of 50% green bonds, 28% SLBs and 22% sustainability bonds. Green bond issuance continues to be dominated by the midstream (i.e., energy infrastructure) and financial sectors on the corporate side, and by pension plans and municipalities on the government side. Enbridge Inc., Telus Corporation and Tamarack Valley Energy Ltd. were the only Canadian issuers of SLBs. Of note, Hydro One issued $1.05 billion in bonds during the year under its new sustainable financing framework, becoming the first Canadian utility to issue labelled bonds. The green portion of the framework consists of projects related to greening the distribution and transmission grid, converting the company's fleet to electric vehicles (EVs), energy efficiency and biodiversity conservation. The social aspect of the framework consists of procurement from Indigenous businesses and connecting remote communities to the grid. In November, the Government of Canada updated its Green Bond Framework to include nuclear energy as an eligible green energy expenditure. The government also received a second-party opinion on the amended framework from Sustainalytics.

In the U.S., there were 79 sustainable finance issues during the year, totaling $52.1 billion, consisting of 84% green bonds, 9% SLBs, 6% sustainable, and 1% social. Corporate issuance was dominated by the industrial, utilities and financials sectors. The largest corporate issuers during the year were Rivian Automotive, JP Morgan Chase, New York State Electric and Gas, and Hyundai Capital America.

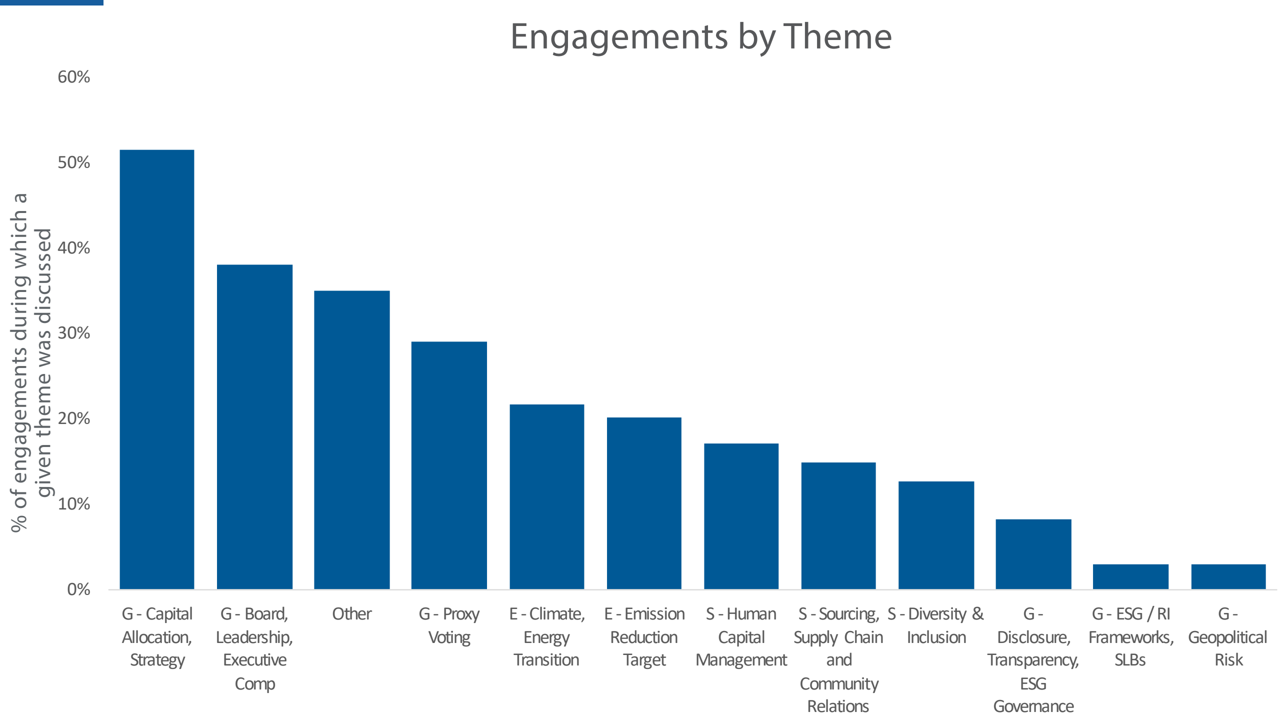


APPENDIX A. CANADIAN EQUITY

PROXY VOTING STATISTICS

Proposal Category Type	With Mgmt.	Against Mgmt.	No action/ unvoted	Total
Totals	**818**	**33**	**0**	**851**
Audit/Financials	66	0	0	66
Board Related	648	22	0	670
Capital Management	1	0	0	1
Changes to Company Statutes	6	0	0	6
Compensation	60	7	0	67
M&A	2	0	0	2
Meeting Administration	1	1	0	2
Other	2	0	0	2
SHP: Compensation	3	0	0	3
SHP: Environment	18	0	0	18
SHP: Governance	3	0	0	3
SHP: Social	8	3	0	11

ENGAGEMENT STATISTICS

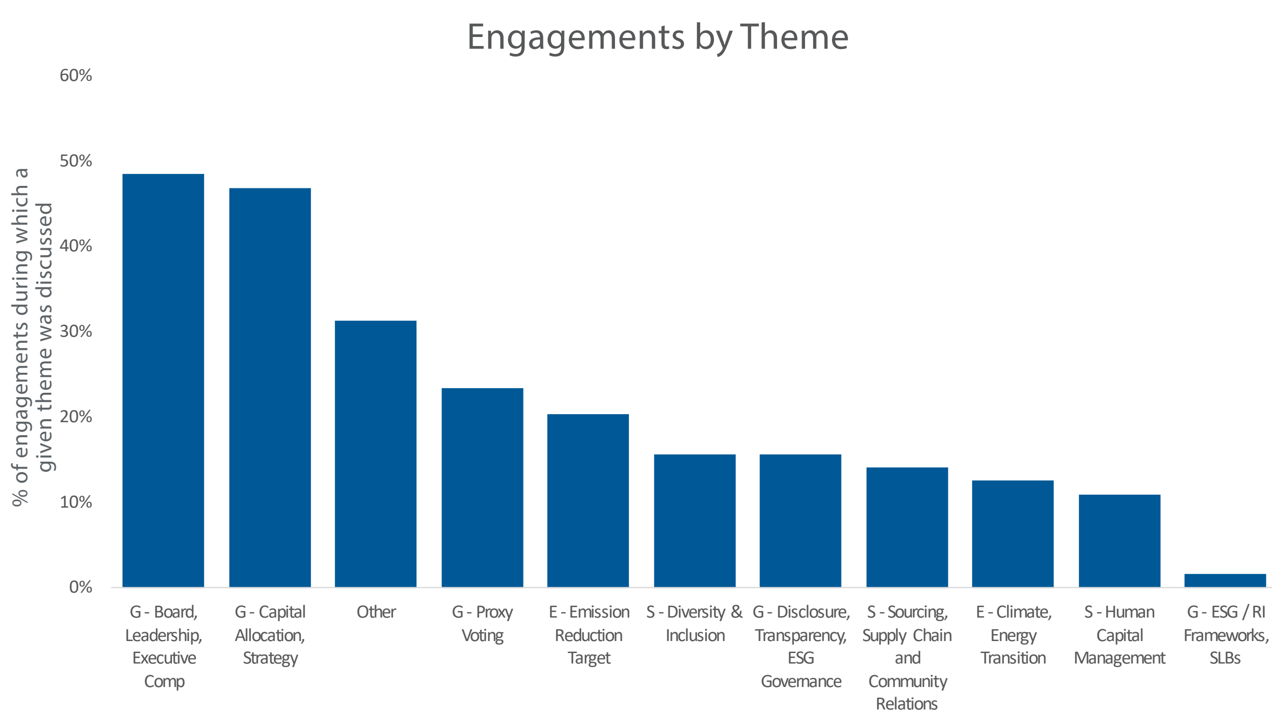


APPENDIX B.
U.S. EQUITY

PROXY VOTING STATISTICS

Proposal Category Type	With Mgmt.	Against Mgmt.	No action/ unvoted	Total
Totals	**390**	**18**	**0**	**408**
Audit/Financials	32	0	0	32
Board Related	263	11	0	274
Changes to Company Statutes	2	1	0	3
Compensation	65	3	0	68
SHP: Compensation	5	0	0	5
SHP: Environment	4	0	0	4
SHP: Governance	6	3	0	9
SHP: Misc	1	0	0	1
SHP: Social	12	0	0	12

ENGAGEMENT STATISTICS

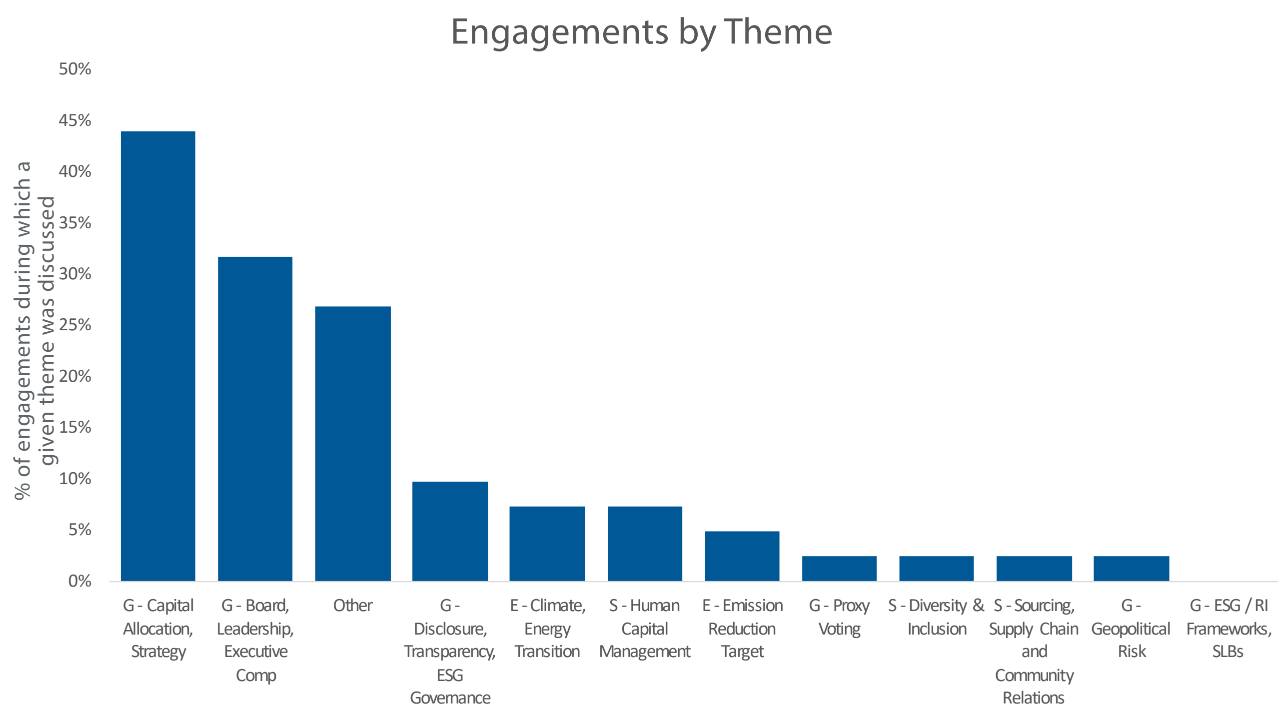


APPENDIX C. INTERNATIONAL EQUITY

PROXY VOTING STATISTICS

Proposal Category Type	With Mgmt.	Against Mgmt.	No action/ unvoted	Total
Totals	**450**	**16**	**45**	**511**
Audit/Financials	69	0	7	76
Board Related	229	9	10	248
Capital Management	53	4	5	62
Changes to Company Statutes	25	0	3	28
Compensation	49	2	13	64
M&A	2	0	0	2
Meeting Administration	15	0	7	22
Other	6	1	0	7
SHP: Governance	1	0	0	1
SHP: Social	1	0	0	1

ENGAGEMENT STATISTICS



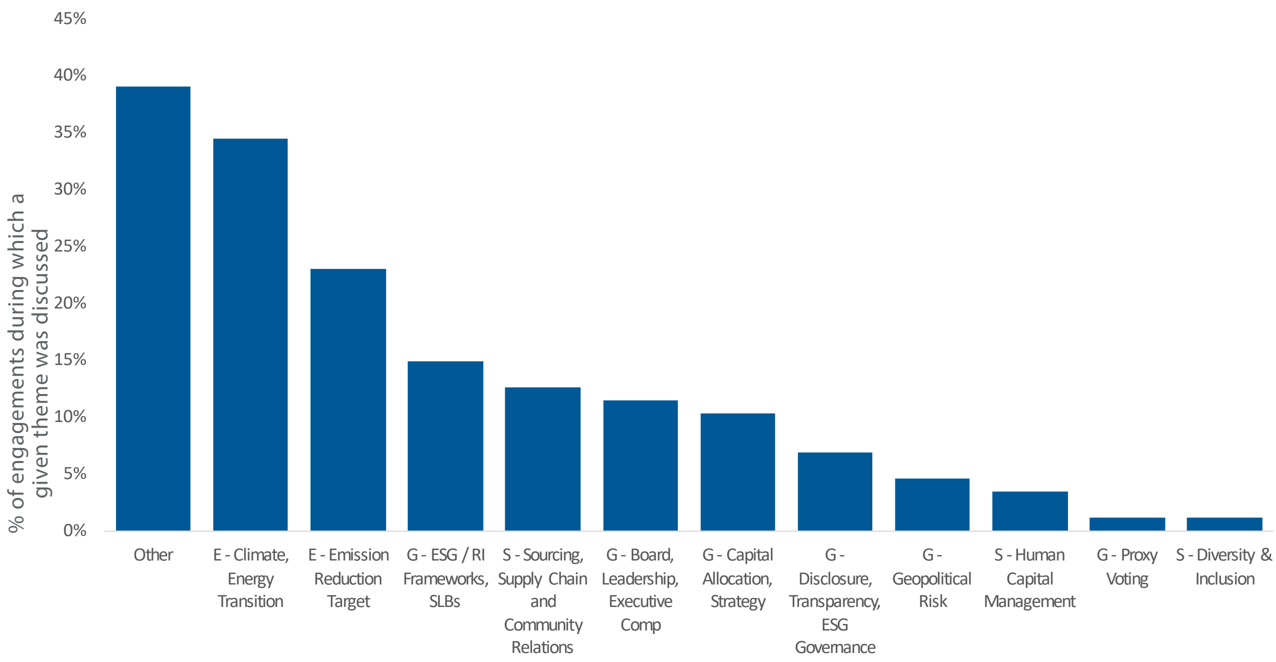
APPENDIX D.
FIXED INCOME

PROXY VOTING STATISTICS

None

ENGAGEMENT STATISTICS

Engagements by Theme



APPENDIX E. RESPONSIBLE INVESTING POLICY STATEMENT[2]

BACKGROUND AND PURPOSE OF THE POLICY

Established in 1967, Beutel, Goodman & Company Ltd. (Beutel Goodman) is a privately owned, independent, Canadian investment manager. We are dedicated to generating superior long-term returns for our institutional, private wealth and retail clients, and to helping them achieve their investment objectives. Our fundamental, bottom-up, value-investment philosophy is grounded in a highly disciplined proprietary research process with a focus on capital preservation, absolute risk reduction and downside protection.

This Responsible Investing (RI) Policy Statement documents our commitment to integrating consideration of environmental, social and governance (ESG) criteria in our investment analysis as part of the process of evaluating the financial results and prospects for investments. It also reinforces our dedication to active ownership through engagement, proxy voting and collaboration as part of our diligence and ongoing monitoring of investments, and as support for the financial performance and long-term value of investments. This policy statement applies to all our assets under management, including equity and fixed income.

As a value manager, our primary objective is to deliver superior risk-adjusted portfolio performance to our clients over the long term. We pursue this objective through the ownership of debt and equity positions in high-quality companies. Companies with strong ESG practices often share many of the sound fundamentals that are attractive to our value-investing approach. ESG factors have the potential to materially affect the long-term sustainability of a business, which is an important focus of our analytical process. We integrate ESG factors in our analysis of a company to pursue financial performance, although they are not given greater weight than other factors we evaluate.

Beutel Goodman has a fiduciary responsibility to act in the best interests of our clients. We believe in being good stewards of capital and will invest where we think we can generate value. As such, we view ESG issues not only as potential areas of concern but also as potential opportunities, when considered as part of evaluating the long-term financial sustainability of investments. Having a longer-term (three- to five-year) investment time horizon and focusing on the sustainability of cash flows have long been central tenets of our investment process. Accordingly, we have been incorporating material ESG risk factors into our investment processes for several years.

COLLABORATIVE INITIATIVES

In 2019, Beutel Goodman signed the United Nations-supported Principles for Responsible Investment (PRI). As a signatory, we commit to the six guiding principles and integrating them into our investment process. This involves active incorporation of ESG issues, appropriate disclosure and implementation, as well as an urgency to enhance activities through accurate disclosures.

In 2021, Beutel Goodman joined the Task Force on Climate-related Financial Disclosures (TCFD), which the Financial Stability Board established to address the systemic risk that climate change poses to the global financial system. We thereby encourage all portfolio companies we engage with to disclose climate-related risks following the TCFD framework.

Beutel Goodman participates in several other collaborative initiatives and will continue to advance its involvement and enhance its active ownership practices in support of the financial performance and long-term value of each investment.

[2] As of December 31, 2023.

ESG DEFINITION

Our collective experience drives ESG integration, which is applied across our equity and fixed income holdings. We focus our analysis on material ESG issues that may impact the future value of our investments.

Our rigorous research methodology encompasses a fundamentally driven analysis to identify valuation opportunities in quality companies from a bottom-up perspective. We consider ESG factors to be part of the material risks and opportunities associated with the long-term financial sustainability of investments. We seek companies with sound governance and carefully consider any environmental and social controversies that could materially impact the valuation of the company as part of our research process.

While some ESG factors are material across all our investments, our analysis considers differences in the material ESG risk exposure of issuers in different sectors and countries.

Material ESG themes incorporated into our research and valuation process include the following:

ENVIRONMENT

- Waste
- Pollution
- Climate Change & GHG Emissions
- Resource Depletion & Deforestation

SOCIAL

- Working Conditions
- Employee Relations
- Human Rights
- Sustainable Supply Chains

GOVERNANCE

- Corporate Strategy
- Executive Compensation
- Board Efficacy & Diversity
- Succession Planning

Disclosure | Transparency | Accountability | Oversight of Environmental, Social & Governance Issues

CLIMATE CHANGE

Climate change is one of the most critical ESG factors globally and across all sectors of the economy. The value of companies may be impacted over the long term by direct or indirect exposure to physical risks from severe weather and changing weather patterns, and transition risks relating to their greenhouse gas (GHG) emissions, including policy and legal risk, technology risk, market risk and reputation risk. We therefore believe that addressing climate-related risk is part of the process of evaluating the financial results and prospects of an investment and is consistent with our fiduciary duty to our clients. For this reason, we have aligned with the TCFD.

In this context, we recognize the importance of achieving the goals of the Paris Agreement, the global climate treaty that aims to limit the rise in global average temperatures to under 2°C above pre-industrial levels, and if possible, to 1.5°C. The scientific consensus is that achieving these goals by the end of the century requires the global economy to effectively become carbon neutral by 2050.

The ESG responsibilities that have been assigned at each level at Beutel Goodman specifically include the incorporation of climate change as a key ESG consideration in our research and valuation process. It also extends to our active ownership approach of engagement and proxy voting, which is part of our diligence and ongoing monitoring of investments in support of their financial performance and long-term value. Within this framework, we evaluate both climate-related risks facing companies with high GHG emissions or significant exposure to the physical impacts of climate change, as well as climate-related opportunities for companies whose business activities and technologies can contribute to achieving climate goals while supporting their long-term financial sustainability and value.

We will continue to develop our strategy in this area of ESG practice.

ESG INTEGRATION IN THE INVESTMENT PROCESS

Beutel Goodman formally integrates ESG principles into our entire investment process, from the selection phase through to monitoring and further engagement with invested assets. This aligns with our disciplined value investment process to ensure that the most relevant ESG criteria are continuously and diligently considered by both Beutel Goodman and its invested assets, with respect to the goal of minimizing risk and maximizing value.

PHASE: RESEARCH → SELECTION → MONITORING → STEWARDSHIP

DILIGENT RESEARCH

ESG considerations are fully integrated into our process and business value assessment, and viewed within the context of factors that can have a material impact on financial performance. As one of the core tenets of business value is governance, our research process strives to identify companies whose boards and management are aligned with stakeholder interests and the creation of long-term shareholder and bondholder value. We view ourselves as partners of the companies we invest in. As such, we approach ownership as an ongoing collaboration in the creation of long-term financially sustainable value.

ESG information is gathered from internal research, third-party ESG data providers and meetings with company management. We do not maintain internal ESG rankings or ratings on companies. External ESG ratings from third–party data providers are an example of the many inputs we use when researching companies and making investment decisions. However, we firmly believe that our clients are best served by a manager that conducts its own internal research on portfolio companies, rather than relying on external data providers. Each individual analyst/portfolio manager is responsible for the ESG assessment on the companies they cover, and they perform all the due diligence, engagement and proxy voting.

Using a bottom-up, disciplined, value-investing approach, each equity and credit research report we prepare incorporates ESG considerations as part of the research and valuation process. ESG considerations are not given greater weight than other factors we evaluate in our research, although if the financial risk to a company from its ESG practices is high enough, it could be a reason for us not to invest in that company.

As value investors, we are at times contrarian and may invest in companies with relatively weaker ESG practices where there are tangible signs of potential improvement.

SCREENING AND SELECTION

Given our high investment hurdle rates, we tend to avoid businesses with ESG risks that may have a material impact on valuations.

Consistent with our long-established investment process, Beutel Goodman will not make any investments where ESG or other risk factors make it difficult, if not impossible, to accurately assess the value of a specific business.

Where relevant to a company's long-term value, if our analysis indicates a company falls short on stated policies or where material, unaddressed ESG issues exist or ESG disclosure is inadequate, we will seek to promote positive change through corporate engagement. We do, however, recognize that some of our clients and mandates require an exclusionary approach, which we implement on a discretionary basis, relying first and foremost on our ESG research and active ownership practices.

ACTIVE OWNERSHIP

Beutel Goodman favours an approach that incorporates diligent stewardship and influences positive change in the long-term value of our holdings by having a "seat at the table."

Using our voting rights, alongside our ongoing engagement and collaborative activities with the companies held in our portfolios are the pillars of our active ownership practices, which support our goal of seeking the long-term financial sustainability of our holdings. These serve as important touchpoints, and insights gained from engagement are continually incorporated into our company analysis, valuation and investment decision-making.

In our view, engagement, proxy voting and collaborative initiatives are effective mechanisms to mitigate risk, increase returns and advance shareholder value. We have long advocated for sound corporate governance, which we believe is the foundation of the responsible management of a company's environmental and social practices. We recognize the value of engagement to address long-term and systemic risks to portfolio value.

Engagement

Where relevant to a company's long-term value, we believe that we can effect change on ESG issues by engaging with management or members of the board of directors as owners of a company's stock or bonds. Part of our highly disciplined investment research process involves meeting with company management, which can provide important insights into issuers and ESG factors, as well as how these may impact long-term shareholder value. Our strong preference is to interact with the board of directors and senior management, although we also welcome engagement with other executives, including specialist or RI/CSR/sustainability department heads.

While we seek to engage with our investee companies at least annually, we typically engage multiple times each year. Engagement is both proactive/thematic; i.e., we strive to understand companies' management of ESG considerations that are relevant to their long-term value, and reactive; i.e., we engage *ad hoc* with companies when controversies arise. All engagement activities are logged in a central repository and progress towards any defined goals is tracked. We report our engagement activities to our clients on a quarterly basis and disclose our reports on our website annually.

When prioritising companies for proactive/thematic engagement, we consider the size of our holdings; specific ESG factors that are a focus within our research and valuation process (e.g., linking executive compensation to ESG metrics, capital allocation strategy or climate-change impacts); external ESG ratings; ESG disclosure quality; credit quality; and differences in ESG risk exposure in specific markets and sectors. Consideration of the ESG factors of a company is for the pursuit of financial performance and these factors are not given greater weight than other factors that we look at to evaluate the company.

We regularly monitor our holdings to identify ESG incidents or controversies that may impact shareholder value and require reactive engagement. If significant ESG-related concerns are identified that may impact long-term shareholder value, we will engage with a company on multiple occasions over a timeframe that allows for positive change. If we are not satisfied with a company's actions, we will not hesitate to manifest our disagreement through proxy voting. Failed engagement and proxy voting can factor into a decision to reduce or divest a holding.

Engagement by our fixed income teams is performed in close coordination with equity team counterparts to develop firmwide best practices. Our proprietary credit research incorporates detailed ESG analysis, including a list of ESG-related engagement themes. The fixed income team actively engages with company management on ESG issues that could affect the sustainability of the company's cash flows and ultimately, the company's ability to repay its debt, or could otherwise adversely affect the value of the bond. These issues are typically addressed in company meetings that are shared between our equity and fixed income analysts or portfolio managers, particularly with Canadian issuers. Recurring engagement themes include capital allocation and strategic planning; governance; environmental policies, including management of climate-related risks; and employee and labour relations, as well as general ESG disclosure, transparency and accountability.

The influence of fixed income investors varies throughout the life cycle of a bond issue. Therefore, as well as engaging during the holding period, we also engage with fixed income issuers at the pre-investment stage and during investor updates related to refinancing. For our Sovereign, Supranational and Agency (SSA) fixed income holdings, we engage with provincial Ministries of Finance during our periodic review meetings.

Proxy Voting

We believe that voting proxies can encourage sound corporate governance and improve environmental and social policies, which makes the process essential to advancing shareholder value. As part of our portfolio management responsibilities, we review each proxy item for our holdings before casting votes. We assess all ballot items, including those relating to ESG practices, based on whether they are consistent with long-term shareholder value creation.

While we subscribe to proxy-voting services and take the recommendations and analysis of our service provider into consideration, we form our own views and vote accordingly. Our voting decisions, as well as rationales on ESG matters and where we vote against management and/or our proxy voting service, are publicly disclosed on an ongoing basis.

Details of our proxy voting approach can be found in our Proxy Voting Guidelines.

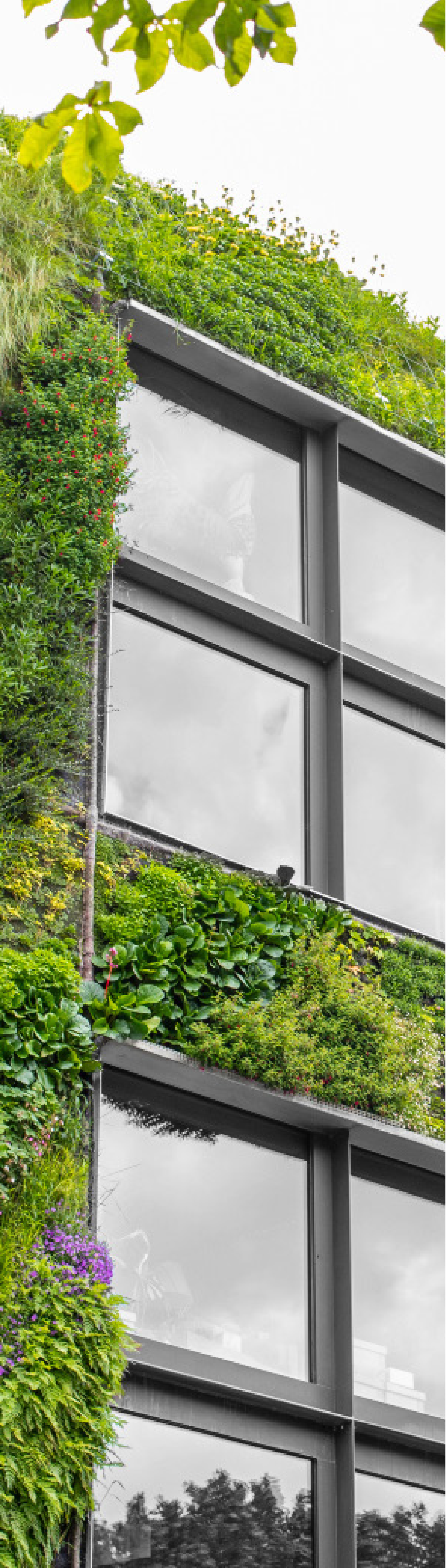
Collaborative Engagement

We recognize that the pooling of resources with other investors may enhance the effectiveness of our engagement activities and lead to positive financial outcomes for our clients. We aspire to participate in appropriate collaborative engagement initiatives that are aligned with our active ownership philosophy and ESG engagement priorities in support of long-term shareholder value creation.

GOVERNANCE

We believe our clear definition of ESG responsibilities enhances the way we operate and service our clients as part of our overall investment approach:

- The **Management Committee** of Beutel Goodman, a key decision-making body of our company, oversees our ESG approach, including review and approval of our responsible investing policies, responsible investing reports, PRI reporting and TCFD reporting.
- The **Head of Responsible Investing** is accountable for Beutel Goodman's responsible investing governance and the consistent application of our responsible investing approach firm-wide. The Head of Responsible Investing reports directly to the Management Committee.
- At the firm level, ESG risks are monitored by our **VP, Enterprise Risk Management (ERM)** and this encompasses oversight of our ESG approach, commitments and reporting requirements, as well as providing periodic reporting to the Management Committee.
- Beutel Goodman's **Chief Compliance Officer (CCO)** provides leadership for monitoring, assessing, and communicating ESG regulatory compliance requirements, while overseeing overall firm compliance. The CCO reports directly to the Management Committee.
- The **Portfolio Managers/Analysts** are responsible for all security-level decisions and using the Beutel Goodman ESG framework in their analytical processes and corporate engagement activities, as applicable. PMs/analysts consider all material factors that may impact investment recommendations. The investment teams' responsible investing activities, including engagement and proxy voting, are reported on a quarterly basis to the firm's Management Committee.
- **Responsible Investing Leads, Equity and Fixed Income** have the responsibility for defining ESG policy and procedures and spearheading the implementation and coordination of our ESG investment activities, in addition to considering future responsible investing initiatives.
- **ESG Analysts** are responsible for producing reporting and managing our data sources and providing general support for our ESG and climate-related activities.
- Our **ESG Working Group**, composed of members of our equity and fixed income investment teams and representatives of our various client channels, meets regularly to discuss matters pertaining to ESG and responsible investing such as proposing and reviewing policy and process enhancements and considering future RI initiatives.



POLICY OVERSIGHT AND REVIEW

The Management Committee of Beutel Goodman has approved this policy statement.

All portfolio managers will integrate ESG criteria into their research and investment process, and undertake active ownership, including engagement and proxy voting, in accordance with this policy statement. Portfolio managers are required to provide semi-annual reporting on the implementation of this Policy Statement to the Management Committee.

Any conflicts of interest that may arise in relation to our ESG-related activities, including engagement and proxy voting, are governed by our Conflict of Interest Disclosure Statement.

This policy statement will be reviewed annually by the Management Committee.

REPORTING AND DISCLOSURE

Since 2021, Beutel Goodman has reported annually on its ESG integration progress and active ownership with a comprehensive Annual Responsible Investing Report posted on our website. Quarterly Responsible Investing reports have been provided to our clients since Q1/2021, detailing our plans.

Information on our holdings and our proxy voting records can also be accessed on our website. Our PRI Transparency Reports are available on the PRI website.

INFORMATION ON THE SUSTAINABLE FINANCE DISCLOSURE REGULATION (SFDR)

Sustainability Risk Statement

Beutel Goodman adheres to the definition of sustainability risk as described in Article 2(22) of the Regulation (EU) 2019/2088 (SFDR): "an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment". Following Article 3(1) of the SFDR, Beutel Goodman considers sustainability risks in its investment decisions. Please refer to the Sustainability Risk Statement on the Beutel Goodman website for further substantiation on how Beutel Goodman integrates sustainability risks within its investment decisions.

PRINCIPAL ADVERSE IMPACT STATEMENT

Beutel Goodman considers the principal adverse impacts of its investment decisions on sustainability factors in accordance with Article 4(1)(a) of Regulation (EU) 2019/2088 (SFDR). More information on these principal adverse impacts, Beutel Goodman's policies to identify and prioritise them, and engagement policies to address them can be found in the Principal Adverse Impact Statement located in the 'Sustainability-related disclosures' section of the website. Beutel Goodman will monitor and report on required principal adverse impact indicators at the time and to the extent that financial advisors are required to do so by the relevant regulation. Beutel Goodman will take the necessary preparations to integrate the indicators into the data-gathering process.

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