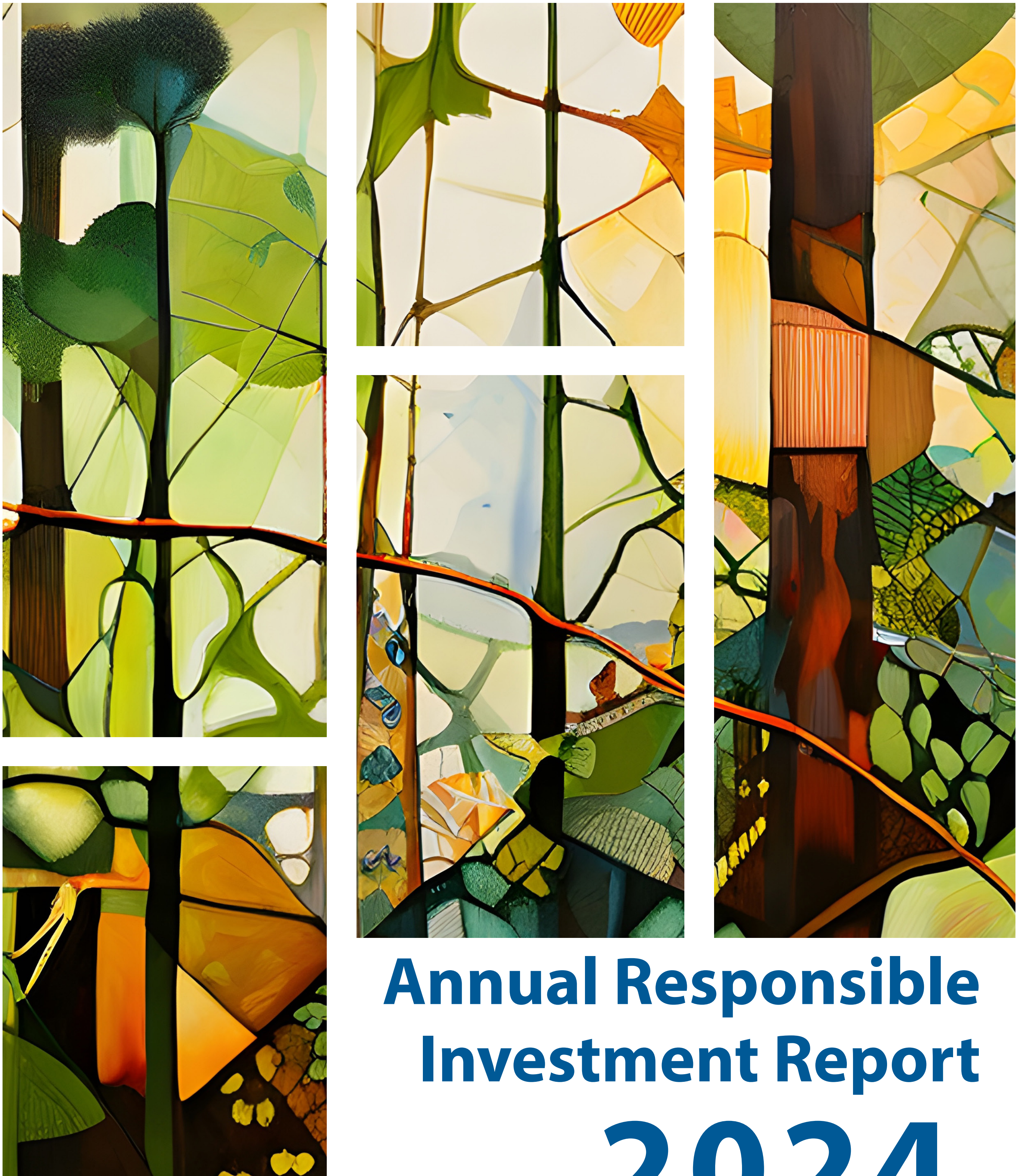

Annual Responsible Investment Report 2024

BEUTEL GOODMAN
Investment Counsel

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LETTER FROM BEUTEL GOODMAN'S RESPONSIBLE INVESTING LEADS

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 2024.

Part of our highly disciplined investment research process involves meeting with company management, which can provide important insights into ESG-related issues and, as applicable, how ESG factors may impact long-term 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 2024, we continued to probe companies on their commitments to reducing their carbon footprint 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. Credit rating agencies are now incorporating 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 the energy transition on their labour force, employee safety, geopolitical risks, cybersecurity threats and Indigenous relations. Looking ahead, we plan to engage on the creation of Indigenous Reconciliation Action Plans where required, as well as securing Free, Prior and Informed Consent for new projects that cross Indigenous lands. We will also continue to discuss governance issues – including leadership succession, board refreshment, incentive structures that align with value creation, and capital allocation – in the pursuit of financial performance.

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 2024 is available here: https://www.beutelgoodman.com/proxy-voting-season-2024/.

In 2024, we:

- Adopted an internal Human Rights Policy;
- Adopted an internal Diversity, Equity and Inclusion Policy and initiated mandatory company-wide DEI training for all employees;
- Continued to pursue ESG-related advocacy by progressing our initiatives for the CFA Institute Diversity, Equity and Inclusion Code for Investment Professionals in the United States and Canada;
- Finalized our commitments to pursuing the Canadian Council for Indigenous Business's Progressive Accreditation in Indigenous Relations (PAIR) certification;
- Published our second annual Climate Report (formerly TCFD Report); and
- Completed our voluntary PRI reporting for our responsible investing activities undertaken in 2023; and
- Presented on sustainable finance at several industry conferences.

In 2025, we expect anti-ESG sentiment in the U.S. to continue and will monitor its impacts on companies' disclosure, commitments and targets. The ESG landscape in Europe is also evolving, with increasingly stringent regulations and pressure from both sides, which will be a challenging backdrop to navigate for some companies. Our approach will continue to be firmly rooted in financial materiality at the security level and how issues may impact the long-term sustainability of a business, with a focus on capital preservation, absolute risk reduction and downside protection.

We look forward to 2025 as we endeavour to engage further on net-zero targets, GHG emissions disclosure, supply-chain due diligence, human rights, Indigenous reconciliation and biodiversity, which we believe will help 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
and Head of Credit

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

RESPONSIBLE INVESTING ACTIVITIES IN 2024

POLICY UPDATE

In 2024, we adopted an internal **Human Rights Policy** and a **Diversity, Equity and Inclusion Policy**, as part of the firm's responsible investing practices.

The Human Rights Policy formalizes our commitment to respecting human rights as an organization. At Beutel Goodman, we are committed to respecting and upholding human rights in consideration of the United Nations Guiding Principles on Business Human Rights and the Organization for Economic Cooperation and Development Guidelines for Responsible Business Conduct for Institutional Investors throughout our operations and investment activities.

Our Diversity, Equity and Inclusion Policy formalizes our commitment to diversity, equity, and inclusion within the organization. We expect this policy will act as a north star for our team as we look to build a more inclusive company. The policy enshrines our belief that all our employees, regardless of gender, race, ethnicity, sexual orientation, disability, religion, or any other aspect of their identity, should be welcomed, supported, and empowered to do their best work.

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

ESG RESEARCH AND MONITORING PROCESS

Our investment teams further standardized our **ESG factsheets** that are integrated into our investment research for the companies 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.

As part of our research and valuation process, we continue to refine our ESG data collection and internal communications and recordkeeping. Our **ESG monitoring process** involves monitoring and 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. We maintain an **ESG regulatory tracker** to help us understand and monitor the direction of global ESG regulation and how emerging regulations may affect our process.
We created a **Priority Engagement List**, identifying the companies that we plan to prioritize for engagement during the year.

We focus on four main categories to create our priority list:

i. Companies with severe or very severe ESG-related controversies as determined by MSCI;
ii. Companies that are in contravention of the 10 principles of the United Nations Global Compact, as determined by MSCI;
iii. Companies with low MSCI ESG ratings; and
iv. Companies with the largest carbon footprints as reported by MSCI.

We monitor and communicate **ESG updates** internally in real-time, and hold **quarterly ESG review meetings** with the investment teams to share insights and ESG portfolio analysis on holdings, including risk profile, climate risks, controversies and human rights issues, and to 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.

In addition to our **Annual Responsible Investing Report** and **Quarterly Responsible Investing Reports**, we published a **Climate Report** (formerly TCFD Report) in 2024, outlining our assessment and approach to climate risks and opportunities.

FIRM INITIATIVES

Beutel Goodman continues to support the Beutel Goodman Charitable Foundation. In 2024, the Foundation funded 13 registered charities in support of youth achievement and mental wellness.

With the adoption of our Diversity, Equity and Inclusion Policy, we also initiated mandatory company-wide **DEI training** for all employees starting the second quarter including sessions: An Introduction to Diversity, Equity, and Inclusion in the Workplace and Disrupting Our Unconscious Bias Training.

In 2020, we launched the BG Female Mentorship Program, to help provide opportunities for female employees to gain meaningful career and life advice from experienced staff members. The popularity of the initiative led to an expansion to a **firm-wide BG mentorship program** in 2024 as well as a rebranded **BG Women's Network** that will continue to nurture a supportive community among female staff and provide a safe space for meaningful connections. The program began with a primary focus on mentorship pairings and has since grown into a vibrant networking group, offering events and opportunities for female employees to connect such as a book club, a Women's Day panel and an annual networking luncheon. Mentorship is still a core value of the group and has been merged with the expanded BG mentorship program.

Additionally, we have an **Internal Rotation Program**, which is designed to provide a path for existing employees to gain experience with a variety of teams at Beutel Goodman and to learn the practical skills required to accelerate their careers.

We held two Leader Connect **leadership training** sessions to strengthen the skills of our people leaders. The first session, Employee Engagement and the Role People Leaders Play, focused on how leaders play a significant role in how engaged or disengaged employees are. By creating a culture of support, inclusiveness, value-driven work and recognition, leaders are able to empower engagement in the organization. The second session discussed strategies for handling challenging workplace conversations. A challenging conversation may be out of our comfort zone but also has the potential to make a significant impact for the better, organization-wide. We explored the "do's and don'ts" and shared ideas for best practices.

COLLABORATIVE INITIATIVES

In 2024, we finalized our commitments to pursuing the Canadian Council for Indigenous Business's **PAIR certification**. PAIR supports progressive improvement in Indigenous relations through the commitment, management and reporting of company leadership initiatives to strengthen positive relationships with Indigenous communities. In Q2, our Indigenous Client Service team hosted an internal panel event to provide a history of Indigenous trusts and how they can serve communities' investment objectives, while also considering the next seven generations. The team also discussed BG's Indigenous efforts and relationship-building that has taken place over the last two decades.

Beutel Goodman has been a PRI signatory since 2019. In Q2/2024, we completed our voluntary PRI reporting for our responsible investing activities in fiscal year 2023. Beutel Goodman's **2024 PRI Public Transparency Report** was made publicly available on the PRI Data Portal in December 2024.

During Q3, Beutel Goodman participated in the public consultation providing feedback on the ***Competition Act's* new greenwashing provisions (Bill C-59)** via a third party. We supported additional and standardized disclosure around climate and emissions data and suggested a few clarifications to be made in the Bill.

We joined **Climate Action 100+** in 2022. We continued in our role as Collaborating Investor for Duke Energy Corp. and Unilever plc engagements. We believe that collective engagement with companies on financially material climate change topics, as well as risks and opportunities associated with the energy transition, can be effective. A recent industry report[1] indicates that absolute GHG-emissions reduction is possible through collaborative efforts, with an 8.5% reduction in alliance members' aggregated emissions achieved from 2021 to 2023.

As a **founding member of Climate Engagement Canada**, we continue to participate in ongoing engagement with Cenovus Energy Inc. and Pembina Pipeline Corp. on the fixed income side, and with Lundin Mining Corp., Canadian Pacific Kansas City Ltd. and Loblaw Companies Ltd. on the equity side.

[1]https://www.unepfi.org/industries/nzaoa-5th-anniversary/

*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, spoke at several industry events in 2024. In March, Sue moderated a panel sponsored by the Investment Industry Association of Canada. During the panel, titled "Blue Bonds – Are They Part of Canada's Sustainable Finance Future?", Sue and industry experts discussed the emergence of blue bonds as a sustainable finance instrument. In Q2, she participated on a Transition Bond Panel at the RBC Sustainable Debt Conference. Sue was also on the Sustainable Debt Panel at the BMO Women in Fixed Income Forum and made a presentation on sustainable finance at the Canadian Pension and Benefits Institute Forum. In November, she presented on sustainable bonds at the 57th Annual Canadian Employee Benefits Conference in San Antonio, Texas.

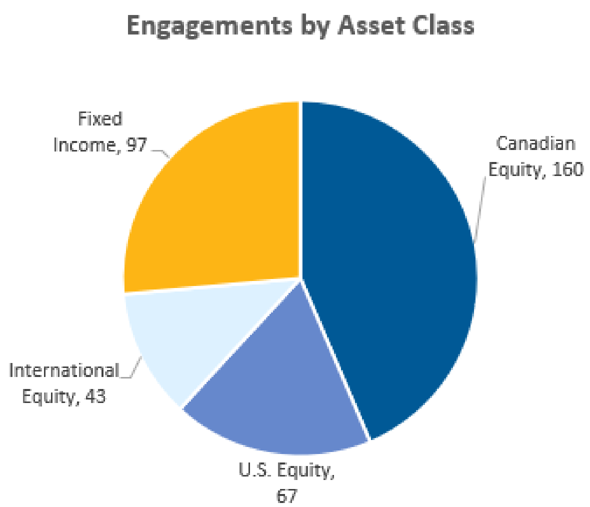
We published **two insight pieces** and hosted an **event** related to cybersecurity during the year.

- Proxy Voting Season 2024, Beutel Goodman, September 3, 2024
- Responsible Investing at a Crossroads, Beutel Goodman, November 26, 2024
- Beutel Goodman Speaker Series: Cybersecurity in the Age of AI, Beutel Goodman, November 28, 2024

2024 ENGAGEMENT AND PROXY VOTING

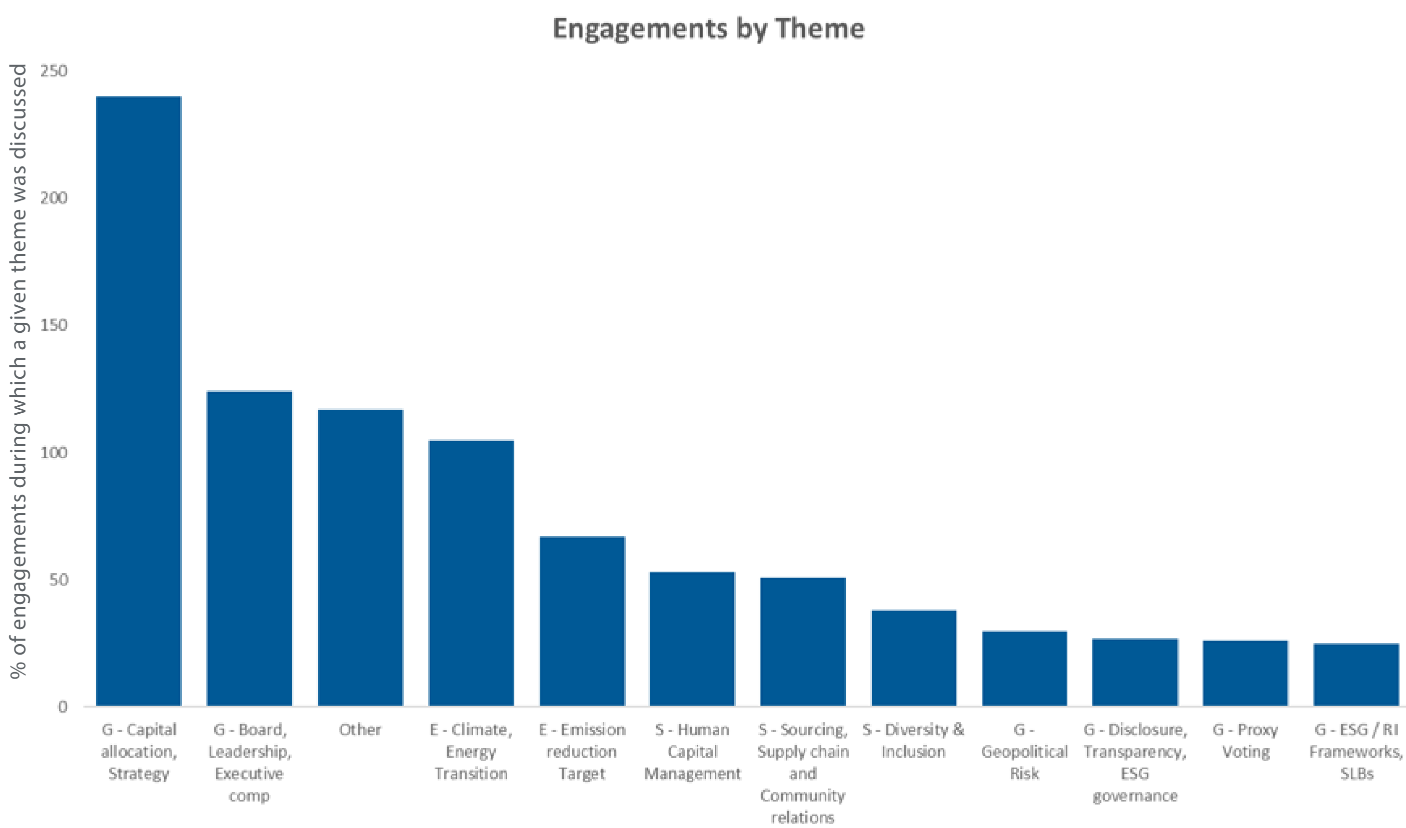
ENGAGEMENT

We actively engage with company management and boards on issues, including ESG issues, through direct dialogue. In 2024, our investment teams conducted **367 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.



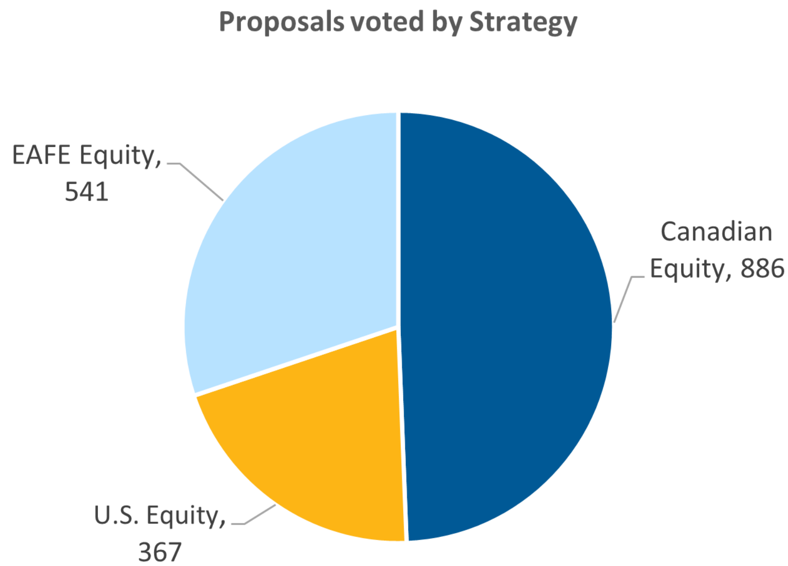
An overview of 2024 engagement statistics broken down by asset class is included in Appendices A, B, C, and D. In the case of joint fixed Income and equity engagements, we include the engagements under equities to avoid double-counting.

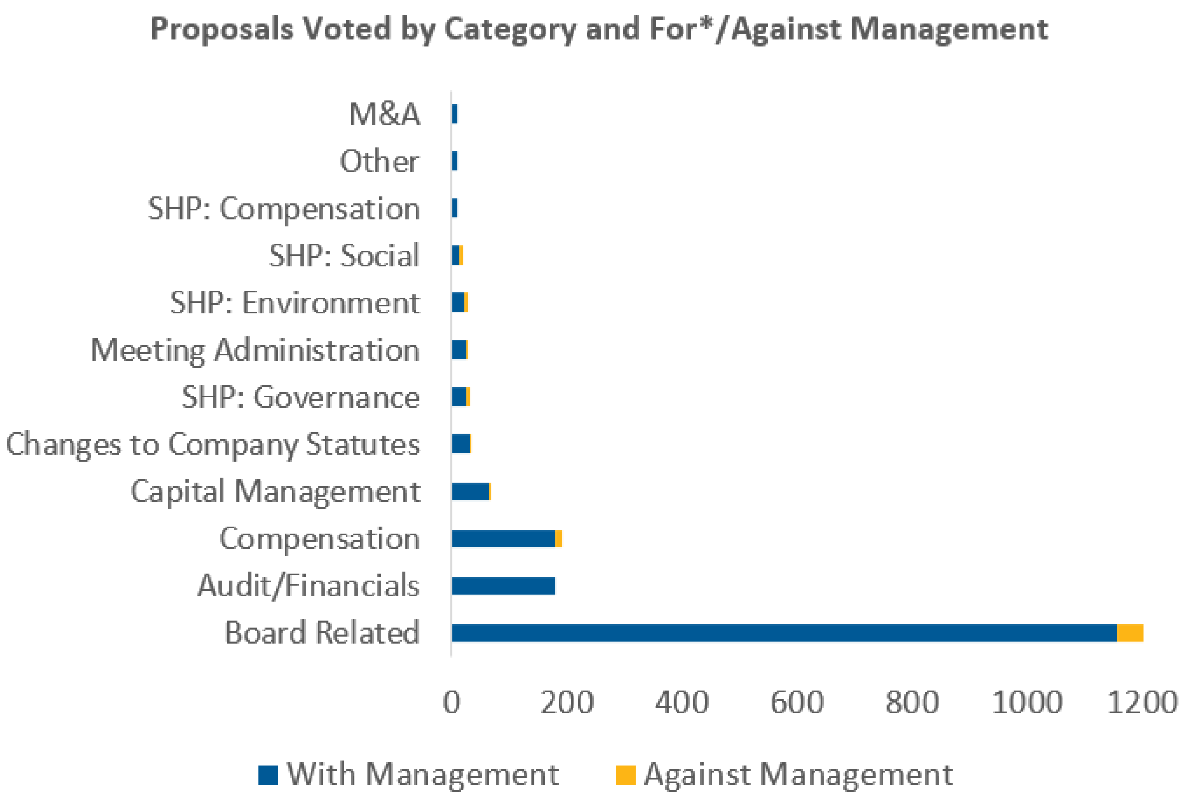
Our investment teams focused on several engagement themes in 2024, as shown in the chart below.



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 2024 proxy voting statistics for our various flagship funds are included in Appendices A, B, and C.





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

RESPONSIBLE INVESTING CASE STUDIES

CANADIAN EQUITY — ESG INTEGRATION EXAMPLE: TORONTO-DOMINION BANK

ESG ISSUES

- **May 2023:** TD's First Horizon deal blocked by regulators (later confirmed due to its AML practices in the U.S.)
- **August 2024:** TD took a provision of US$2.6 billion for potential AML fines, (in addition to US$450 million taken in April) and indicated that the accrual was complete
- **September 2024:** TD announced Ray Chun will succeed Bharat Masrani as CEO
- **October 2024:** TD pled guilty to charges including conspiracy to commit money laundering. U.S. Justice Department and regulators impose a US$3.09 billion fine, supervisory process and asset cap that was not anticipated by management or the board.

ACTIVE OWNERSHIP AND OUTCOMES

- **Voted AGAINST** the Advisory Vote on Executive Compensation –
  $1M reduction in CEO's annual incentive compensation payment is inadequate given seriousness of alleged regulatory violations
- **Voted AGAINST** Amendments to By-Law no. 1 –
  We do not believe the increase of total allowable compensation from $5M to $7M for directors best serves shareholders
- **Engaged** with **TD's board chair,** several directors and management on multiple occasions –
  - Expressed our views that a **resolution** and **remediation** are necessary, and a strong succession plan must be communicated
  - Engagements also aimed to assess **the likelihood of a severe outcome** by the regulators
- Following Oct/2024 announcement, **completed a full review** of TD Bank –
  - **ADDED** to the position: current discounted valuation offered attractive risk/reward profile, supported by earnings of the Canadian franchise, strong capital levels and incremental improvement in capital allocation
- TD announced in Jan/2025 that Ray Chun's transition to CEO will be accelerated to February 1; announced in Feb/2025 the sale of its stake in Charles Schwab, intention to buy back stock with proceeds –
  - Significant adjustments will be made to executive compensation for outgoing CEO and other executives
  - Several board changes will be made, including board chair Alan MacGibbon stepping down
  - **We engaged and advocated** for these changes and view them as positive developments

Source: Beutel Goodman; summary provided for illustrative purposes only and may not represent all matters discussed. For a full list of engagements please refer to our Quarterly Responsible Investing Report.

CANADIAN EQUITY — ENGAGEMENT EXAMPLE: CANADIAN PACIFIC KANSAS CITY LIMITED

KEY TOPICS DISCUSSED

- We spoke with three members of the **Board**, including the **Board Chair**
- **[G] Mexico**: Discussion of key risks of operating in Mexico: labour, politics, regulatory and geopolitical risk.
- **[G] Board Refreshment**: Four Kansas City Southern (KCS) directors on boarded.
- **[S] Employee Safety**: Canadian Pacific Kansas City (CPKC) is establishing its best practices in Mexico, but this will take time.
- **[G] Executive Compensation tied to Safety Metrics**: 30% of STIP is tied to safety.
- **[E] Climate Impacts**: >90% of emissions and targets are related to locomotives; hydrogen is a Canadian Pacific (CP)-led initiative and CP believes that hydrogen is the solution and progress is being made.
- **[S] AI**: CPKC has been using AI since 2016 but only for more mundane, repetitive tasks, guardrails are in place.
- **BG view**: We are monitoring the political situation in Mexico. The alignment of KC's safety standards with that of CP's in Mexico is financially material and meaningful. Locomotive emissions are also material and can significantly impact operating ratio.

BG Engagement Priorities

- Capital Allocation
- Executive Compensation
- Board composition and diversity
- Alignment with reporting frameworks
- Executive Compensation tied to ESG targets
- Net zero pathways
- Indigenous Relations

BG ESG Assessment

	Positive	Negative
E	Rails are an integral part of the energy transition to a lower carbon economy	Rails are carbon-intensive operations and emissions reductions are critical
S	Diverse board	Safety remains a key risk
G	ESG metrics linked to Executive Compensation	Integration of KCS, operations, board members

Source: Beutel Goodman; summary provided for illustrative purposes only and may not represent all matters discussed. For a full list of engagements please refer to our Quarterly Responsible Investing Report.

U.S. EQUITY — ENGAGEMENT EXAMPLE: AMGEN INC.
KEY TOPICS DISCUSSED

- We spoke with the **Associate General Counsel** on behalf of the Board
- **[G] Combined CEO/Chair, Succession**: Director Bradway has been CEO since 2012 and Chair since 2013. Although we have been pleased with his performance, we expressed our view that the roles should be separated upon his retirement as CEO.
- **[S] Diversity**: Amgen's culture values diversity of all kinds, as it enhances decision making. This is an important component in recruitment although no quotas are used.
- **[S] Health Equity/Equitable Access to Clinical Trials**: Through RISE, Amgen is improving the diversity and representation in clinical trials to be more characteristic of the broader patient population. This should aid in the development of new drugs.
- **[G] Tax Controversy**: With regard to the IRS tax issue, this resulted from a change in analysis by the IRS. Amgen does not expect this to be resolved in the next 12 months but will continue to be transparent on progress.
- **[E] Emissions Reduction Targets**: Amgen creates 7-year attainable metrics and has 2027 goals including achieving carbon neutrality.
- **BG view**: In our view, Amgen's incentive structures are best in class with a long-term focus. Innovation is also critical for a pharma company, and we appreciate that this is considered and reflected in board director skills and board refreshment.

BG Engagement Priorities

- Executive compensation
- Governance – board composition
- Sustainability goals
- Health equity
- Proxy items
- Separation of CEO/Chair roles
- CEO succession

BG ESG Assessment

	Positive	Negative
E	Has 2027 Environmental Sustainability goals including carbon neutrality	No net zero or 2050 emissions reduction target
S	Advanced efforts to improve clinical trial representation	Moderate controversy related to product quality and safety
G	Best in class incentive scheme based on ROIC and EPS growth)	Combined CEO/Chair roles

Source: Beutel Goodman; summary provided for illustrative purposes only and may not represent all matters discussed. For a full list of engagements please refer to our Quarterly Responsible Investing Report.

INTERNATIONAL EQUITY — ENGAGEMENT EXAMPLE: HAKUHODO DY HOLDINGS INC.

KEY TOPICS DISCUSSED

- We spoke with Investor Relations
- **[G] Business Ethics and Governance**: 2020 Tokyo Olympics corruption/bribery scandal (other industry players involved as well) and what corporate changes have been implemented to ensure best practices to eliminate this risk.
- **[G] Capital Allocation**: Governance around capital allocation decisions, encouragement of stock buybacks.
- **[G] Executive Compensation**: Framework for management incentives.
- **[S] Human Capital**: Employee turnover, employee retention, integration of employees from acquired companies, restructuring in U.S. operations.
- **BG Actions/View**: We voted against 7/10 directors (all insider board members) in both the 2023 and 2024 proxy ballots due to governance concerns (including bid rigging and bribery in connection with the 2020 Olympics, a majority non-independent board, cross shareholdings, insufficient shareholder disclosure and communications as well as an entrenched board member). We will continue to monitor Hakuhodo's business ethics and governance practices to mitigate the risk of future scandals . We will also engage further on other board concerns and capital allocation decisions, as we generally encourage share buybacks particularly in times of end market weakness and a significant cash position.

BG Engagement Priorities

- Board independence
- Board diversity
- Data privacy & security
- Business ethics and governance
- Executive compensation
- Human capital
- Capital allocation – share buybacks
- Executive compensation

BG ESG Assessment		
	Positive	**Negative**
E	Endorses TCFD recommendations	Improve progress in renewable energy use
S	Pursues initiatives to support the SDGs - raising public awareness, corporate activities	Diversity issues at the board and management levels
G	Separation of CEO/Chair roles	Business ethics and governance concerns

Source: Beutel Goodman; summary provided for illustrative purposes only and may not represent all matters discussed. For a full list of engagements please refer to our Quarterly Responsible Investing Report.

FIXED INCOME — ENGAGEMENT EXAMPLE: BRITISH COLUMBIA FERRY SERVICES INC.
KEY TOPICS DISCUSSED

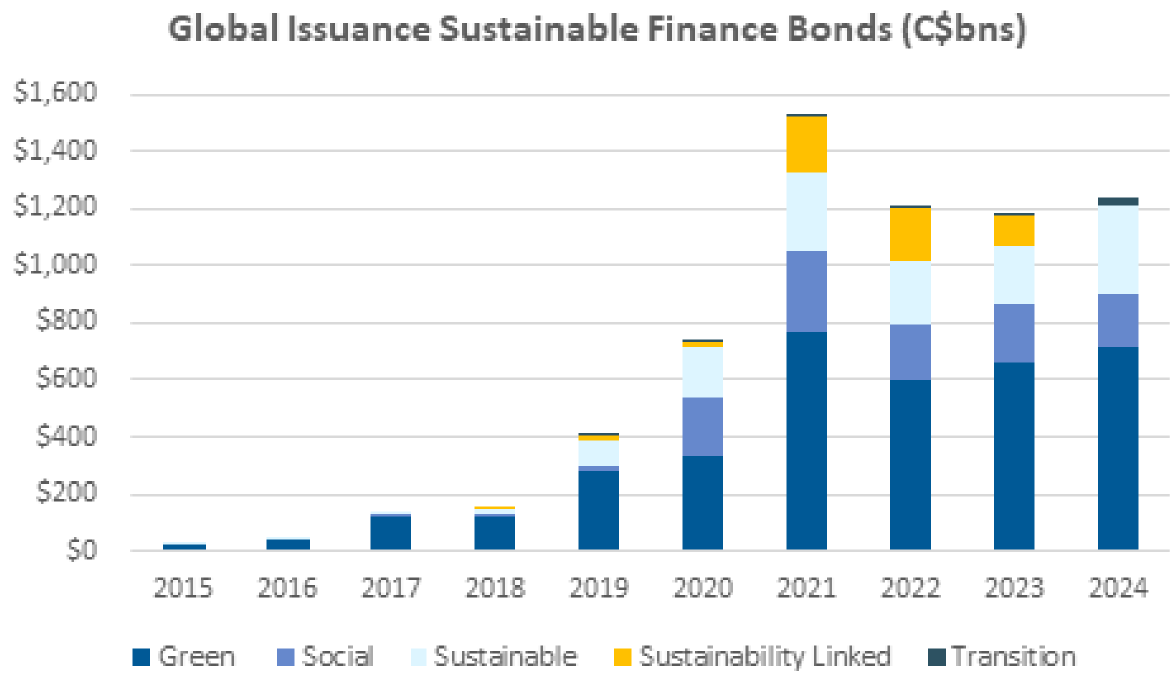
- We spoke with the **Treasurer** and **Manager of Corporate Finance**
- **[E] Net Zero Targets**: Company has committed to Net Zero GHG emissions by 2030 and has set interim GHG emissions reduction targets.
- **[E] Decarbonization of the Fleet**: Four island-class hybrid electric ferries under construction for shorter routes.
- **[E] Alternative Fuel Sources**: Looking at alternative fuel sources to diesel for longer voyages including renewable diesel, liquified natural gas (LNG) and diesel/LNG hybrid.
- **[G] Sustainable Finance**: BC Ferry will be a frequent issuer to fund its elevated capital expenditure program and is considering developing a green bond framework. Company has a sustainability-linked loan.
- **[S] Indigenous Relations**: Coastal First Nations relationships focused on ensuring connectivity to island communities and respect of coastal fishing territories.

BG Engagement Priorities
- Net zero targets
- Decarbonization of fleet
- Possibilities and Limitations of Battery technology
- Safety record
- Indigenous Relations
- Governance
- Disclosure

BG ESG Assessment		
	Positive	**Negative**
E	Has committed to net zero GHG emissions by 2050	Path to net zero by 2050 is not clear as cleaner fuel choice has not been delineated
S	Community outreach program	1 fatality in 2022
G	Strong diversity of Board of Directors	Board is not independent

Source: Beutel Goodman; summary provided for illustrative purposes only and may not represent all matters discussed. For a full list of engagements please refer to our Quarterly Responsible Investing Report.

FIXED INCOME — SUSTAINABLE FINANCE 2024 ROUNDUP



Source: Bloomberg LLP, as at December 31, 2024

Sustainable finance issuance (including green, social, sustainable, sustainability-linked and transition bonds) increased by 4.5% in 2024 versus 2023, reversing two consecutive years of annual declines. Conditions for new issuance globally were generally more favourable which also benefited labelled bond issuance. Sustainable bonds issued by sovereigns and supra-sovereigns led the resurgence in issuance while corporate issuance declined year-over-year by 11%. Issuance is still lower than the peak reached in 2021. Overall, there were more issuers in the sustainable bond market in 2024 versus 2023, deal sizes were smaller and greeniums were fairly small (~1-2 bps to non-existent).

In 2024, $1.24 trillion of sustainable finance bonds was issued globally. Green bonds still make up the majority of issuances, at 57%, followed by sustainable at 25%, social bonds at 16%, and sustainability-linked bonds (SLB) at 0.2%. The decline in the issuance of SLBs was dramatic. Issues with the structure ranging from ambitiousness of goals to the amount of penalty paid have led investors to shy away from buying SLBs. Concerns for greenwashing have also left potential issuers of SLBs on the sidelines. We expect SLB issuance to be muted going forward. The decline in SLBs was more than offset by a strong increase in the issuance of sustainable bonds. Transition bonds continue to constitute a small but growing part of the market at 2%. In 2024, the Government of Japan issued JP¥2,648 billion(~$24.2 bn CAD) of climate transition bonds. The country plans to issue JP¥20 trillion of transition bonds to support its Green Transformation Program. The use of proceeds is targeted for sustainable technology that will help Japan reach its goal of carbon neutrality by 2050.

During the second quarter, one of the pioneers of SLBs and the largest global issuer of SLBs, Enel SpA, missed one of its targets on 10 of its outstanding SLBs. The target was a 35% reduction in Scope 1 GHG emissions from power generation. Enel was unable to achieve its target mainly because the Italian government mandated coal-fired generating stations to ramp up production and stay open after the Russian invasion of Ukraine. Due to the miss, Enel must pay a 25-basis-point coupon step up on the impacted debt (€5.75 billion and US$4.75 billion) until maturity. The increased interest cost to Enel is estimated to be €25 million, which should easily be managed by a company that reported EBITDA of €20.2 billion in fiscal year 2023. Enel remains committed to its GHG emissions targets and continues to issue SLBs.

Government-related issuers (government agencies and supranationals) made up 55% of the sustainable finance issues followed by corporates (35%), sovereigns (7%) and securitized (3%). The largest sovereign issuers were China, France, Germany, Japan and South Korea. On the sovereign side, we have seen an increase in the amount of debt-for-nature swaps. A debt-for-nature swap involves purchasing foreign debt, converting that debt into local currency and using the proceeds, typically savings in interest costs, to fund conservation activities. In October 2024, the Republic of El Salvador issued a US$1 billion debt-for-nature swap, which was the world's largest conservation-focused operation of this kind to date. The estimated savings of US$350 mm will fund efforts to enhance water quality of the Lempa river and protect the watershed's natural ecosystem.

In Canada, there were 43 sustainable finance issues during the year, totaling $32.1 billion, consisting of 86% green bonds, 10% sustainable, 3% social bonds and 1% SLBs. Telus was the only issuer of SLBs during the year. Green bond issuance continues to be dominated by the power generation and financial sectors on the corporate side, and by pension plans and municipalities on the government side. The government of Canada issued its first green bond out of its green bond framework (which includes nuclear energy as an eligible green energy expenditure). During the second quarter, Ontario Power Generation (OPG) issued green bonds under its new green bond framework where eligible projects include the refurbishment of nuclear reactors and building new nuclear facilities. OPG is developing the first small modular nuclear reactor in Canada at its Darlington site. During the fourth quarter, the government of Ontario issued its first long (30 year) green bond.

In the U.S., there were 76 sustainable finance issues during the year, totaling $41.7 billion, consisting of 80% green bonds, 13% social, and 7% sustainable. There were no SLBs issued in the U.S. during 2024. Issuance was down 25% year-over-year, in part reflecting an anti-ESG movement that is growing in certain states. Corporate issuance was dominated by the utilities, financial and basic materials sectors. The largest corporate issuers during the year were CitiBank, Air Product and Chemicals, RWE, Equinix, and National Grid.

APPENDIX A. CANADIAN EQUITY STRATEGY

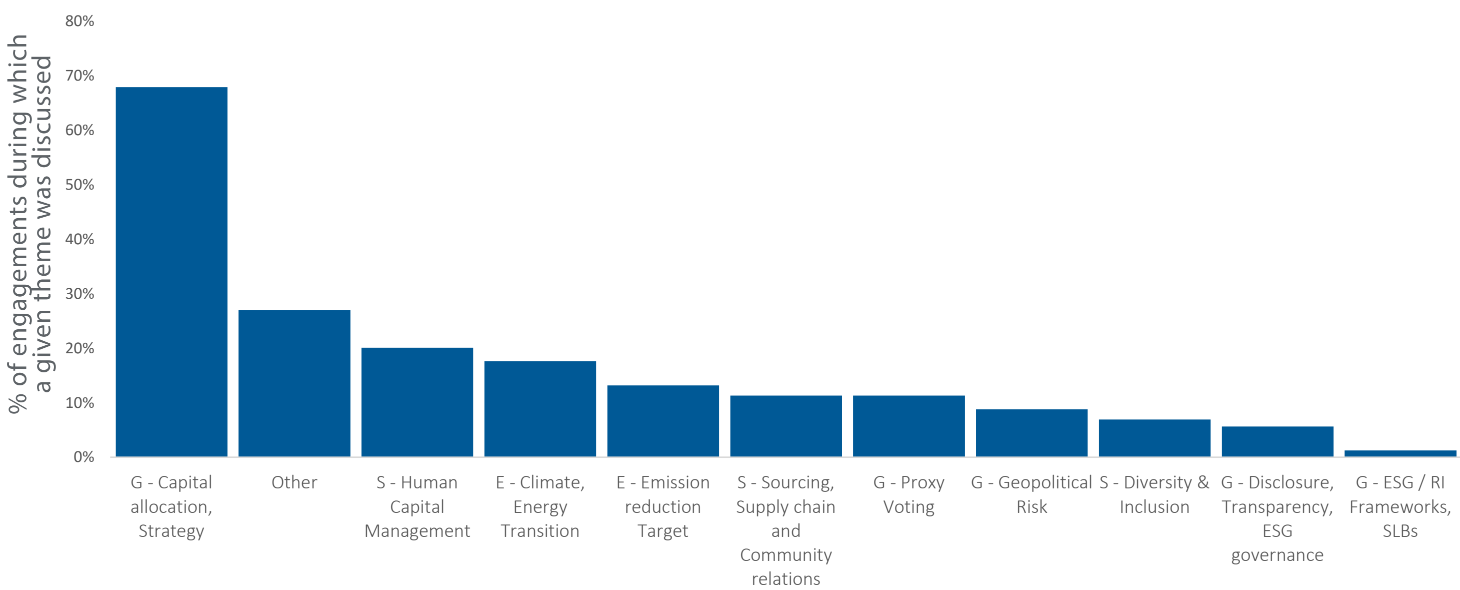
PROXY VOTING STATISTICS

Proposal Category Type	With Mgmt.	Against Mgmt.	Other[2]	Total
Totals	**850**	**34**	**2**	**886**
Audit/Financials	66	0	0	66
Board Related	639	27	0	666
Changes to Company Statutes	14	1	0	15
Compensation	68	4	0	72
M&A	7	0	0	7
Meeting Administration	0	1	0	1
Other	2	0	0	2
SHP: Compensation	8	0	0	8
SHP: Environment	20	1	0	21
SHP: Governance	19	0	1	20
SHP: Social	7	0	1	8

[2]This category includes our votes on the two shareholder proposal withdrawn by proponent at the Restaurant Brands International AGM. We voted on all available proposals for the fund in 2024.

ENGAGEMENT STATISTICS

Engagements by Theme



APPENDIX B.
U.S. EQUITY STRATEGY

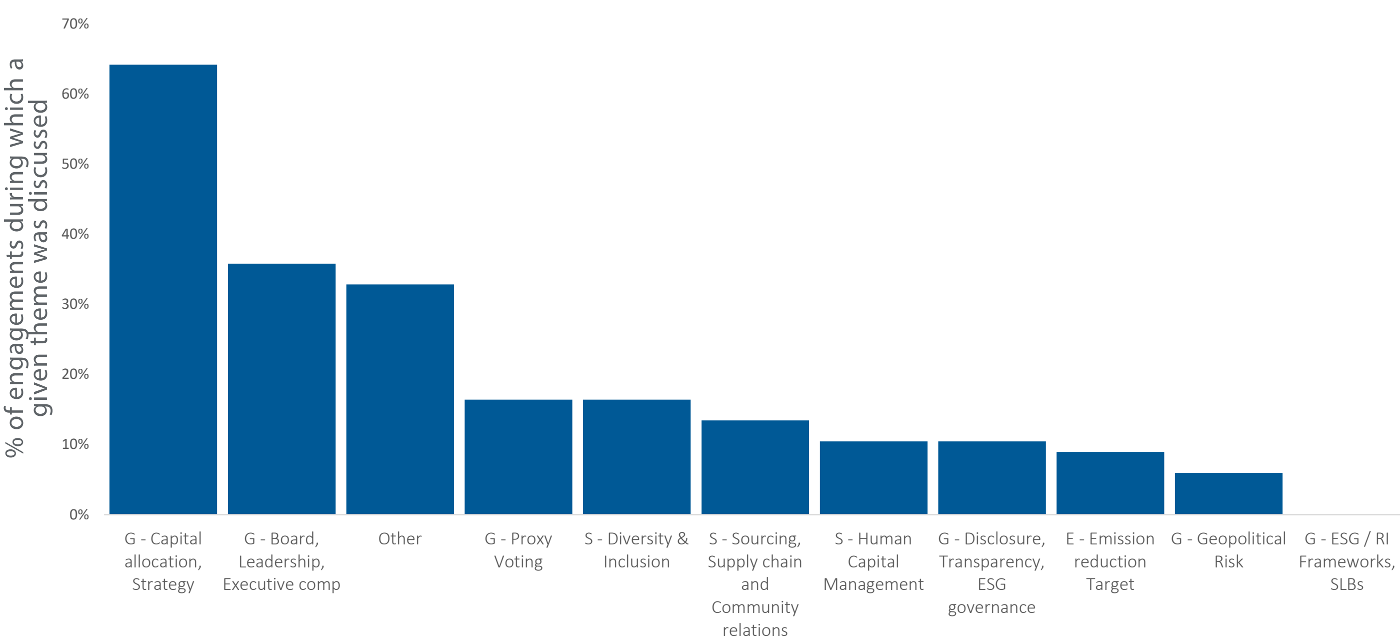
PROXY VOTING STATISTICS

Proposal Category Type	With Mgmt.[3]	Against Mgmt.	Other	Total
Totals	**348**	**19**	**0**	**367**
Audit/Financials	31	0	0	31
Board Related	255	9	0	264
Changes to Company Statutes	4	1	0	5
Compensation	38	5	0	43
M&A	1	0	0	1
Meeting Administration	1	0	0	1
SHP: Compensation	3	0	0	3
SHP: Environment	3	0	0	3
SHP: Governance	5	3	0	8
SHP: Social	7	1	0	8

[3]This includes our vote on one shareholder proposal, where management did not provide a recommendation. We voted in line with proxy advisor's recommendation on this proposal.

ENGAGEMENT STATISTICS

Engagements by Theme



APPENDIX C. INTERNATIONAL EQUITY STRATEGY

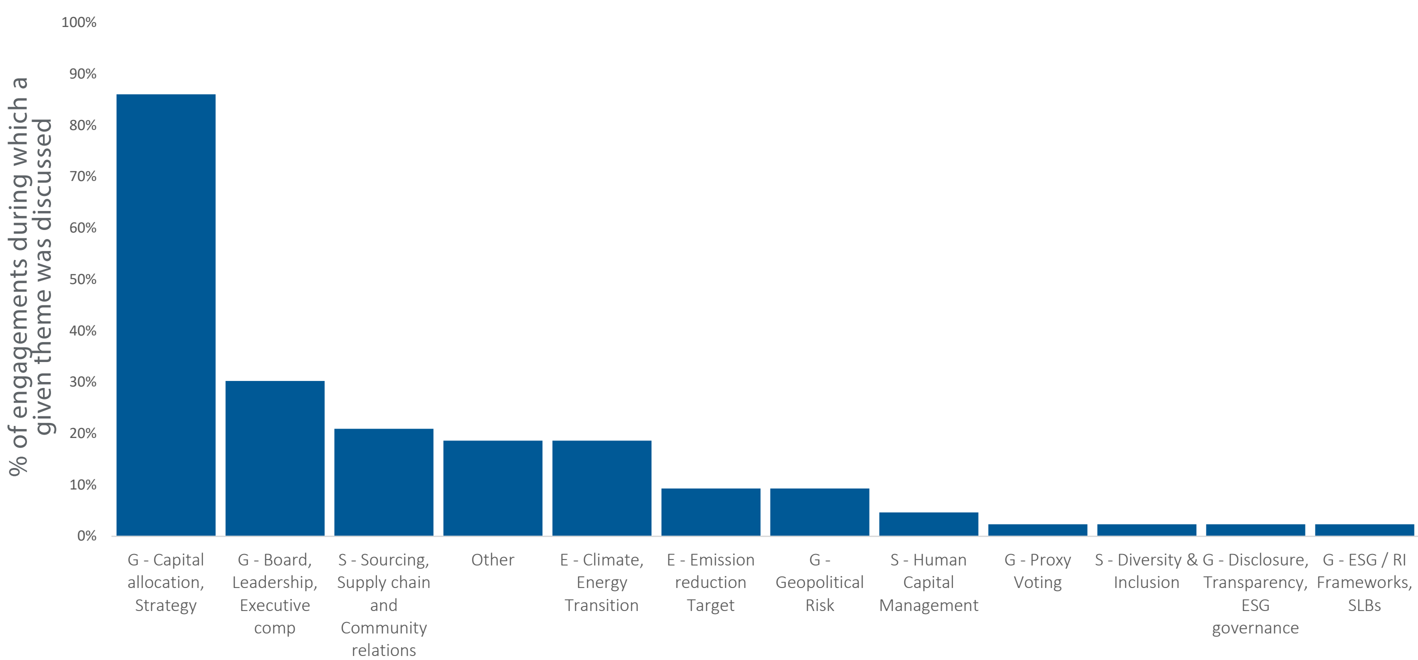
PROXY VOTING STATISTICS

Proposal Category Type	With Mgmt.[4]	Against Mgmt.	No action / unvoted	Total
Totals	**523**	**18**	**0**	**541**
Audit/Financials	82	0	0	82
Board Related	261	11	0	272
Capital Management	63	2	0	65
Changes to Company Statutes	13	0	0	13
Compensation	72	5	0	77
Meeting Administration	23	0	0	23
Other	8	0	0	8
SHP: Governance	1	0	0	1

[4] This includes our vote on four proposals where management did not provide a recommendation. We voted in line with proxy advisor's recommendation on these proposals.

ENGAGEMENT STATISTICS

Engagements by Theme

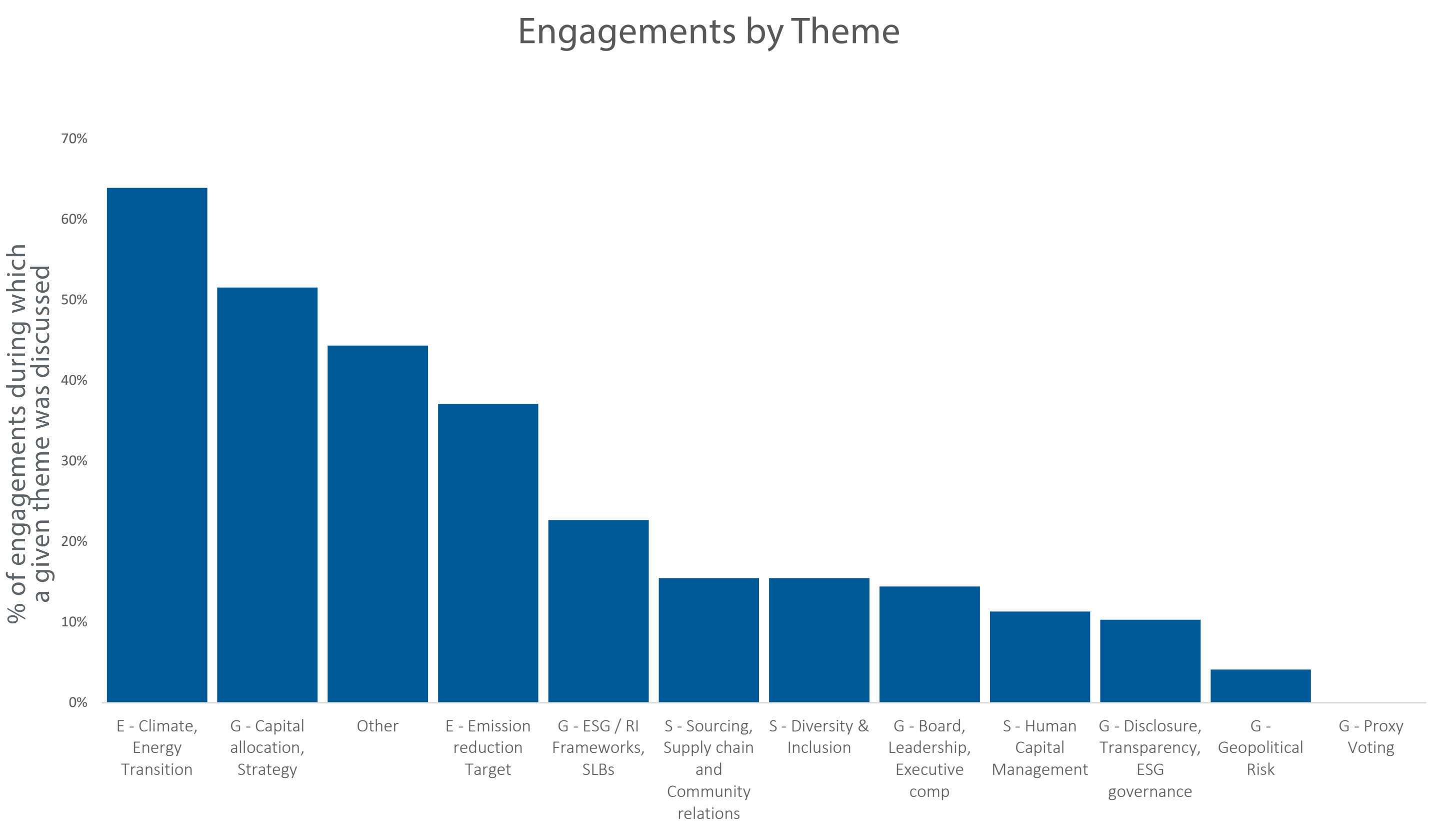


APPENDIX D.
FIXED INCOME

PROXY VOTING STATISTICS

None

ENGAGEMENT STATISTICS



APPENDIX E.
RESPONSIBLE INVESTMENT POLICY STATEMENT[5]

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 financial 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

Beutel Goodman participates in several collaborative initiatives, including but not limited to the United Nations-supported Principles for Responsible Investing (PRI). We will continue to advance our collaborative initiatives and enhance our active ownership practices in support of the financial performance and long-term value of each investment.

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 note that effective October 2023, the TCFD has been disbanded and the responsibility for advocating for, monitoring and guiding climate-related disclosures has been taken over by the International Financial Reporting Standards (IFRS) Foundation. Our annual Climate Report is structured around TCFD's recommended four thematic areas of governance, strategy, risk management, and metrics and targets. We encourage all portfolio companies we engage with to disclose climate-related risks following the TCFD framework.

[5] As of March 26, 2025.

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.

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, with respect to the goals 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."

Ongoing engagement, participation in collaborative activities and thoughtful exercising of our voting rights represent the three 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.

We seek to engage with all our investee companies at least annually; however, we are typically able to 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;
- Carbon footprint;
- Severe controversies; 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 for all companies on the Approved List, and where there is overlap, in close coordination with equity team counterparts to develop firm-wide 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 that 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;
- Employee and labour relations;
- General ESG disclosure, transparency and accountability.

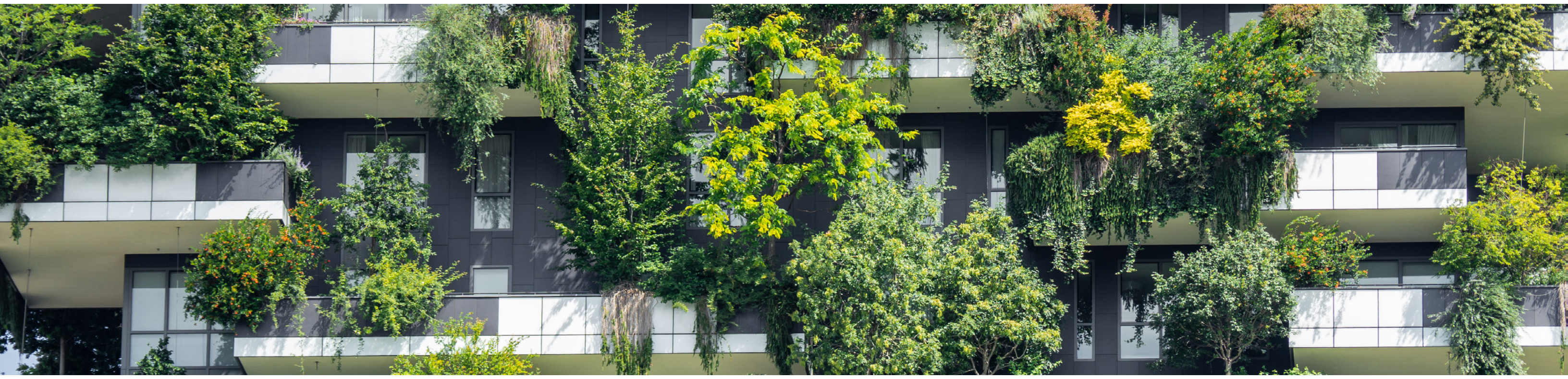
The influence of fixed income investors varies throughout the life cycle of a bond issue. Therefore, as well as engaging during the holding period, we also engage with fixed income issuers at the pre-investment stage and during investor updates related to refinancing. For our Sovereign, Supranational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

Just Transition

An important factor in risk reduction and the transition to a low-carbon economy is seeking a just transition. A just transition is broadly defined as ensuring that no one is left behind or pushed behind in the transition to low-carbon and environmentally sustainable economies. This includes ensuring social issues such as workers' health and safety is not compromised in the pursuit of climate-related targets. For Canada, this includes the interests of Indigenous communities. On its path to net zero by 2050, Canada needs to consider how to obtain a social licence from Indigenous communities whose lands may be impacted by project development. The United Nations Declaration on the Rights of Indigenous Peoples adopted by the Government of Canada in 2021 spells out a set of rules for business engagement anchored in Free, Prior and Informed Consent, ensuring that there is effective and meaningful participation of Indigenous Peoples in proposed projects and decisions that impact their communities and territories. We support an inclusive agenda that will engage affected Indigenous communities to seek a just transition.

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 climate 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)**. 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.
- **ESG 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.

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 quarterly 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.

APPENDIX F. NOTES

The information provided is as of December 31, 2024. Beutel Goodman has taken reasonable steps to provide accurate and reliable information. Beutel Goodman reserves the right, at any time and without notice, to amend or cease publication of the information.

Please note Beutel Goodman’s ESG and responsible investing approach may evolve over time. We do not use ESG factors to pursue non-financial ESG performance. This report refers to activities during the calendar year 2024 and our approach as of December 31, 2024. Also note that the integration of ESG and responsible investing considerations into our fundamental research investment process does not guarantee positive returns. Past performance does not guarantee future results.

For more information on our approach to ESG and Responsible Investing, please visit https://www.beutelgoodman.com/about-us/responsible-investing/. Certain portions of this document may contain forward-looking statements. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates” and other similar forward-looking expressions. In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future action, is also a forward-looking statement. Forward-looking statements are based on current expectations and forecasts about future events and are inherently subject to, among other things, risks, uncertainties and assumptions which could cause actual events, results, performance or prospects to be incorrect or to differ materially from those expressed in, or implied by, these forward-looking statements.

These risks, uncertainties and assumptions include, but are not limited to, general economic, political and market factors, domestic and international, interest and foreign exchange rates, equity and capital markets, business competition, technological change, changes in government regulations, unexpected judicial or regulatory proceedings, and catastrophic events. This list of important factors is not exhaustive. Please consider these and other factors carefully before making any investment decisions and avoid placing undue reliance on forward-looking statements. Beutel Goodman has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise.

Beutel Goodman
Investment Counsel

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