

RESPONSIBLE INVESTMENT QUESTIONNAIRE

FOR INVESTMENT MANAGERS



University
of Manitoba

UMANITOBA.CA

Organization Name: Jarislowsky, Fraser Limited

Contact Name: Chad Van Norman

Contact Email: cvannorman@jflglobal.com

Institutional Mandate: Balanced

Date: September 29, 2023

PREAMBLE

The University of Manitoba has made commitments to consider social and environmental issues to advance sustainability and climate action, and to advance reconciliation by respecting and promoting the rights of Indigenous peoples. As such, the University approved a Responsible Investment Policy in March 2023. In accordance with the policy, we require all our external Investment Managers to have an ESG policy and to have rigorous ESG processes in place when evaluating investments. We also require Managers use their (proxy) votes to promote best practices in responsible investing. Managers will be asked to report on their ESG activities on an annual basis. Please note that responses may be posted in full on the University of Manitoba website.

If a question does not apply to you or your mandate, please indicate not applicable.

RESPONSIBLE INVESTMENT QUESTIONS

1. POLICY AND GOVERNANCE

1.1 Does your organization have a responsible investment policy?

If it does, provide a copy. State whether the policy is publicly available, specify the proportion of organizational assets it applies to and describe the process for reviewing and updating it. If your organization does not have a policy, explain why not.

Yes, JFL has a Sustainable Investing and Engagement Policy. This policy was adopted in 2016 to formalize our guiding principles with respect to ESG incorporation and outlines our overarching approach to responsible investing. It was most recently updated in April 2021 to incorporate Engagement principles. The policy applies to all in-house managed assets and is publicly available at the following link: <https://jflglobal.com/en-ca/news-insights/news/sustainable-investmentpolicy/>

The majority of externally managed assets are sub-advised by our affiliate investment manager within Scotiabank, and through our strategic relationship with HarbourVest Partners. Each of these external managers has its own ESG Policy. JFL works closely with these managers and takes a collaborative approach to the continuous evolution of ESG best practices.

Our JFL Sustainable Investing Committee (SIC) is responsible for reviewing the policy at least annually, and any changes to the policy are approved by the CEO. Information regarding our SIC has been provided in question 1.3, below.

1.2 What international standards, industry (association) guidelines, reporting frameworks, or initiatives that promote responsible investment practices has your organization committed to?

Examples include publicly supporting the Paris Agreement, being a PRI signatory, endorsing the TCFD recommendations and participating in the United Nations Global Compact.

We are members of or participate in the following collaborative initiatives:

Canadian Coalition for Good Governance (CCGG)

- Stephen Jarislowsky, JFL's founder and CEO at the time, co-founded the CCGG in 2002 to promote good governance practices in companies owned by its members.
- JFL CEO Maxime Ménard was appointed to the Board of CCGG in 2019 and serves on the Finance & Audit committee.

IFRS Sustainability Alliance (Formerly SASB Alliance)

- The IFRS Sustainability Alliance is a global membership program for sustainability standards, integrated reporting, and integrated thinking. As of August 2022, the International Sustainability Standards Board (ISSB) of the IFRS Foundation assumed responsibility for the SASB Standards. Available for 77 industries, the SASB Standards identify the sustainability-related risks and opportunities most likely to affect an entity's cash flows, access to finance, and cost of capital over the short, medium, or long term, and the disclosure topics and metrics that are most likely to be useful to investors. We have been an Alliance member since 2018.

CDP (Carbon Disclosure Project)

- We have been a CDP signatory since 2007 and continue to encourage all of our portfolio companies to complete the CDP Climate Change Questionnaire.

Climate Engagement Canada

- A Canadian investor-led collaborative engagement program designed to educate company boards and senior leaders of Canadian companies on the concerns and expectations of the financial sector as they relate to a timely transition to net-zero emissions by 2050.
- JFL will act as a co-lead investor in a collaborative engagement with a Canadian Consumer Staples Company.

Climate Action 100+

- An investor-led initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change. The investor signatories of Climate Action 100+ believe that engaging and working with the companies in which they invest to secure greater disclosure of climate change risks and robust company emissions reduction strategies is consistent with their fiduciary duty and essential to achieve the goals of the Paris Agreement.
- We are a supporting investor in a collaborative engagement with an Asian Industrial company.

RIA Canadian Investor Statement on Climate Change

- Signed in 2021, a statement from institutional investors recognizing that climate change presents a major threat to long-term growth and prosperity and that there is an urgent need to accelerate the transition towards a net-zero economy.

RIA Canadian Investor Statement on Diversity & Inclusion

- Signed in 2020, a statement from institutional investors acknowledging systemic racism and its impacts and committing to addressing these inequities by promoting diversity and inclusion across their portfolios and organizations.

Statement by the Quebec Financial Centre for a Sustainable Finance (2021)

- Commit to strengthening the sustainable finance ecosystem and making Quebec a center of excellence in this field.

Taskforce on Climate-related Financial Disclosures (TCFD)

- We are a Supporter of the TCFD, an initiative to develop climate-related financial risk and opportunity disclosures.

FAIRR Network Member – since 2020

- FAIRR's mission is to build a global network of investors who are focused and engaged on the risks linked to intensive animal production within the broader food system.

1.3 How is responsible investment overseen and implemented within your organization?

List the roles and/or committees involved in responsible investment activities, including stewardship.

Describe how these roles and/or committees are positioned and describe any external resources used to support these activities.

Oversight and implementation for the firm's Sustainable Investment Policy is distributed across several functional areas:

Chief Executive Officer - JFL's CEO establishes the firm's strategic plan, including a deep commitment to sustainable investing, and ensures the resources and systems are in place to execute. This includes appointing the co-chairs of the Sustainable Investment Committee (SIC), approving changes to ESG policies, approving external reports, and both approving and participating in collaborative initiatives.

Sustainable Investment Committee (SIC) - The SIC is a cross-functional committee consisting of professionals with deep experience and knowledge of sustainable investing. The committee's mandate is to drive the continuous improvement of the firm's ESG data collection and analysis capabilities, oversee ESG reporting, develop sustainability solutions for clients, and coordinate systems-level collaborations. Members of the committee include:

Charles Nadim, CFA, Head of Research & Portfolio Manager - Canadian Equities, is Co-Chair of the Sustainable Investment Committee, reinforcing the alignment and integration of ESG across Jarislowsky Fraser's senior management and investment groups, of which he is a member, from the Management Committee to the Investment Strategy Committee and Global Investment Team, to the Sustainable Investment Committee.

Mark Fattedad, CFA, Lead, Sustainable Investment Strategy, and Senior Institutional Portfolio Manager, is responsible for the development of ESG-related research tools, portfolio solutions, reporting, and external collaborations. Mark has been with Jarislowsky Fraser since 2006 and is well-regarded as a longstanding ESG subject matter expert within the firm. He helped to establish the firm's Sustainable Investment Committee and remains its Co-Chair, a role he has occupied since 2018.

Isabelle Laprise, CFA, Quebec Lead, Sustainable Investment Strategy and Senior Institutional Portfolio Manager, has been a member of the Sustainable Investment Committee since joining Jarislowsky Fraser in 2019. She leads our collaborative ESG initiatives and efforts in Quebec and contributes extensively to the development of the firm's ESG tools, portfolio solutions, and reporting. She has over 20 years of investment experience and a deep understanding of ESG matters. She has held various roles within the equity research and sustainable investment teams at the Caisse de dépôt et Placement du Quebec. Isabelle is also a member of the Quebec PRI Advisory Committee, ESG Committee of CFA Montreal, and is involved in several initiatives related to sustainable investing. She is amongst the first people in Canada to get the FSA Credential designation from SASB in 2018 and was a Subject Matter Expert for the academic review of SASB's Level 1 Study Guide and exam in 2021.

Heather Sharpe joined the firm in 2019 and is a Senior Analyst, ESG. She joined Jarislowsky Fraser after completing an MBA from the Schulich School of Business specializing in Sustainability and Finance. Prior to her MBA, Heather worked at a green bond firm where she was involved in financial and environmental analysis for clean energy projects. She is a member of the Global Investment Team, working collaboratively with Research Analysts on ESG Scorecards, proxy research, and corporate engagements. She has contributed to the

evolution of JFL's proprietary ESG tools and frameworks, including the development of the firm's climate action plan.

Élisabeth Lécuyer joined the Montreal office in January 2022 as Analyst, ESG. With more than five years of industry experience, she was previously Consultant, Sustainable and Responsible Investment development at the Fonds de solidarité FTQ. She holds a Master's in Environmental and Sustainable Development (M. Env.) Université de Sherbrooke. She is a member of the Global Investment Team, working collaboratively with Research Analysts on ESG Scorecards, proxy research, and corporate engagements.

Nada El-Aji joined the Toronto office in 2018 and is a registered Associate Institutional Portfolio Manager, with a focus on values-aligned policy implementation. She holds a Master's degree from the University of Geneva in Standardization, Social Regulation and Sustainable Development with a major in Sustainable Finance. In addition to her direct work with institutional clients, she is a central resource within the institutional team for ESG data needs, portfolio screening, and responsible investment policy consultation. Nada has participated in key projects, such as the development of JFL's proprietary Diversity & Inclusion analysis framework.

Hannah MacRae joined Jarislowsky Fraser in September 2023 as Research Associate, ESG. She graduated from the University of Toronto in 2023 with a Master of Science in Sustainability Management, where she conducted research focused on green bonds and energy retrofits. She has previous experience at an impact investing management and advisory firm and won the national 2023 RBC x Rotman Sustainable Finance Case Competition. Hannah also holds a Bachelor of Science in Zoology and Ecology from the University of Guelph.

Global Investment Team - JFL has a single Global Investment Team. ESG analysis, proxy voting, and corporate engagement are the responsibility of all JFL Research Analysts. We have two dedicated ESG Analysts and one ESG Associate within the Global Investment Team that support Research Analysts with this work. We believe that our Research Analysts' deep sector expertise and knowledge of the companies in which we invest, enables us to focus on risks and opportunities that are most likely to be material to the long-term value of the business. The fact that engagements are led by investment decision-makers often means that we are regarded as a valuable source of insight and information when engaging with management and boards.

1.4 What responsible investment training does your organization provide to staff?

Describe what the training covers, which staff receive it, and how frequently it takes place.

We have embedded the following practices into our annual agenda:

- **Research Team Offsite Meetings** - ESG analysis is a regularly scheduled agenda item where tools, processes, data, and trends, are discussed.
- **Proxy Season Primer** – An internal review of core principles, as well as emerging proxy themes, and discussion of key elements that may increase/decrease the likelihood of support.
- **Ad hoc training sessions:** Occasionally we host and dedicate part of an Investment Strategy Committee or Sustainable Investment Committee meeting to specific ESG topics:
 - During 2023:
 - Climate Action Plan – Hosted by JFL's Senior ESG Analyst, the session provided an overview of JFL's framework for assessing alignment with a net zero pathway as well as

the firm's forthcoming climate action plan engagement strategy and targets. The session was attended by the entire Global Investment Team.

- Oil & Gas Methane Project 2.0 (OGMP2.0) – Hosted by a staff member of OGMP2.0, this session was aimed at exploring the current issues with methane measurement and reporting, and explore the potential to encourage Canadian companies to join OGMP2.0. The session was attended by the Sustainable Investment Committee, as well as Research Analysts who cover the Energy sector.
- During 2022:
 - Embedding Project: Prioritization Radar – Hosted by the ED of the Embedding Project, this session explored new tools for companies to assess and prioritize ESG topics through a lens of double materiality. The session was attended by the Sustainable Investment Committee and was open to members of the Global Investment Team.
 - Professor King - Good Governance - Hosted Professor Mervyn King, founder of the Good Governance Academy and Chairman Emeritus of the Value Reporting Foundation. Professor King spoke on his vision of a quality board of directors and how corporate governance practices are evolving. The session was attended by the Global Investment Team.
 - Climate Governance – Hosted by the Canadian Climate Law Initiative, this session focused on best practices in climate governance. The session was attended by the Sustainable Investment Committee and was open to members of the Global Investment Team.

2. INVESTMENT PROCESS

2.1 How is ESG materiality analyzed for this strategy?

Mention the ESG factors that are analyzed (e.g. climate change, diversity, human rights) and how their financial materiality is determined, including any tools, standards or data that are used.

Throughout the years, JFL has developed proprietary tools to reinforce ESG analysis and ensure it is done systematically. In 2022, JFL introduced an updated ESG scorecard, which replaced its previous Business Practice Scorecard that was developed in 2015. The tool contributes to the assessment of business quality, risks, and opportunities of issuers; however, it does not act as an exclusionary or quantitative screening tool. JFL's ESG Scorecard systematically analyses four categories of ESG data:

- **Governance** – including but not limited to voting structure, board independence, board composition, board diversity, and oversight of ESG.
- **Compensation** – including but not limited to absolute CEO compensation, structure/portion of the long-term incentive plan, performance criteria, ESG metrics linked to compensation, and options dilution.
- **Environmental** – including but not limited to TCFD-aligned reporting, GHG emissions trends and targets, and industry-specific topics when relevant, such as energy management or waste and hazardous materials management.
- **Social** – including but not limited to DEI, employee engagement, UNGP for Business and Human Rights compliance, accident and safety metrics, and industry-specific topics when relevant, such as data security and product quality and safety.

JFL licenses the SASB standards and recommended disclosure topics as a starting point to customize its ESG assessment tool for each company/industry. The research team then adds or removes topics based on analysts' in-depth knowledge of a particular company, and conducts research into the disclosure topics and relevant indicators deemed to be most material to the investment thesis. Sources of data include annual reports, sustainability reports, proxy circulars, SASB, ISS, Glass Lewis, CDP, and MSCI.

2.2 How are financially material ESG factors incorporated into this strategy?

Mention how material ESG factors influence portfolio construction and security selection. For quantitative strategies, mention the use of any back-testing or simulations that are applied to the strategy, and how ESG factors are positioned alongside traditional factors or incorporated into them. Disclose the roles/committees that are responsible for incorporating ESG factors into this strategy. Provide any examples from the past 12 months of how ESG factors have influenced security selection and/or portfolio construction for this strategy.

The primary methods of ESG incorporation that apply to the JF Global Balanced Fund are:

a) ESG Integration – the systemic and explicit consideration of material ESG information in our investment analysis and decision-making process.

b) Stewardship – Engaging companies to improve ESG disclosure and practices. Methods of engaging include direct engagement, collaborative engagement, and proxy voting.

ESG information is used to support our team's research and judgment. Financially material ESG information forms part of the overall mosaic of company quality. It helps assess quality, identify risks and opportunities, and prioritize topics for engagement. It is considered complementary to, not above, other financial factors in the selection of securities or construction of the portfolio.

ESG is fully integrated into the investment process at JFL, with a single, in-house Global Investment Team doing both the financial and ESG analysis. The same analysts who do the company research are also responsible for voting proxies and engaging with the companies. We have two dedicated ESG Analysts and one ESG Associate within the Global Investment Team that support Research Analysts with this work. We believe this approach has several benefits that help ensure ESG information is integrated throughout the entire investment process.

All of our investment decisions are integrated and there is rarely a single issue or action that determines the outcome. ESG Considerations associated with recent initiations are included in **Appendix A – Recent Transactions/ESG Considerations**

2.3 How are ESG screens applied to this strategy?

Mention any positive, norms-based or exclusionary screens that are applied, including why and how they are used in combination with other responsible investment activities (such as stewardship). Specify whether your organization can apply client-directed screens to the strategy.

The JF Global Balanced Fund does not employ positive, norms-based, or exclusionary screens.

Yes, we offer a consultative approach to designing and implementing exclusionary screens for clients with unique values-based considerations. For involvement in standard product-involvement categories of exclusion, screening filters are sourced from a third-party service provider. Given the service provider's existing methodology for screening, JFL does not review or alter the outputs of the third-party service provider. For involvement in non-standard categories, we will review your portfolio on a semi-annual basis, and flag companies that warrant discussion. Decisions to exclude individual names will be made jointly with you and will be coded in our compliance system.

With the exception of the Emerging Markets Equity Strategy, which is only available as a pooled fund, JFL can implement client-directed screens through segregated account management. While we typically require at least \$25M for segregated bond solutions, equity solutions can be implemented with lower minimums; however, foreign equities may need to be implemented using ADRs.

2.4 How are ESG incidents involving investee companies managed?

Mention how ESG incidents/controversies are monitored for investee involvement, any actions taken in response to their involvement (e.g. reducing exposure to the company) and how their involvement is communicated to clients.

ESG incidents may be flagged by the covering Research Analyst or a member of the Sustainable Investment Committee (SIC). To support this monitoring, the SIC regularly monitors third-party controversy ratings, updates, and compliance with the UN Global Compact for all holdings. Significant updates or new incidents are discussed with the Research Analyst, who may work with our dedicated ESG Analysts to conduct a more detailed analysis of the incident and/or engage with the company. JF's active ownership approach is key to monitoring and managing risk in our portfolios. Prioritization of idiosyncratic, event-driven engagements is determined by the investment professional accountable for making the investment decisions based on their assessment of the situation, the company's public response, and the likely significance of financial and/or reputational impact.

Clients who wish to be informed of significant ESG incidents/controversies may request this as an additional reporting deliverable. This can be set up for either quarterly or annual updating, however, it is typically provided separately from standard quarterly reporting packages.

3. STEWARDSHIP

3.1 Does your organization have a stewardship/engagement policy?

If so, provide a copy. State whether the policy is publicly available and specify the proportion of assets it applies to. Specify whether your organization is willing to vote in line with a client's voting policy, as opposed to its own, upon request.

Yes, our engagement policy is included within our Sustainable Investment Policy. The policy applies to all of JFL's in-house managed assets. It is available on our website at: <https://iflglobal.com/en-ca/news-insights/news/sustainable-investment-policy/>.

For segregated or separately managed portfolios, our policies can be superseded by those of the client, provided the client gives specific written instructions sufficiently in advance of a vote. Client requests will be honoured on a best-efforts basis. JF reports its proxy voting record to clients on an annual basis.

3.2 How does your organization determine its stewardship priorities?

Mention how your organization approaches selecting ESG issues and entities to engage with.

Engagement priorities are determined by the Analyst based on the importance of the investment thesis and the degree to which a company's performance and practices are seen as needing improvement. Our ESG Scorecard supports this process through systematic identification and analysis of company performance on material ESG topics.

In addition, JFL has identified climate change and diversity, equity and inclusion as ESG issues to prioritize in company dialogues. Companies that lack sufficient board diversity are flagged for engagement during proxy voting season. More information about our approach to climate engagement will be available in our forthcoming climate action plan (CAP).

3.3 What stewardship methods does your organization use?

Mention if/how your organization escalates stewardship activities when initial efforts are deemed unsuccessful (e.g. publicly engaging with the entity via open letters), the approach taken to collaborative stewardship initiatives (such as collaborative engagements) and how often/to what extent specific escalation methods have been used over the past twelve months.

We will use a variety of methods (voting proxies, in-person meetings, calls, emails, etc.) depending on the context and nature of engagement, responsiveness of the company, and net benefit to long-term company value. We believe that engagements with portfolio companies are generally more likely to be successful if they are:

- Constructive and private
- Focused
- Led by the individuals with the deepest understanding of the business
- Dynamic and responsive to the overall context, people involved and resources available

In cases with a high expected impact, low responsiveness, and unsatisfactory progress, we may escalate and intensify our efforts. In general, the methods and escalation sequence are determined by the investment professionals involved in the investment with the support of other members of the research team. Examples of methods we have used in the past, or may use in the future, include:

- Direct dialogue with management and/or the board
- Proxy voting
- Collaboration with other shareholders/groups
- Formal letters to the board
- Public statements
- Director nominations
- Legal/regulatory filings

The rare occurrence of a prolonged engagement on an urgent matter that has a high impact on our investment thesis may result in re-examining whether to continue holding the securities of the company in question relative to other opportunities.

There were six companies with which we escalated engagements during 2022:

- Canadian Real Estate Software Company – voted against members of the compensation committee
- Canadian Industrial Company – direct dialogue with the Board of Directors
- Canadian Information Technology Company – direct dialogue with the Board of Directors
- Canadian Restaurant Company – voted in support of a shareholder proposal
- Emerging Market Industrial Company – email to the Board of Directors
- Emerging Market Financial Company – voted against members of the nominating committee

3.4 What is your organization’s approach to (proxy) voting?

Mention i) how responsibility for (proxy) voting decision making is structured (e.g. are voting principles decided at an organization level? Is decision making delegated to portfolio managers?) ii) whether and in what circumstances voting is delegated to service providers iii) how your organization assesses whether to support ESG resolutions iv) whether your organization publishes voting decisions and vote justifications pre and/or post AGMs/EGMs.

Proxy voting is fully integrated into our investment process. Each proxy is discussed with the Investment Strategy Committee (ISC), and decisions are made in-house by the investment professionals. All proxy voting decisions are made according to custom voting guidelines, which are informed by our proxy voting policy (public) and annual proxy season primer (non-public).

The annual proxy season primer is produced by the *Sustainable Investment Committee (SIC)* for the Global Investment Team to assist with voting recommendations. The primer includes an internal review of core principles and contains specific guidelines as well as emerging proxy themes and a discussion of key elements that may increase/decrease the likelihood of support and/or attention of shareholders.

In addition to our research and guidelines, the Global Investment Team typically generally receives independent reports from two external sources for each company that is held in the model portfolio.

In order to operationalize the voting, we use a third-party service provider that applies our custom voting guidelines. These voting guidelines should not be seen as binary laws as some proxy items are likely to require the particular attention of the analyst.

Once JFL has confirmed its voting instructions, the third party will generally cast and reconcile all votes received electronically. All votes are recorded on the JFL research platform, and they are available to everyone with access.

JFL’s Proxy Voting Record is available on our website, and a link is sent annually to all clients, which also includes the vote rationale:

https://jflglobal.com/content/uploads/JFL-2022-Proxy-voting-report-with-rationale_Protected.xlsx

A summary description and key statistics for the year are included in our Annual Stewardship Report: https://jflglobal.com/content/uploads/JFL-Stewardship-Report-June-2023_AODA.pdf

3.5 What is your organization's (proxy) voting record?

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

Available statistics:

- Voted against management proposals: 13%
- Voted against or withhold on election of directors: 14%
- Voted Against elements of remuneration: 18%
- Voted in favor of shareholder proposals: 21%
- Voted in favor of shareholder proposals on governance matters: 25%
- Voted in favor of shareholder proposals on social matters: 14%
- Voted in favor of shareholder proposals on environmental matters: 15%

See pages 11-17 of our 2022 Stewardship Report for further details about each of these categories, as well as sample votes.

3.6 How does your organization assess the effectiveness of its stewardship activities?

Mention any key performance indicators used to measure the effectiveness of engagement efforts and whether any of these relate to real-world outcomes (such as SDGs). Provide any examples of engagements your organization has conducted in the past 12 months and provide an assessment of the effectiveness of these engagements to date.

In 2022, we completed the implementation of a new research database. One of the important features of this database is the ability to better track engagements and outcomes over time. As Analysts log engagements in the database, they categorize them as either ESG Discussions or ESG Projects:

ESG Engagement Discussions (Information-Oriented):

- Gain a deeper understanding of a company's approach to managing specific ESG topics
- Signal the importance of an issue to long-term investors

ESG Engagement Projects (Outcomes-Oriented):

- Strengthen governance or shareholder rights
- Enhance alignment with long-term shareholders
- Improve management of company-specific or systemic risks
- Improve disclosure of decision-useful information

These categories of engagement are not mutually exclusive and many of our discussions contain elements of both. In 2022, we had active engagement projects with 22 companies on 46 topics. The most common

topics were ESG Disclosure, Green House Gas (GHG) Emissions, Executive Compensation, and Board Composition. At the end of the year, 18 of the 22 engagement projects remained pending and 4 positive outcomes were achieved.

Please refer to link below, on pages 21-23 of our Stewardship Report for illustrative engagements: https://iflglobal.com/content/uploads/JFL-Stewardship-Report-June-2023_AODA.pdf

4. CLIMATE CHANGE

4.1 Does your organization have a process to identify, assess, and manage climate related risks as they relate to the investment portfolio?

If so, please describe the process and how it is managed.

JFL has a systematic approach to analysing climate change risk at the company level (e.g. bottom-up) and tools to identify, assess, and manage climate-related risks and opportunities:

- Our ESG Scorecard includes a variety of standard metrics for all companies, including TCFD-aligned reporting, GHG emissions intensity, trends, and targets. It also incorporates industry-specific climate-related analysis where material, such as GHG-emission management for rail companies, or climate impacts on business mix for engineering firms. Our tool references the SASB standards in evaluating potentially material climate topics.
- In addition, we have developed a proprietary climate transition framework, which enables us to categorize companies into tiers. The framework analyses companies on three dimensions: Governance and Accountability, Emissions and Targets, Climate Strategy, and Transition Opportunities. This framework is currently being used to support company engagement and proxy voting.
- All companies on the approved list for all portfolios have their carbon intensity listed as part of the packages used in weekly investment team discussions.
- A portfolio carbon footprint is included as part of our internal annual review for each strategy. The portfolio carbon footprint compares both overall and sector-level emissions vs. benchmarks and includes a listing of the highest-emitting companies in the portfolio.

4.2 Does your organization prepare climate change disclosure statement or report in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)?

Please provide a copy or link to the most recent report.

Yes - please see a copy of our 2021 TCFD-aligned Climate-Related Financial Disclosure Report using the following [LINK](#). We expect to publish an updated version along with our Climate Action Plan in late 2023 or early 2024.

4.3 Is your organization a signatory/member of any climate- or biodiversity-related initiatives?

Please describe.

RIA Canadian Investor Statement on Climate Change:

- As signatories to the Canadian Investor Statement on Climate Change, we have publicly supported the goal of achieving net-zero emissions by 2050 and committed to developing a Climate Action Plan (CAP) detailing our actions to support the global goal of achieving net-zero emissions by 2050 or sooner.

CDP (Carbon Disclosure Project):

- We have been a CDP signatory since 2007 and continue to encourage all of our portfolio companies to complete the CDP Climate Change Questionnaire.

Climate Engagement Canada:

- A Canadian investor-led collaborative engagement program designed to educate company boards and senior leaders of Canadian companies on the concerns and expectations of the financial sector as they relate to a timely transition to net-zero emissions by 2050.
- JFL will act as a co-lead investor in a collaborative engagement with a Canadian Consumer Staples Company.

Climate Action 100+:

- An investor-led initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change. The investor signatories of Climate Action 100+ believe that engaging and working with the companies in which they invest to secure greater disclosure of climate change risks and robust company emissions reduction strategies is consistent with their fiduciary duty and essential to achieve the goals of the Paris Agreement.
- We are a supporting investor in a collaborative engagement with an Asian Industrial company.

Taskforce on Climate-related Financial Disclosures (TCFD):

- We are a Supporter of the TCFD, an initiative to develop climate-related financial risk and opportunity disclosures.

FAIRR Network Member – since 2020:

- FAIRR's mission is to build a global network of investors who are focused and engaged on the risks linked to intensive animal production within the broader food system.

4.4 Does your organization measure the carbon footprint of its portfolio holdings, and set targets for meaningful reduction?

Describe the methodology, metrics, and data sources used. Please include the current footprint of the portfolio(s) and list the targets and timelines for reductions.

Yes – a copy of the carbon footprint for the JF Global Balanced Fund is included in **Appendix B – Carbon Footprint**. JFL’s primary measurement for carbon reporting is Weighted Average Carbon Intensity (WACI), which is measured as tons of CO2e/\$M Revenue. The WACI measures a portfolio’s exposure to carbon-intensive companies and is applicable across asset classes. It doesn’t take into consideration the size of the investor portfolio, whether it is 5 M\$ or 100 M\$. The WACI calculation sums up the carbon intensity (per \$M of Revenue) of every position held in the portfolio based on their weight. As a secondary metric, we are able to provide the Financed Carbon Emissions, which measures the carbon emissions for which an investor is responsible per USD million invested (this measurement takes into consideration the size of the investor portfolio). For equity-only portfolios, emissions can be scaled to market cap. For fixed-income or balanced portfolios, emissions should be apportioned across all outstanding shares and bonds (Enterprise Value including cash, or EVIC). We are also able to provide Total Financed Carbon Emissions, which show the absolute/gross level of emissions attributable to a portfolio.

We are currently working on our Climate Action Plan (CAP) and expect to publish it in late 2023 or early 2024. At the core of our CAP is a framework for assessing our portfolio companies’ alignment with a net zero pathway. The framework is aligned with the guidelines of the Paris Aligned Investment Initiative (PAII). It will support the prioritization of engagements and the establishment of engagement-based targets to support and drive real-world outcomes. Our Climate Action Plan will include 2025 and 2030 targets related to the percentage of portfolio financed emissions assessed by JFL as either aligned to a net zero pathway or under active engagement. Further details on these targets and our assessment framework will be available when we publish our CAP.

5. DIVERSITY, HUMAN RIGHTS AND DECENT WORK

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

| | Men | Women & Other Genders | Not disclosed |
|--|-------|-----------------------|---------------|
| Leadership Team | 62.5% | 37.5% | 0.0% |
| All Investment Professionals | 66.2% | 26.5% | 7.3% |
| Research Team (Incl. traders and associates) | 67.7% | 25.8% | 6.5% |
| Entire Firm | 49.1% | 45.8% | 5.0% |



| | White Caucasian | Racial and Ethnic minorities | Not disclosed |
|--|------------------------|-------------------------------------|----------------------|
| Leadership Team | 83.0% | 17.0% | 0.0% |
| All Investment Professionals | 75.0% | 25.0% | 0.0% |
| Research Team (Incl. traders and associates) | 64.7% | 17.6% | 17.7% |
| Entire Firm | 55.0% | 34.6% | 10.4% |

The above figures are based on a voluntary, self-identification employee survey conducted through a third-party D&I consultant in March 2023, which attained a 78% response rate. This method is considered a best practice to obtain D&I statistics.

5.2 Does your organization perform any human rights due diligence processes which: a) identifies actual and potential adverse human rights impacts in pre-investment and post-investment phases; b) seeks to prevent or mitigate adverse human rights impacts through its stewardship practices; and c) track results?

Provide links or attach documents outlining this process.

JFL has embedded MSCI data sets for UN Guiding Principles for Business and Human Rights, as well as ILO Labor Standards, in our ESG Scorecard and into our process for monitoring our holdings for controversies. This metric serves to flag companies involved in significant controversies related to human rights. Our research team will then undertake a review of the controversy or incident, including the company's response and actions taken to improve processes and mitigate future risk, and engage with the company when necessary.

JFL ESG Scorecards are proprietary internal research documents. We would be pleased to review a sample in person or virtually.

5.3 Does your organization have a mechanism to receive, assess, and address complaints about the human rights impacts of its operations and investments?

If so, please discuss.

As a subsidiary of Scotiabank, JFL complies with the Scotiabank Global Human Rights Statement.

Please see [Scotiabank Global Human Rights Statement](#) for more details. The bank has developed policies and practices that we rely upon to fulfill our commitment to comply with applicable law and that represent the bank's core values. Scotiabank is committed to enabling individuals to raise concerns. A variety of mechanisms exist that allow employees, customers, business partners, and other stakeholders to voice their human rights concerns. These mechanisms include the Bank's Raise a Concern policy and related internal employee resolution processes, and the [Whistleblower Policy](#), which includes a variety of complaint and escalation mechanisms. Customers can use the [Complaint Resolution Process](#). In addition, we host an independent hotline to provide confidential and anonymous submissions of concerns through a third party that can be accessed in the following manner:

Telephone in Canada and the United States:1-800-443-0312

Website access: Scotiabank.EthicsPoint.com

Concerns brought to the Bank will be investigated and appropriate action taken. We encourage stakeholders to raise issues they see as concerns, including reporting activities they suspect may contravene the intention expressed in Scotiabank Global Human Rights Statement. Scotiabank will protect from retaliation any party who raises legitimate concerns in good faith.

6. INDIGENOUS RIGHTS

6.1 Does your organization recognize the articles of the UN Declaration on the Rights of Indigenous Peoples (UNDRIP), and more specifically, how do you ensure the companies in your portfolios follow the principles of free, prior and informed consent?

JFL adheres to the [Scotiabank Global Human Rights statement](#), which states that we “acknowledge and respect the rights of Indigenous Peoples, consistent with the laws in jurisdictions where we operate”. For more information about Scotiabank’s approach to Truth and Reconciliation, we welcome you to view the following webpage: <https://www.scotiabank.com/ca/en/about/our-company/diversity-and-inclusion/ndtr.html>.

With respect to JFL’s approach to companies in our portfolios:

- JFL recognizes that current ESG disclosure regimes do a limited job of incorporating Indigenous considerations. For this reason, JFL ESG Analysts will include Indigenous Rights and Reconciliation as an additional topic for analysis when deemed material to the company’s business model, such as in the Energy sector. Examining the Company’s policies and actions with regard to FPIC is part of this analysis for relevant Canadian companies.
- In addition, JFL has embedded MSCI data sets for UN Guiding Principles for Business and Human Rights in our ESG Scorecard and into our process for monitoring our holdings for controversies. This metric serves to flag companies involved in significant controversies related to human rights, including Indigenous rights. Our research team will then undertake a review of the controversy or incident, including the company’s response and actions taken to improve processes and engage with the company when necessary.

6.2 How would your organization react to companies in your portfolio that violate one or more of the principles of UNDRIP? Are these violations reported to investment clients?

When a potential violation is identified (as per 6.1 above), our research team will undertake a review of the controversy or incident, including the company’s response and actions taken to improve processes and engage with the company when necessary.

As an example, TC Energy (TRP) is currently flagged for controversies related to indigenous rights and the Coastal Gas Link project. While TRP has signed option agreements to sell a 10% equity interest in the CGL project to Indigenous communities whose territory it passes, on top of the agreements it had already signed with 100% of elected First Nation Leaders, ongoing opposition by Hereditary Chiefs in the Wet’suwet’en

territory continues to generate headlines and delay work. We have engaged with the Company on this issue and found it evident that it is committed to ongoing Reconciliation work, most notably through its Indigenous Advisory Council, its work to develop a company-wide equity-sharing framework that exceeds jurisdictional requirements, and a commitment to fostering leader-to-leader relationships between its CEO and local Indigenous leaders. In sum, TRP seems to have recognized the risks and the necessity of meaningful, early involvement of Indigenous groups in its projects. We will continue to engage with the Company on this topic and monitor the ongoing work in BC and Canada to legally define "consent" as it pertains to Free, Prior and Informed Consent (FPIC), particularly in the context of conflicting positions between hereditary and elected Indigenous leaders.

THE FOLLOWING FOUR QUESTIONS ARE FOR CANADIAN INVESTMENT MANDATES ONLY:

6.3 Does your organization have any investment policies that are specifically related to Indigenous Rights and Reconciliation in Canada?

N/A

6.4 How does your organization recognize the principles of the Truth and Reconciliation Commission's Call to Action 92?

N/A

6.5 Does your organization recognize the Call for Justice 13 from the National Inquiry into Missing and Murdered Indigenous Women and Girls with respect to investments in the natural resource extraction and development companies, and the implications those projects have on the safety of Indigenous women and girls in neighbouring Indigenous communities? If so, how does your organization seek to mitigate this risk?

N/A

6.6 Do you have any proxy voting policies specific to Indigenous Rights and Reconciliation in Canada?

N/A

7. ADDITIONAL INFORMATION

7.1 Does your organization identify and manage the ESG risks, opportunities and impacts connected to its internal operations?

Is so, please provide a brief overview. Examples might include initiatives to reduce its carbon footprint and to enhance the diversity of its investment team.

Diversity, Equity and Inclusion: As an organization built on investment stewardship, team-based decision-making and a client-centric culture, we believe that having a wide set of characteristics and skills throughout our organization is an important element of our future success. Our goal is to advance a culture that values diversity and equal opportunity in the recruitment, retention, and advancement of under-represented talent.

We maintain a work environment that promotes the professional development of our employees, encouraging continuing education that enhances the knowledge and skills pertaining to the investment industry. We also believe that diversity and inclusion are key to our future success and offer accommodations for job applicants with disabilities upon request. Please see attached **Appendix C - JFL Diversity and Inclusion Principles Policy** for additional details.

Social equity, diversity, and inclusion are woven into team culture and expressed through various policies and practices, as described below.

- All employees are required to take Scotiabank's global mandatory training, which includes workplace safety and inclusion and unconscious bias. In addition, all employees are required to take the Advancing Diversity, Inclusion & Belonging and Building an Indigenous Cultural Competency training.
- In May 2020, JFL created a Diversity & Inclusion Council to advance our values for diversity and equal opportunity across recruitment, retention and career development policies and programs. This Council guides the organization in matters related to D&I: promote a culture of inclusion; identify and disrupt disparities throughout the organization; develop and review appropriate processes and policies; and measure and track progress over time.
- In Q2 2023, we completed our third annual DEI employee survey. The results were based on a voluntary, self-identification employee survey conducted through a third-party D&I consultant in March 2023, which attained a 78% response rate. This method is considered a best practice to obtain D&I statistics. This survey allows us to compare the representation of diverse groups at different levels and teams within the organization and against an industry benchmark, as well as track inclusion metrics that allow us to focus our DEI efforts on areas of potential opportunity.

Emissions Reductions: Scotiabank's Real Estate Department has a target to become net zero emissions in operations in Canada by 2025 and globally by 2030. This commitment applies to JFL office locations. Additional details about our Scope 1 +2 carbon emissions will be included in our forthcoming Climate Action Plan.

7.2 Is there any information on your organization's responsible investment approach, not otherwise covered in this questionnaire, that you would like to share?

You could, for example, choose to expand upon your organization's approach to specific ESG issues, such as human rights or climate change, highlight any responsible investment challenges your organization faces, or provide an overview of your organization's policy engagement activities.

N/A