ENGAGEMENT PROCEDURES
GUARDIAN CAPITAL LP

Guardian's Approach to Engagement

Active engagement and proxy voting are a core part of Guardian's stewardship approach. Our engagement discussions with company management teams enable valuable insights into companies' business strategies and their approach to addressing various ESG issues, and facilitate gaining a deeper understanding around the risks and opportunities that our companies face. This in turn leads to more informed investment decisions. Engagements also allow dialogue about any areas in which we would like to see a company improve, and believe that in making the suggested changes, the company is likely to be better positioned to achieve long term sustainable growth and share price performance, which will ultimately be of benefit to our clients.

We apply and acknowledge the United Nations-supported Principles for Responsible Investing (PRI) definition of engagements: "Engagement refers to interactions between the investor and current or potential investees (which may be companies, governments, municipalities, etc.) on ESG issues. Engagements are undertaken to influence (or identify the need to influence) ESG practices and/or improve ESG disclosure."

We believe successful engagements are a result of constructive two-way dialogue and a mutual understanding between investors and investee companies. These relationships take time to build, and engagements often take place over many months and years. Because of this, our experienced teams of portfolio managers and analysts are responsible for leading and conducting engagement meetings, bringing with them a knowledge of the company's industry and business model. This ultimately cultivates a more cooperative and thoughtful approach to addressing material ESG matters.

Our investment teams engage with company management primarily through in-person and video meetings as well as visits to company headquarters and operating facilities. In addition, our investment teams may participate in group meetings, undertake written correspondence, and attend 'Investor Days' offered by the companies in the investable universe. These company interactions may be conducted for companies along the value chain, including key competitors, suppliers, customers and distributors.

ENGAGEMENT IN FUNDAMENTAL EQUITY STRATEGIES

For Guardian's fundamental equity strategies, we have adopted written procedures designed to govern our engagements with investee companies on those sustainability issues that we recognize as material to their specific business circumstances.

ESG Topics for Engagement

Governance Considerations

We expect the companies in which we invest to uphold the highest standards of corporate governance and, where we feel these standards are not being upheld, we may engage with the company. Topics for engagement include executive remuneration, board composition and structure, diversity and inclusion, shareholder rights and protections, capital allocation, and reporting disclosure and transparency.

Social Considerations
We recognize the importance of social factors to the long-term sustainable growth of our investee companies. We may engage on issues such as diversity and gender pay gaps, fair labour practices, community relations, access and affordability, data security and customer privacy and human rights and the risk of occurrences of modern slavery and child labor in a company's supply chain.

Environmental and Climate Considerations
We recognize that how our investee companies interact with the natural environment will have a material impact on all stakeholders. We may engage on environmental topics such as GHG emissions, resource management, and waste management. We also recognize that the effects of climate change, and the physical and transition risks and opportunities that it presents, may have a material impact on our investee companies. As such, we try to assess the preparedness of the companies within our portfolios for the transition toward a net zero economy, and may engage with companies on issues such as target setting and reporting around their environmental impacts and goals, their plans to mitigate and adapt to climate risks, and their involvement in and alignment (or otherwise) with international climate change pledges and initiatives.

Drivers of Engagement

The drivers of engagement can occur throughout the investment process. Our investment teams typically identify material ESG issues through their own proprietary research, scoring and analysis of both new prospects and existing holdings. For example, engagement might occur when we identify ESG concerns through our deep-dive analysis, if we identify any perceived negative change(s) in a company's practices or if a company appears to be falling behind in terms of innovation and development. In addition, our investment teams continually monitor for controversies and news events and may engage in response to management or shareholder proposals. Investee companies may also proactively reach out to our investment teams with a request to engage. In terms of prioritizing our engagement efforts, we will assess, among other factors, the materiality of the issue and the likelihood of success of our engagement efforts.

Types of Engagement

We make a distinction between different types of engagement as follows: ongoing engagement meetings with companies during which we discuss specific ESG issues and share best practices and expectations ("Information Sharing"), and more targeted engagements designed to address a specific ESG risk or concern ("Driving Change"). It is important to note that both types of engagement can arise during a single meeting as various issues are discussed.

1. **Information Sharing**: The main purpose of this type of engagement is to gain more insight into the company's strategy, targets timelines, constraints and other considerations in addressing sustainability issues. Information Sharing engagements provide our investment teams with the opportunity to share their views and ideas on best

practices, and on what changes or improvements they would like to see in the company going forward. Information gained from these meetings typically enhances the decision making of the investment teams.

2. **Driving Change**. When a specific area of concern is identified, and, in Guardian's view, it has not been adequately addressed we would encourage the company toward improving its practices by setting defined objectives and more formally tracking a company's progress toward meeting these objectives. For more details, please refer to the following *"Driving Change" Engagement Framework* section.

A third form of engagement arises during the proxy voting process:

3. **Proxy Voting Proposal Engagements**. In the event the investment team elects to vote against management recommendation for a management or shareholder proposal, a written communication with our voting intention and rationale will be sent to the company subsequent to the proxy votes being cast. If appropriate, the investment team may engage the company on their response to the proposal to better understand management's perspective and/or discuss the investment team's rationale to encourage the company to adjust its approach.

"Driving Change" Engagement Framework

When a specific ESG risk or concern is identified, the investment team will set an engagement objective and track the company's progress towards meeting that objective.

Engagement Objectives

When a sustainability issue is identified for engagement, the investment team will seek to achieve one or more objective from the following broad categories:

1. Develop new or amended policies.
2. Implement more sustainable business practices.
3. Develop greater transparency in its disclosures.
4. Establish greater accountability.
5. Set higher targets or accelerate timeline.
6. Develop and disclose a credible climate transition strategy consistent with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations.

As each engagement is unique, the investment team may also determine other relevant and material objectives that are not captured in the list above. If appropriate, the investment team will establish on a case-by-case basis more specific objectives and key performance indicators taking into account the specific circumstances of the issue and company.

Tracking Progress

Guardian recognizes the importance of holding companies to account and tracking the progress of our engagement activities. As such, we have identified the following milestones to track and evaluate the progress of our engagements relative to our objectives:

1. **Concern(s) raised**: At the beginning of the engagement process, the investment team raises its concerns to the company either in person or in writing.

2. **Company acknowledged issue**: The company has acknowledged Guardian's concern and is working toward a resolution. Guardian's investment team will continue to engage with the company to encourage further progress.

3. **Company develops a credible strategy or sets a target to address concern**: The company has made sufficient progress in developing a credible strategy to address the concern. Guardian's investment team will continue to monitor its progress.

4. **The company has implemented a strategy or measure to address the concern**: The company has implemented a new policy, established new business practices, or has commenced regular reporting with adequate and effective transparency regarding the issue. At this point, the outcome has been full achieved, the investment team is comfortable with the development and no further engagement is needed.

As each engagement is unique, if appropriate, the investment team will determine, on a case-by-case basis, key performance indicators based on the circumstances of the issue and company.

Should we perceive a lack of receptiveness or progress by the company at any one of the aforementioned stages, we may choose to escalate our engagement using one or a combination of the escalation measures outlined within the "Escalation" section of this document.

Escalation

Where we identify an issue or area of concern, we would speak with company management as part of an 'Information Sharing' engagement. During this meeting or series of meetings, we would seek to find out more about the company's plans, impediments and timelines to rectify the issue(s). If, in our view, the company is not adequately addressing the issue and we remain unsatisfied with the company's response, we may apply one or more of the following escalation strategies:

- communicating with the board and expressing concerns to corporate representatives or non-executive directors, either directly or in a shareholders' meeting;
- supporting shareholder resolutions in relation to the ESG issue(s) of concern;
- voting against the re-election directors who are responsible for the topic of engagement (i.e. risk and audit committee members);

- voting against the board of directors;
- collaborating with other investors to increase pressure on the company;
- reducing our exposure or divesting.

Collaborative Engagement

Guardian's investment teams generally conduct engagement activities through direct one-on-one meetings with company management and company boards because we prefer to act independently on the specific issues that we have identified. However, we may participate in collaborative engagements on broad industry or systemic issues or where we believe it is in the best interest of our clients. The key factors we take into consideration when deciding whether to participate in a collaborative engagement include whether:

- the engagement objectives of the collective group are consistent with our objectives;
- we believe engaging as a collective group will be more successful than addressing the issue one-on-one;
- engaging as a collective group is appropriate under the applicable regulatory environment.

ENGAGEMENT IN FIXED INCOME STRATEGIES

Corporate engagement by our fixed income teams are performed in close coordination with their fundamental equity team counterparts due to strong overlap in issuers and to leverage the unique perspectives of each investment team. Our proprietary credit research process 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 or its valuation spread. These issues are typically addressed in company meetings, which are shared between our equity and fixed income portfolio managers and analysis, particularly with Canadian issuers. Topical engagement themes include strategic planning and capital allocation, environmental policies including the management of climate related risks, employee and labour relations and corporate governance and disclosure.

ENGAGEMENT IN QUANTIATIVE AND PASSIVE EQUITY STRATEGIES

We believe that, when engaging with companies, a strong knowledge of the company's business and unique circumstances, as well as the development of a constructive relationship built over time, are required in order to be effective. Due to the nature of the investing style, corporate engagement is not actively employed for Guardian's quantitative and passive equity strategies. In order to optimize resources and efficiency, these strategies focus their stewardship efforts on proxy voting.

Tracking and Reporting

Documentation

Guardian's investment teams document all engagement meetings for progress tracking and record keeping purposes. The documentation includes the attendees of the meeting, the topics discussed, the teams' assessment of the company's ESG performance and next steps for follow-up.

Reporting

Guardian will regularly report its engagement activities, progress, and results, at a minimum, annually in its Responsible Investing Report.

Conflicts of Interest

Guardian recognizes that stewardship activities and company engagement can, on occasion, lead to potential conflicts of interest. In compliance with regulatory requirements Guardian is required to take reasonable steps to identify existing material conflicts of interest, as well as any material conflicts of interest that could, in its reasonable opinion, be expected to arise between Guardian and a client. Guardian has established conflicts of interest policies and these policies are reviewed on at least an annual basis by the Compliance team.

If a potential material conflict were to be identified, it would be escalated to the Compliance Department, and discussed with the relevant employee(s) to determine how the potential conflict should be addressed in the best interest of our clients.