GUARDIAN CAPITAL™

Our Approach to Stewardship

Guardian Capital LP

Our Core Values

Guardian Capital Group's reputation for steady growth and long-term relationships, together with its core values of trustworthiness, integrity and stability, has been the key to its success for over six decades. We are guided by a determination to behave in an authentic, ethical manner that respects all of our stakeholders: our clients, associates and shareholders.

At Guardian Capital LP[1] (Guardian Capital), we are an active investment manager with a long-term focus. We believe that by investing in companies that are operating responsibly, we are more likely to achieve our objective of enhancing long-term investment performance for our clients, as these companies are more likely to achieve sustainable growth. Our core objective of enhancing long-term investment performance is supported by our investment-led culture, which places our clients' interests at the forefront.

One of our firm's greatest strengths is the experience and knowledge of our investment professionals. Guardian Capital consists of a number of experienced investment teams, each operating independently and specializing in different asset classes and geographies and managing a range of investment strategies. We believe that each investment team is best suited to determine how Environmental, Social and Governance (ESG) considerations are integrated into their investment process and how their stewardship activities are conducted in a manner consistent with their specific investment philosophy and process. As part of this, each investment team is held responsible and accountable for their decisions, and those decisions are communicated openly and transparently with our clients.

Our Stewardship Principles

Stewardship is a central concept in responsible investing. Broadly, stewardship reflects the role of investment managers as stewards of the assets entrusted to them by their clients, as well as the responsibility to carefully protect and enhance the value of those assets. It embodies the notion that investors play a role in shaping markets, enhancing governance and addressing market risks and opportunities affecting the health of the economy.

At Guardian Capital, we recognize that global financial institutions play an important role in ensuring a stable global economy and efficient financial system. In addition, we recognize our role as an investment manager provides the ability to influence investee companies and urge them to do better when it comes to all aspects of business management, including ESG matters. This recognition is embedded in the way ESG factors are considered throughout our investment processes and stewardship activities. As an investment manager, we have a critical role to play in engaging and improving the corporations we invest in and the market and policy environment we operate in.

Our role as an active steward of capital is an important part of our fiduciary duty and one that we are committed to carrying out with the highest degree of care, skill and diligence. This document offers a high-level overview of Guardian Capital's overall approach to stewardship. We convey our views through thoughtful proxy voting, active engagement with issuers and regulatory bodies, as well as collaboration with like-minded investors. We believe each of these stewardship activities, individually and in combination, are integral to an effective stewardship approach that contributes to the benefit of our clients, associates and society more generally.

[1] Guardian Capital LP is a wholly owned subsidiary of Guardian Capital Group Limited and the successor to its original investment management business, which was founded in 1962.

Active engagement and proxy voting are a core part of Guardian Capital's stewardship approach. All of Guardian Capital's investment teams participate in these activities in the manner suitable to the asset class and investment strategies each team oversees.

Active Engagement

Our fundamentals-based equity teams engage with investee companies on the sustainability issues that we recognize as material to their specific business circumstances.

Our engagement discussions with investee company management teams generally take two forms: 1. Information sharing and 2. Driving change. Discussions taking the form of information sharing enable valuable insights into companies' business strategies and their approach to addressing various ESG issues, and allow us to better understand the risks and opportunities these companies face. This, in turn, leads to more informed investment decisions. Engagement with the intention of driving change typically means that we have identified an area 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 believe successful engagements result from 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. For this reason, corporate engagement is not employed directly by Guardian Capital's quantitative equity team, who instead focus their stewardship efforts on proxy voting.

Our investment teams engage with company management primarily through in-person and video meetings, as well as on-site visits to company headquarters and operations facilities. In addition, our investment teams may participate in group meetings with other investors, 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.

Collaborative Engagements

Guardian Capital's investment teams generally conduct engagement activities directly with investee companies because we prefer to act independently on the specific issues that we have identified. However, we also participate in collaborative engagements on broad industry or systemic issues, such as climate change, where we believe engaging as a collective group with industry peers will garner more successful results. When selecting collaborative engagements, we ensure that the engagement objectives of the collective group are consistent with our own and in the best interests of our clients.

Proxy Voting

We recognize that proxy voting is an important aspect of responsible stewardship and can be used as a tool to encourage good governance and sustainable corporate practices at the companies in which we invest.

The primary focus of our management of proxy voting is to maximize shareholder value. We believe well-managed companies with strong, focused governance processes typically have more potential to produce better long-term investment returns for investors. There is no universally applicable governance model for every company, but Guardian Capital believes in four broad fundamental principles that apply when evaluating corporate governance systems:

Accountability

A company's Board of Directors or Governors should be accountable to shareholders by holding regular board elections, providing sufficient information for shareholders to assess directors and board composition and shareholders with the ability to remove directors. Directors should respond to investor input, such as those expressed through vote results and shareholder engagement.

Stewardship

A company's ESG practices should meet or exceed the standards of its market regulations and general practices and take into account relevant factors that may materially impact the company's long-term value creation and, ultimately, all stakeholders.

Independence

A Board of Directors should align their interests with what is best for the company. In order to do so, board members should be sufficiently independent from management to ensure they are able to effectively supervise management's performance for the benefit of all shareholders.

Transparency

Companies should share information in a sufficiently open and timely manner to enable shareholders to understand key issues and make informed investment and voting decisions.

When voting proxies for the companies we invest in, Guardian Capital's investment teams take into consideration the investee company's governance structure, commitment to sustainable environmental practices and consideration of social policies that foster the well-being of all stakeholders.

As Guardian Capital manages a range of investment strategies invested across a number of geographic regions for an equally diverse client base, we believe that prescriptive policies and rules applied uniformly are inappropriate and ineffective. Because of this, we assess every proposal for each company on a case-by-case basis, based on what we believe to be in the long-term interests of our clients. This ensures that decisions are made by those closest to the clients of that strategy.

To assist with the proxy voting process, Guardian Capital subscribes to a proxy consulting service, a proxy voting service and a vote disclosure service. The consulting service provides a professional review of all proxies issued by the companies held within our strategies' portfolios. We believe that using one of the market-leading global proxy consulting services helps to ensure that we meet stewardship best practice requirements for disclosure and transparency. Guardian Capital utilizes consulting and voting service providers that are committed to continuous quality control measures, which helps to ensure accurate and timely voting.

Lastly, prior to taking any voting action, we may address identified concerns by engaging directly with the company. This communication would include the rationale for our voting intention and often seeks clarification or the initiation of a constructive dialogue. We believe that engagement and proxy voting work hand-in-hand, and our Portfolio Managers and Analysts may choose to engage with the company on any concerns that arise through proxy voting proposals in combination with the determination of a voting decision.

Just as our approach to investment is based around empowered and independent investment teams, our voting decisions and approach to engagement are actively considered by each investment team that holds a position in a particular stock.

Monitoring New Developments and Continuing Education

Responsible investing and the consideration of ESG factors and issues continue to rapidly evolve, and we are committed to continually evaluating and enhancing our responsible investing approach based on industry best practices. We are steadfast in our efforts to stay ahead of regulatory developments and critical ESG themes as they develop. We continuously monitor and incorporate evolving themes to ensure that our approach incorporates the full spectrum of risks and opportunities across the ESG landscape.

In order to effectively support this evolution, our investment professionals need to keep abreast of all aspects of responsible investing. We have developed and put into place a Responsible Investing Professional Development Policy for all investment professionals across the firm to ensure we are meeting this need. Education is delivered through regular meetings between investment teams and our internal Responsible Investing Team and attendance at relevant regulatory and third-party organizations' conferences, webinars and events.

Market Influence

We believe that being active stewards of our clients' capital includes a commitment to participating in and influencing discussions on market and policy direction in order to drive a more sustainable economy. We participate in initiatives that we believe will increase transparency and comparability for all participants, help protect investors and foster fair and efficient capital markets.

We aim to provide comments on a variety of regulatory and policy initiatives. Although we may comment directly, due to our size and the increasing volume of regulatory initiatives, we primarily comment through our affiliations, including the United Nations-supported Principles for Responsible Investment (PRI), International Corporate Governance Network (ICGN), Portfolio Management Association of Canada (PMAC) and the UK Investment Association, amongst others. When commenting through an affiliation, our involvement varies by initiative depending on the materiality of our investments and level of involvement in the affiliation.

Promoting Disclosure

Accurate, robust and timely corporate disclosure is essential to the health of the financial system in which we operate. Disclosures allow investors to properly price risk and ensure efficient capital allocation in the financial markets.

Corporate climate and sustainability disclosure is a rapidly evolving field that both companies and investors are working to navigate. As industry bodies and regulators continue to work towards developing a global standard, Guardian is in support of corporations adopting and implementing sustainability-oriented disclosure standards in their reporting.

In particular, Guardian Capital is a member of the International Financial Reporting Standards (IFRS) Sustainability Alliance and supports the use of the current Sustainability Accounting Standards Board (SASB) Standards, a framework that guides the disclosure of financially material sustainability information by companies to their investors. We also publicly support the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), a framework to help public companies more effectively disclose climate-related risks and opportunities for better-informed decision-making.

We recognize that different companies are at different stages in terms of being able to meet their disclosure requirements and obligations. As such, our investment teams are encouraged to continue to engage with investee companies on this topic.

Appendix

Here, for reference, are relevant policies and guidelines that provide additional detail on Guardian Capital's principles, approach and procedures for specific stewardship activities.

Responsible Investing Policy
This policy governs responsible investing activities firm-wide and is applied across all of Guardian Capital's strategies and products.

Engagement Procedures
This procedures document details Guardian Capital's approach and framework for active engagements, including our escalation framework.

Proxy Voting Policy
This policy details Guardian Capital's proxy voting principles and practices.

Proxy Voting Guidelines (for developed markets)
A summary of Guardian Capital's philosophy and approach to the most common proxy voting issues, utilized for reference purposes by our investment teams, which are applied with discretion.

Published Date: December 2022

GUARDIAN CAPITAL™