GUARDIAN CAPITAL™

Guardian Capital LP

Responsible Investing Report 2024

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To our clients and investors

As responsible investing became mainstream at the beginning of this decade, sustainability-related issues became a growing focus for investors, with many corporations spotlighting their ambition and commitments in improving their environmental and social practices.

Today, the responsible investing landscape is undergoing a maturation as companies look to translate that ambition into reality. Lofty aspirations have received vocal pushback and politicization in the United States. Complexity relating to operationalization has received criticism in the European Union ("EU"). These concerns have contributed to a slowdown of momentum in responsible investing and has led to headlines questioning whether environmental, social, and governance ("ESG") factors will no longer be a consideration in the business world. But looking past the headlines, it is evident that consideration of sustainability issues has already become embedded in how the capital markets operate.

The fact of the matter is that sustainability issues stand to have a potential material impact on companies and their investors going forward and, as such, understanding the risks and opportunities is increasingly integral to an investment's long-term sustainability and profitability.

While the last few years have seen companies walking back their initial sustainability targets, relating to a range of issues like emissions reduction and/or diversity, equity and inclusion, these actions should not be mistaken as a reversion to a time when these issues were ignored. It is important to keep in mind that sustainability targets are similar to a business plan: they undergo re-evaluation after a period of being operationalized and are adjust accordingly. Another important factor to recognize is that targets are dependent on external factors like policy, regulatory, and/or technology developments. Going forward, we believe the focus on pragmatism is a positive development that will lead to a more realistic expectation of what companies can and can not achieve.

For investors, it is vital to understand all the risks and opportunities when evaluating an investment, and the reality is that sustainability-related issues stand to have a financially material impact on companies. This view is further supported by the recent regulatory developments that will continue into 2025 and beyond.

Regulatory regimes around the world are in various phases of adopting sustainability reporting standards, which should help standardize how companies report on their sustainability-related risks and opportunities and how that could affect their cash flow, access to finance, or cost of capital. Regardless of where companies are domiciled, multi-national companies will need to comply with the strictest disclosure regime in which they operate, which will effectively push sustainability disclosures forward.

Combined with growing investor demand for information, the ongoing development of disclosure regimes will further compel companies to disclose on sustainability issues so that investors can better assess the overall risk-return profile of companies.

At Guardian Capital LP ("Guardian Capital"), our commitment and approach to responsible investing remains unchanged. Our focus has been, and continues to be, on our core objective to enhance long-term investment performance for our clients and investors. An integral part of achieving this goal is our commitment to invest in companies that we believe are capable of generating long-term, sustainable growth. We believe that investee companies are best positioned to achieve long-term, sustainable growth when they engage in sustainable environmental practices, consider the effects of their operations on clients, employees and communities, and have proper governance practices that protect the interests of all stakeholders.

Our annual Responsible Investing Report provides insight into how this commitment is reflected in our research and stewardship activities, with examples from our investment teams. This is the fourth edition of this report, and its purpose has not changed since day one: demonstrating how the integration of sustainability considerations is embedded in our investment teams' day-to-day investment activities.

Denis Larose
Chief Investment Officer

Michele Robitaille
Head of Responsible Investing

Responsible Investing at Guardian Capital LP

At Guardian Capital, our core objective is to achieve strong and steady returns for our clients and investors over the long term. An integral part of achieving this objective is our commitment to investing in high-quality companies that we believe are capable of generating long-term, sustainable growth. Furthermore, we believe that companies that engage in sustainable environmental practices, consider the effects of their operations on the communities in which they operate, and have proper governance practices that protect the interests of all stakeholders are more likely to be sustainable businesses over the long term. As a result, we integrate the consideration of financially material sustainability issues into all of our investment processes and stewardship activities.

The implementation of this shared philosophy is unique to each investment team and mandate at Guardian Capital. In the same way that there is no "one size fits all" for investing, there is no "one size fits all" for determining how sustainability factors are considered in the investment process. Our investment processes for our fixed income strategies are different from those of our equity strategies, and even within the equity asset class, a global equity portfolio may focus on different factors than its emerging markets, Canadian, or US counterparts. Similarly, companies in different industries and sectors are subject to different sustainability risks and opportunities. We acknowledge that it is important to understand these nuances within the context of materiality, and believe that our investment teams are the most knowledgeable about their companies and markets and can best determine how to incorporate responsible investing into their investment processes. While the investment process and implementation may vary, all of our investment teams, including the investment teams at our sub-advisory subsidiaries, are fully committed to integrating sustainability considerations into all investment decisions and active ownership activities.

Investment Teams at Guardian Capital LP

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. Headquartered in Toronto, Canada, with an operating subsidiary in the UK, Guardian Capital LP executes investment strategies on behalf of pension plans, insurers, foundations, endowments, family offices and investment funds around the world.

GUARDIAN CAPITAL™

C$17.1 billion in Assets[1]

Investment Teams:
Canadian Equity
Canadian Fixed Income
i³ Investments™
Multi-Asset Investment Solutions

GUARDCAP

C$15.6 billion in Assets[1]

Investment Teams:
Fundamental Emerging Markets Equity
Fundamental Global Equity

[1] Source: Guardian Capital Group Limited, Quarterly Report unaudited as at December 31, 2024. Assets include AUM (assets under management) for discretionary continuous and regular investment management services, and AUA (assets under administration) generally referring to non-discretionary assets for which advice or consultation are provided, but where we do not have authority to effect transactions, including Wrap model delivery.

Analysis of Sustainability Factors

Guardian Capital's investment teams utilize proprietary research processes and frameworks to identify and assess any sustainability factors (e.g. environment, social capital, human capital, business model, leadership & corporate governance) that have the potential to impact the long-term sustainability, and thus the outlook and valuation, of the underlying company. The goal is to determine which sustainability risks are material to and inherent in the company's business and operating practices and to see evidence of progress in addressing and mitigating any areas of concern.

We have developed a number of tools to help support investment analysis based on the Sustainability Accounting Standards Board (SASB) framework – a framework that identifies financially material sustainability factors, and is used by a number of our investment teams. While we also utilize several third-party data providers, including Clarity AI, Sustainalytics, Institutional Shareholder Services (ISS) and MSCI, we recognize the limitations in third-party data and, as such, use these providers primarily as a starting point to flag potential sustainability-related issues and controversies. We then rely on our internal research and investment processes to develop a robust assessment of investee companies.

The following section showcases many examples that demonstrate how sustainability issues are integrated into our investment processes and highlights some of the positive developments being made in the companies we invest in.

Canadian equities
case study

Company:
Capital Power Corporation (“Capital Power”)

Sector:
Utilities

Sustainability themes:
Green House Gas (“GHG”) Emissions, Air Quality, Water & Wastewater Management, Waste & Hazardous Materials Management, Access & Affordability, Employee Health & Safety, Business Model Resilience, Critical Incident Risk Management, Systematic Risk Management.

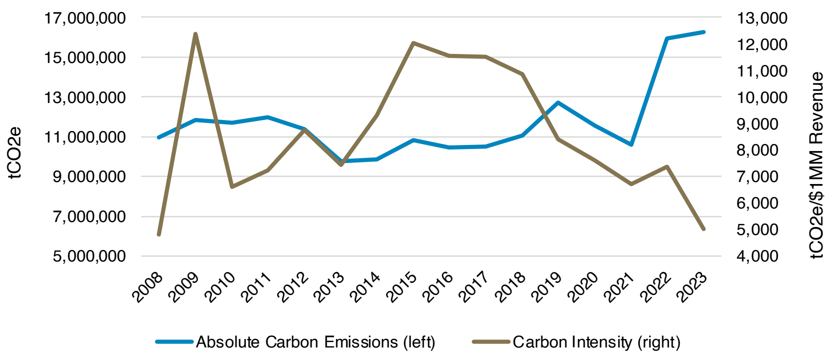
Company overview:
Capital Power is a power producer whose principal activities are acquiring, developing and operating power plants. The company owns and operates a portfolio of power-generating facilities in Canada and the U.S. The facilities generate electricity from various energy sources, including natural gas, wind, solar, and solid fuel.

Sustainability profile:
Capital Power’s most material sustainability-related concern is its GHG emissions. The company’s emissions footprint in 2023 was approximately 16.3 megatons of carbon dioxide equivalent (CO2e) – the majority due to power generated from natural gas – which represents a significant carbon pricing risk.

The Utilities sector is typically one of the highest carbon-emitting sectors, given the carbon-intensive nature of providing electricity, gas, power, and water. Recognizing the challenges that companies operating in high carbon-intensive sectors often face, Guardian Capital’s approach is to evaluate companies based on their current position on material issues, actions and progress made to date, and additional actions it plans to take in the future.

In this regard, Capital Power has been playing an important role as a power producer to decarbonize its electricity grid while ensuring affordability and grid stability. Last year, the most notable progress was the company’s completion of converting its existing Alberta-based coal-fired power plants into natural gas plants, five years ahead of the provincial government’s mandate. Because electricity from natural gas generates roughly half of the GHG emissions compared to coal, this conversion has abated millions of tons of CO2e. The resulting emissions intensity profile of Capital Power should lower the company’s overall exposure to the carbon pricing risk and regulatory risk that is typically most stringent with coal-fired power plants. In addition, credit for this accomplishment could help improve the company’s social standing, which would reduce community & reputational risks.

Scope 1 + 2 Emissions



There is an increasing awareness of the important function that dispatchable natural gas could play in delivering reliable on-demand power. Because wind and solar resources aren’t predictable or constantly available, one of the biggest obstacles for renewable energy adoption has been their intermittent nature.

Source: Guardian Capital LP research based on public filings of Capital Power up to December 31, 2023.

The reliability of natural gas offers a solution that could complement the use of renewables and could lead to incremental additions of renewables to the electrical grid. If natural gas is considered in this context, public sentiment around natural gas as a transition fuel may improve, and policy-makers may look to alleviate punitive regulations being placed on natural gas, which would be to Capital Power's benefit.

Staff safety is one of Capital Power's biggest concerns. Staff at Capital Power are exposed to significant safety risks from high-voltage equipment and large industrial machinery. Capital Power should provide significant disclosure on its safety framework, audit process, and performance; however, disclosure on these items has been minimal thus far. Capital Power's disclosures of health and safety risk management are limited to ensuring that the company maintains an organization-wide safety culture, maintains site-specific safety programs, and conducts compliance audits. An additional safety concern is the company's recent increase in total recordable injury frequency (TRIF). While the change coincided with a significant increase in headcount at the company, this is a risk worth monitoring going forward. Before the recent rise in TRIF, the company had consistently reduced injuries since 2019.

After a review, Guardian Capital's Canadian Equity investment team believed Capital Power had developed an adequate risk management framework for its sustainability concerns, especially those relating to climate considerations. Its Enterprise Risk Management framework is updated biannually and is the responsibility of the Chief Executive Officer. Other executive committee members are assigned responsibility for the management of their respective risks. Capital Power released its climate disclosure following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) format.

Investment Team's Sustainability Assessment Summary

The Canadian Equity investment team has found that Capital Power has done an excellent job addressing its most material sustainability issue: GHG emissions. Over the past few years, Capital Power's strategic realignment to natural gas power has positioned the company to benefit from climate opportunities and mitigate many of the transition risks to which the company was exposed in using coal. The Canadian Equity investment team believes that adequate initiatives have been undertaken to manage and mitigate the impact of the company's identified climate risks, and Capital Power's progress has been positive. Given its significance, the investment team will continue to monitor and evaluate any new developments relating to Capital Power's emissions.

The investment team's analysis of the company's sustainability practices, disclosures, and managerial oversight increased its conviction in the company's foundations for sustainable growth. From an investment perspective, increasing demand for electric power will necessitate increased generation capacity. While the use of natural gas in the energy transition often remains a topic of debate, Capital Power stands to benefit due to the important consideration of energy affordability and access.

Going forward, the investment team has flagged Employee Health & Safety as a sustainability issue to monitor for improvement, as the company has provided limited disclosure this far.

US equities case study

Company:
Cintas Corp ("Cintas")

Sector:
Industrials

Sustainability themes:
Supply Chain Management, Product Quality & Safety, Materials Sourcing & Efficiency, Employee Health & Safety, Energy Management.

Company overview:
Cintas is the leading uniform rental service company providing route-based uniform cleaning and servicing and facility services, which include sanitizing, cleaning and personal protective equipment (PPE). The company also sells first aid supplies, PPE, Automated External Defibrillator (AEDs), training and compliance courses, eyewash stations, and water coolers to businesses. Additionally, Cintas also repairs fire extinguishers.

Sustainability profile:
A big part of Guardian Capital's US Equity investment team*'s rationale for Cintas is its drive towards innovation, operational improvements and sustainability. Cintas' roots originate in sustainability when the founders collected discarded dirty shop rags, laundered them and sold them back to the local factories. Cintas' main competition consists of the use of disposable products. To the extent that Cintas is able to replace the use of disposable products with reusable, washable uniforms, it could lead to a reduction in single-use products ending up in landfills. As a result, the company benefits from its customers' and the public's heightened awareness of sustainability.

Cintas is characterized by a low risk profile for sustainability issues, and this profile has improved over time. Its overall ESG risk score according to Morningstar Sustainalytics is 17.0 (low risk), which is an improvement from over 21 (medium risk) in 2021.

Cintas has committed to lowering greenhouse gas emissions and reducing water use. For 2024, it reduced its emissions intensity by 40% relative to its base year (2019), returned over 90% of withdrawn water to municipalities, recorded its lowest accident incident rate (TRIR) in its history, produced over 600,000 garments with recycled materials, and reduced to 15% the portion of diesel vehicles in its fleet. Cintas is recognized as one of America's Climate Leaders.

The Textile Rental Services Association of America (TRSA) reports that Cintas uses 30% less energy than its peer companies, resulting in 10% lower emissions than the industry average.

Cintas has implemented a health and safety management system that, in accordance with the Occupational Safety and Health Administration (OSHA), includes a minimum 10-hour training course covering topics like PPE, emergency action plans, injury and illness recordkeeping and more. As a part of the training, employees learn about workers' rights, employer responsibilities and safety and health hazards.

Cintas has demonstrated a commitment to prioritizing employee safety. Employees are trained to identify risks and issues in their work area. Cintas has seen a 66% reduction in the total injury rate over the last decade. More than 100 Cintas locations have received OSHA's Voluntary Protection Programs' Star Recognition for Workplace Safety, which can take years to complete.

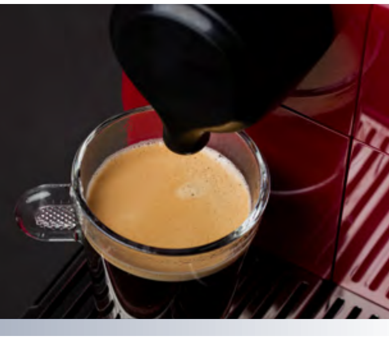
* As sub-advised by US-based affiliate Atla Capital Management, LLC.

Source: Guardian Capital LP research based on public filings of Cintas Corporation up to December 31, 2023.

Investment Team's Sustainability Assessment Summary
The US Equity investment team considers Cintas to have strong financial return capability and a sustainability focus that has combined to reward shareholders over time.

In the U.S. Equity investment team's view, client sustainability considerations could drive another leg of growth as unserved businesses come into the Cintas fold. Cintas is by far the largest company in its market and should benefit from the continued secular shift to outsourcing and cross-selling of safety products with its uniform services. It is well diversified across end markets, including manufacturing and goods-based industries (30%) and services (70%), which includes many essential businesses, including grocery, healthcare, and first responders. Given its scale and its solid balance sheet, Cintas should be able to gain market share organically and by acquisition. Its wide moat is predicated on unparalleled route density and resulting lower operating costs.

Global equities case study



Company:
Nestlé S.A. ("Nestlé")

Sector:
Consumer Staples

Sustainability themes:
Customer Welfare – Health & Nutrition, Product Quality & Safety, Environmental & Social Impacts of Ingredient Supply Chain, Water & Wastewater Management.

Company overview:
Nestlé is a multinational food and beverage company with over 2,000 brands, including Nescafé, Nespresso, San Pellegrino, Perrier, Purina and KitKat, and is present in 188 countries worldwide.

Source: Guardian Capital LP research based on public filings of Nestlé S.A. up to December 31, 2023.

Sustainability profile:
Nestlé has a leading position in brands that account for approximately 80% of its sales, and a diversified portfolio, both in terms of geography and category.

Nestlé invests over CHF 1.7 billion in research and development ("R&D") and has approximately 4,100 employees working in R&D. Through their main research center in Switzerland and more than 20 sites globally, and with an industry-leading R&D budget, the company is investing in developing products with enhanced nutritional value, tailored to the diverse needs of people and pets while aiming to reduce their environmental footprint.

Nestlé has faced scrutiny over several sustainability-related issues, particularly concerning its role in nutrition, agricultural sourcing (notably palm oil and cocoa), the management of water resources, and labour rights practices. The company acknowledges these concerns and has taken significant steps to address them, investing in sustainable initiatives and enhancing transparency.

Nestlé is intensifying its efforts to promote balanced diets and increase transparency regarding the nutritional value of its products. In 2023, the company committed to increasing sales of its more nutritious products by Swiss Francs ("CHF") 20-25 billion by 2030. To provide greater transparency, Nestlé discloses the nutritional profile of its portfolio, applying the Health Star Rating (HSR) system. Products rated 3.5 stars or higher—alongside specialized nutrition products such as infant formula, medical nutrition, and dietary supplements—accounted for approximately 59% of its global food and beverage sales in 2023. The classification of ultra-processed foods (UPFs) and Nestlé's approach to the HSR system remains a recurring topic in the Global Equity investment team's engagements with the company (the team met with various members of the management team and board on 4 occasions in 2024).

Despite the complexities of achieving sustainable supply chains, Nestlé remains committed to maintaining a 100% deforestation-free supply chain, a critical component of its net-zero strategy. In 2019, Nestlé pledged to invest CHF 1.2 billion by 2025 to support regenerative agriculture practices, aiming for 20% of key ingredients to come from farms using regenerative methods by 2025 and 50% by 2030. The company has been making significant progress, with 15.2% of Nestlé's supply of fresh milk, dairy derivatives, cocoa, green coffee, cereals, soy, and vegetables sourced from farmers who have adopted regenerative practices in 2023, up from 6.8% in 2022. By the end of 2023, 93.4% of its primary supply chains—including cocoa, coffee, meat, palm oil, pulp and paper, soy, and sugar—were assessed as deforestation-free.

The company continues to identify additional opportunities to meet its climate commitments, particularly targeting a 20% reduction in emissions by 2025 and a 50% reduction by 2030. Initiatives such as the Nestlé Institute of Agricultural Sciences are focused on developing innovative dairy farming techniques that reduce GHG emissions, particularly through improved feed and manure management. Nestlé has also implemented satellite monitoring across 100% of its palm oil supply chain to detect and address deforestation concerns.

Nestlé's water stewardship program takes a holistic approach, focusing on protecting, restoring, and managing water resources across its supply chain, operations, and communities. The company aims to achieve a positive water impact across all its operations by 2025 through over 100 targeted projects. These initiatives, developed in collaboration with NGOs and academic institutions—including The Nature Conservancy and the World Resources Institute—are designed to improve water retention and conservation. Nestlé is a founding member of the 2030 Water Resources Group and actively participates in the WASH4Work Initiative and the CEO Water Mandate, reinforcing its commitment to global water sustainability.

To tackle child labour within its supply chains, Nestlé announced in 2022 an investment of CHF 1.3 billion by 2030—more than tripling its annual spending on this issue. The company is expanding its Income Accelerator Program, initially launched in Côte d'Ivoire, to Ghana, aiming to reach all cocoa-farming families in its global supply chain by 2030. This program provides financial incentives for school enrolment for children aged 6-16, supports farmers in adopting climate-resilient agricultural techniques, and diversifies household incomes through alternative crops and livestock farming. Additionally, Nestlé is committed to achieving full traceability and segregation of its cocoa supply chain, offering consumers greater confidence in ethical sourcing.

Nestlé's executive compensation is closely tied to ESG performance, reflecting its commitment to sustainability. In 2021, the company introduced ESG-related key performance indicators (KPIs) into its Short-Term Incentive Plan, with 15% of executive bonuses linked to ESG metrics. By 2023, this framework expanded to include KPIs on affordable nutrition (micronutrient fortification), GHG emissions reduction, plastic packaging recyclability, water conservation in manufacturing, and management positions held by women. A dedicated ESG KPI was also incorporated into the Long-Term Incentive Plan, accounting for 20% of executive bonuses, specifically tied to emissions reductions.

Investment Team's Sustainability Assessment Summary

For a company to be included in a portfolio, it must meet Guardian Capital's Global Equity investment team*'s 10 Confidence Criteria, including "Foundations for Sustainable Growth" (FSG), industry secular growth tailwind and sustainable competitive advantage. FSG factors are considered and documented throughout the investment process, and companies with high ESG risk profiles typically drop out in the early stages. Furthermore, each member of the investment team continuously scores all companies in the portfolio against each of the 10 Confidence Criteria.

Whilst Nestlé, due to the nature of its business, must continue improving on various aspects of ESG, we believe the company is committed to addressing these challenges and to improving its sustainability profile. The Global Equity investment team will continue to monitor its progress in the aforementioned areas.

*As sub-advised by UK-based subsidiary GuardCap Asset Management Limited.

Emerging Markets equities case study

Company:
Taiwan Semiconductor Manufacturing Company Limited (“TSMC”)

Sector:
Information Technology

Sustainability themes:
GHG Emissions, Energy Management, Water and Wastewater management, Waste and Hazardous Materials Management, Employee Health and Safety, Employee Engagement, Diversity and Inclusion, Product Design and Lifecycle Management, Materials Sourcing and Efficiency, Competitive Behaviour.

Company overview:
Headquartered in Taiwan, with a large and diverse global customer base, TSMC has been the world’s largest multinational semiconductor manufacturer since 1987. Through its five technology platforms – High Performance Computing (HPC), Smartphone, Internet of Things (IoT), Automotive, and Digital Consumer Electronics, TSMC provides customers with comprehensive and competitive logic process technologies, specialty technologies, intellectual properties, and packaging and testing technologies to help it accelerate its product innovation and move society forward with technology.

*As sub-advised by UK-based subsidiary GuardCap Asset Management Limited.

Source: Guardian Capital LP research based on public filings of Taiwan Semiconductor Manufacturing Company up to December 31, 2023.

Sustainability profile:
Guardian Capital’s Emerging Markets Equity investment team* believes TSMC is well-positioned to achieve long-term sustainable growth due to its continued advancement of semiconductor manufacturing technologies and services. The company continues to enable chip innovations that make products more advanced, capable, intelligent, energy-efficient, and safer, helping to increase the quality of life and move towards a more sustainable society. For example, TSMC’s HPC platform has the ability to improve the quality of life through enabling 5G, Artificial Intelligence (AI), cloud and datacenters to transfer and process vast amounts of data anywhere and anytime. Its IoT platform can empower innovations for AI and accelerate the digital transformation to realize more convenient and greener living and improve health care quality, while its Automotive platform can make vehicles, including hybrid/electrical cars, safer, smarter and greener.

The investment team recognizes that TSMC’s management of GHG emissions and environmental factors is important to enabling the company to maintain its sustainable competitive advantage. As such, the investment team acknowledges TSMC’s aspiration to be a world-leading benchmark organization in environmental protection, actively integrating green management into its daily operations. The company applies innovative technologies to climate and energy, water management, circular resources, and air pollution control, promoting a comprehensive range of sustainable actions to strengthen environmental protection. This includes reducing the impact of climate risks, continuing to use the best available technology to reduce GHG emissions and becoming an industry leader in low-carbon manufacturing.

The investment team also considers employee engagement and diversity, and inclusion as important factors in the continued success of TSMC. TSMC values its commitment to its employees and is dedicated to ensuring a diverse, inclusive, safe, and fun workplace where employees can continue to learn. TSMC also provides competitive compensation and welfare. As part of this, TSMC ranks in the top 25% for total compensation amongst industry peers, providing comprehensive health care services to look after the health of employees, contractors and suppliers. In addition, the TSMC Education and Culture Foundation and the TSMC Charity Foundation invest internal and external resources to empower young students of all ages, care for remote areas and the disadvantaged, elderly people living alone, and foster art and cultural literacy. As part of this, TSMC plans to hold educational events and provide diversified educational platforms, cooperate with educational organizations to narrow the gap in educational resources, and to hold art festivals to foster local art groups. Also, the establishment of an Emerging Accounts team supports startup companies in accelerating their product innovation and has engaged with more than 1,500 startup companies.

Product design and lifecycle management are also critical to TSMC's success. As the world's largest dedicated Integrated Circuits (IC) foundry, TSMC works with its customers to accelerate innovation through its business model and robust R&D capabilities to drive improvements in technological processes. The company's 2030 goals include maintaining technology leadership, investing 8.5% of revenues into R&D expenses annually, and cultivating more than 35,000 undergraduate and graduate students between 2021 and 2030 through university programs that deepen industry-academia collaboration. Furthermore, the investment team recognizes the importance of effective materials sourcing and efficiency and commends TSMC's commitment to responsible purchasing. The company works closely with supply chain partners on technology, quality, delivery, human rights, and environmental protection. In the face of serious climate change challenges, TSMC plans to further strengthen green innovation and climate resilience to create a low-carbon semiconductor supply chain. As part of this, the company intends to improve sustainability risk management through requiring all its suppliers to adhere to the TSMC Supplier Code of Conduct and to promote green and low-carbon supply chains by leading suppliers in establishing reduction targets on power and water consumption, waste generation, and carbon emissions.

Investment Team's Sustainability Assessment Summary

TSMC has achieved the highest score out of any company, including all current portfolio holdings, that have passed through the Emerging Markets Equity investment team's proprietary "Foundations for Sustainable Growth" (FSG) scoring process. As part of the team's FSG scoring process, the team analyzes a company's approach to ESG by looking at fourteen different metrics, assessing the company relative to both local market and developed markets' best practices. The final scores are awarded based on a company's existing ESG commitments, policies, and practices. As a check on the team's analysis, external ESG scores for the company are collated from a number of providers, including Clarity AI, ISS, MSCI and Sustainalytics. These scores are compared with the internally generated score. Where there is a significant divergence or clear inconsistency between the internally generated score and the external scoring, then the primary analyst for the stock is required to investigate further and report back to the rest of the team to explain and justify the differences. When a company scores less than five out of 10 for FSG, the team will not progress the company to the next stage of the research process until we see clear evidence of improvement over time and, when re-scored, the company subsequently scores above five.

Canadian fixed income case study

Company:
Choice Properties REIT ("Choice Properties")

Sector:
Real Estate

Sustainability themes:
GHG Emissions & Energy Efficiency, Diversity & Inclusion, Community Building, Disclosure & Transparency.

Company overview:
Choice Properties is a leading Canadian Real Estate Investment Trust ("REIT") that owns and manages over 700 income-producing properties totalling 65.9 million square feet of gross leasable area. The portfolio primarily consists of necessity-based retail properties leased to its principal tenant, Loblaws, but also includes industrial, mixed-use, and rental residential properties.

Source: Guardian Capital LP research based on public filings of Choice Properties REIT to December 31, 2023.

Sustainability Profile:
Choice Properties integrates sustainability considerations into its operations platform and corporate culture, ultimately guiding their decision-making and long-term strategies.

Choice Properties' Board recognizes the significant risks climate change and evolving sustainability regulations pose to the real estate industry. As a REIT with a large portfolio of retail, industrial, and residential properties, Choice Properties is exposed to the impacts of severe weather events, regulatory shifts, and the ongoing transition to a low-carbon economy. To address these challenges and align with global sustainability goals, Choice Properties has committed to reaching net zero by 2050. In 2022, its net-zero GHG targets were validated by the Science Based Targets initiative. Choice Properties has also established 2030 Interim targets of a 50% reduction in absolute scope 1 and 2 emissions from a 2019 baseline and a 30% reduction in scope 3 emissions. As of 2024, absolute scope 1 and 2 emissions have been reduced by 40% and scope 3 by 12%, putting Choice Properties well on its way to reaching its 2030 targets.

Choice Properties has achieved its target of certifying 65% of its gross leasable area under Leadership in Energy and Environmental Design (LEED) or Building Owners and Managers Association (BOMA) BEST sustainability certifications, reflecting its commitment to high environmental performance standards. Additionally, Choice Properties is exploring renewable energy initiatives and offsets as part of a broader strategy to mitigate environmental impacts. Choice Properties currently has 49 active solar installations across its portfolio, which have produced over 75 GWh (43,000 BOE) of electricity since 2019.

Diversity, equity, and inclusion (DEI) remain central to Choice Properties' sustainability priorities. Their Board is dedicated to fostering an inclusive environment by broadening recruitment and promotion practices, ensuring representation from diverse perspectives at all levels of the organization. The Board itself reflects these values, with a focus on gender parity and greater ethnic diversity. Of the 11 members of the Board of Trustees, 45% are women, while 18% are visible minorities. Female representation targets have been achieved ahead of their 2024 goal. 45% of the Board of Trustees is female (target 40%), 53% of the executive group (target 45%), and 57% of senior management (target 50%).

Choice Properties also prioritizes community engagement through its investments and initiatives. Recognizing the importance of local communities to the success of its properties, the REIT actively supports community development and partnerships with charitable organizations. Programs are designed to enhance accessibility, promote well-being, and deliver value beyond the boundaries of their real estate assets.

In 2023, Choice Properties donated over $610,000 and 1,435 hours of colleague time (equal to 5.1 paid hours volunteered per colleague) to Canadian charities in support of empowering children in low-income communities, exceeding its target of 4.0 paid hours volunteered per colleague per year.

Choice Properties demonstrates a strong commitment to sustainability transparency by publishing comprehensive annual reports detailing its environmental, social, and governance initiatives. Their 2023 sustainability report aligns with leading global frameworks such as the Global Reporting Initiative (GRI) and SASB, ensuring consistency and comparability. The report includes detailed metrics on GHG emissions, energy usage, diversity, and social impact, reflecting their dedication to clear, data-driven communication.

Investment team's Sustainability Assessment Summary

Overall, the investment team considers Choice Properties REIT to have an above-average sustainability profile, especially within the Canadian real estate sector. Choice Properties has made notable progress reducing scope 1, 2, and 3 emissions throughout its portfolio in recent years, putting it in an excellent position to reach its 2030 interim targets. We believe the company's ability to reduce emissions and increase energy efficiency within its portfolio is a competitive advantage, leading to cost savings over the long term. This is a component in our investment thesis and one that separates Choice Properties from other office real estate firms.

Stewardship and active ownership

Engagement

Corporate engagement is a core aspect of Guardian Capital LP's stewardship approach. We focus on ongoing dialogue with the companies we invest in to influence their approach to sustainability factors that are material and relevant to their specific circumstances.

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 sustainability issues, and enable us to gain more understanding of the risks and opportunities that these companies face. This, in turn, leads to more informed investment decisions by Guardian Capital's investment teams. 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. We believe that in making the suggested changes, the company is likely to be better positioned to achieve long-term sustainable growth, which will ultimately be of benefit to our investment in the company and to our clients and investors.

Engagement can be proactive through regular meetings with management or reactive to a particular issue or event. Our experienced investment teams of portfolio managers and analysts are the ones leading and conducting engagement meetings, bringing with them a knowledge of the company's industry and business model. We believe this cultivates a more collaborative and thoughtful conversation on important sustainability matters.

We also recognize that change for a large organization, with its built-in infrastructure and established industry practices, may take time, however, we aim to raise awareness and consideration of sustainability factors with corporate leadership to drive timely improvements that we believe will ultimately benefit all stakeholders.

Policy engagement

As an increasing volume of sustainability-related regulatory initiatives continue to emerge and evolve globally, Guardian Capital has been taking an active role in policy engagements.

Our goal has been to use our experience and knowledge as practitioners to help local regulators shape their frameworks and guidelines in a way that will increase transparency, protect investors and foster fair and efficient capital markets.

Along with other Canadian-based asset managers, Guardian Capital engaged with the Ontario Securities Commission (OSC) in 2024. We presented feedback to the OSC on its proposed ESG Disclosure guidance with a focus on the nuances of ESG integration and the need for interoperability with other jurisdictions, with the objective that these insights might be taken into consideration in future guidance.

Due to our size, other policy engagement activities over the past year have been largely conducted through group meetings and surveys, on matters like the Government of Canada's Bill C-59 and employee-related corporate disclosures. In these instances, we have submitted our feedback to and through our investor network affiliations, including United Nations-supported Principles for Responsible Investment (PRI), Portfolio Management Association of Canada (PMAC), Responsible Investment Association (RIA) of Canada, and the CFA Institute.

2024 Engagement by the numbers:

28
Total number of companies we engaged with

38
Total number of meetings held where sustainability matters were raised

Environmental issues
were discussed in
19 meetings

Social issues
were discussed in
20 meetings

Governance issues
were discussed in
25 meetings

Key sustainability issues addressed in our 2024 engagement meetings:

Overall
Sustainability Disclosures

Environment
GHG Emissions
Energy Management

Social Capital
Customer Welfare
Selling Practices & Product Labelling

Human Capital
Labour Practices
Employee Engagement, Diversity & Inclusion

Business Model and Innovation
Product Design
Supply Chain Management

Leadership & Governance
Management of Legal/Regulatory Environment
Executive Compensation Structure
Board Structure and Composition

Engagement highlights

Company:
EssilorLuxottica SA (EssilorLuxottica)

Sector:
Health Care

Sustainability themes:
Corporate Governance

Type of engagement:
Driving Change

Company overview:
EssilorLuxottica is a global leader in the design, manufacture, and distribution of ophthalmic lenses, frames, and sunglasses. The Global Equity investment team believes it is poised to take advantage of a huge global opportunity - today, 2.5 billion people have uncorrected vision, and by 2050, it is estimated that 6.6 billion will have poor vision due to lifestyle changes and aging demographics.

Engagement summary:
The Global Equity investment team has been engaging with the company since the inception of the Global Equity strategy in 2014, as a regular part of the investment process.

In May 2021, the investment team began engaging with EssilorLuxottica to drive change. As part of its engagement planning, the investment team identified the main issues, set out its objectives, considered if any other investors had attempted to make any of the same changes, and the potential risks if no changes were made, as well as the individuals who would be key to engagement efforts.

The first engagement issue was the composition and effectiveness of the newly proposed Board. The team arranged a call with a Board member of the company to discuss. The team also discussed the process of selecting new Board members, and the independence of those Board members. The team then asked questions around the proposed make-up of the committees, and the number of independent Board members who would sit on the Audit and Nominations Committees. The team asked if there would be a decision on a new CEO and if there would be any changes to the remuneration policy. The team went on to discuss the synergies within the business since the merger of Essilor and Luxottica in October 2018. The team was satisfied with the discussions and continued to monitor the situation.

In June 2022, the investment team met with the Deputy CEO and Investor Relations. The meeting covered the culture of the company, its competitive advantage and supply chain. The team discussed sustainability in terms of materials, circular solutions, and the company's investment in an Italian company focused on developing sustainable acetates. The team then asked questions around the business structure, employee turnover and co-CEO succession.
In September, the team attended the EssilorLuxottica Capital Markets Day in Milan and took the opportunity to ask several board members about the Board structure. The team learned more about the company's culture, its simplified and standardized supply chain, carbon roadmap (which will involve sourcing 100% renewable energy and 'green shipping') and plans for circularity (with a focus on eco-design, sustainable certifications, partnership, and vertical integration). At the same time, the team discussed the company's ability to measure its Scope 3 emissions, to which they answered that they are a "long way off". The team continued to monitor developments and aimed to encourage positive change where necessary.

In April 2024, the investment team voted against the re-election of the company's Chairman and CEO, and in June, the investment team met with the company's Deputy CEO. In the communication with the company prior to their Annual General Meeting ("AGM"), the team communicated the preference for the roles of CEO and chairman to be split on the basis that they believe an independent chairman would be particularly beneficial for the company, given its history of corporate governance unrest. At the same time, the team made clear that the decision should not be viewed as an expression of discontent with the chairman/CEO. During the team's meeting with the Deputy CEO, there was further discussion of the team's concerns, which were acknowledged. The team continues to monitor and encourages the company to increase the independence of the board and committees.

Next steps:

- The Global Equity investment team will continue to engage with the company to monitor and drive change in the aforementioned areas.

Engagement highlights

Company:
Yum China Holdings Inc. ("Yum China")

Sector:
Consumer Discretionary

Sustainability themes:
Diversity and Inclusion, Environmental Impact, Executive Remuneration, Human Rights, Human Capital Management, Supply Chain Management, Labour Practices, Listing, Governance Structure and Product Quality and Safety.

Type of engagement:
Information Sharing

Company overview:
Yum China is one of the largest restaurant companies in China and operates a number of China-based outlets, including KFC and Pizza Hut brands, as well as emerging brands including Taco Bell, Little Sheep, Huang Ji Huang and Shaofaner. The company also partners with Lavazza to develop the Lavazza coffee shop concept in China.

Engagement summary:
In November 2020, both the Global Equities and Emerging Markets Equities investment teams met with a number of Yum China's senior executives. The investment teams asked questions on the company's environmental impact, food safety, the prevention of modern slavery in the supply chain, as well as regulatory considerations, particularly in regard to public health matters such as nutrition and obesity. The company reiterated its commitment to making improvements in terms of its environmental impact and said that it was looking at implementing guidelines from the Carbon Disclosure Project (CDP). It also assured that the issue of food safety was its "Number One Priority", and as part of this, had set up a board-level Food Safety Committee and conducteds regular risk assessments and audits. In terms of modern slavery, management assured that Yum China conducts due diligence on all new suppliers, that all suppliers are required to sign a Code of Conduct and that it has terminated some suppliers due to non-compliance. In response to the investment team's questions on regulatory considerations, particularly with regard to public health matters such as nutrition and obesity, management said that the company had introduced healthier products and alternatives and that it has regular dialogue with the National Health Commission in China.

In 2021, the Emerging Markets Equity investment team met with the company on three separate occasions and discussed many of the same topics. As part of these meetings, the team discussed the company's supply chain, links with deforestation, and the phasing out of plastic packaging, as well as the issue of health and the associated regulatory risks. The team noted the company's progress towards setting net zero targets validated by the Science Based Targets initiative (SBTi), and that it was in the process of engaging external consultants to understand its Scope 3 emissions, whilst already reporting on its Scope 1 and 2 emissions. Furthermore, the company had eliminated plastic cutlery and straws in all major city restaurant locations, was phasing out plastic shopping bags, and was reducing single-use packaging as much as possible according to the four 'Rs': Reduce, Reuse, Recycle, Replace. When asked about the ways in which the government might attempt to tackle obesity and other public health issues resulting from a poor diet and noted that the company is aligned with the China 2030 Health Plan, which involves various initiatives to align with China's nutrition strategy. Management also assured that the company will continue to work closely with the regulators and restaurant associations to share ideas and assess emerging trends.

In 2022, the Emerging Markets Equity investment team met with the company on three separate occasions. During these meetings, the team followed up on the company's progress towards setting net-zero targets and discussed the issues of healthy eating and food scares.

For the former, the team discussed the process towards verification by the SBTi and learned that Yum China was the first restaurant company in China to have its targets approved by the initiative. The team discussed the different pillars of its strategy, including climate action, the circular economy, supply chain risks (biodiversity, deforestation), energy efficiency, renewables, and supplier engagement. For supplier engagement, management informed the team that they are holding engagement workshops to educate suppliers about Yum China's climate KPIs and to encourage alignment with these, and the team asked how frequently they terminate suppliers for breaches. The team also discussed the topics of executive compensation, human capital management, diversity, employee benefits and employee turnover, as well as the implications of the company's move to seek a dual primary listing in Hong Kong.

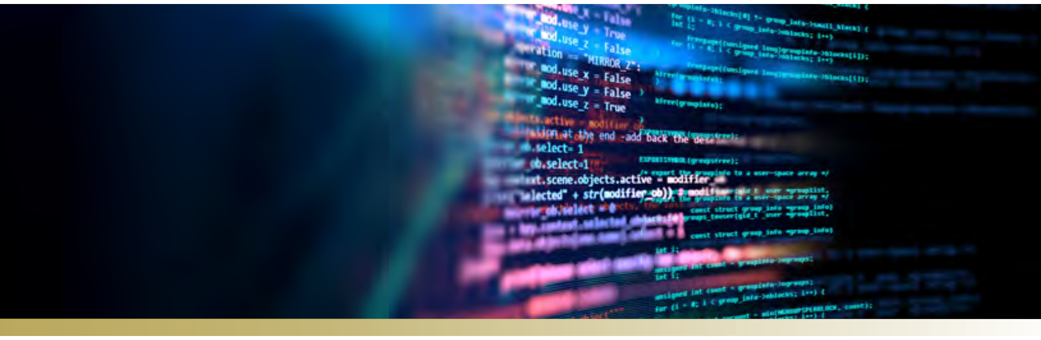
In 2023, the Emerging Markets Equity investment team met with the company on three separate occasions and attended the Yum China Investor Day, which was held in Xi'an, China. During these meetings, the discussion focused on the proposed changes to the executive compensation model ahead of the company's AGM – the team challenged management on a number of the proposed amendments, and concluded that given the volatile operating environment and exceptional job the management team had done during the pandemic, the team would vote for the adjustments to the Long Term Incentives (LTIs) and Short Term Incentives (STIs) on the basis of rewarding performance and supporting retention. In a subsequent meeting, the team voiced our preference for compensation being based on business fundamentals rather than Total Shareholder Return (TSR) and followed up with some examples of what the investment team would regard as best practice. Furthermore, a topic raised was the company's tying of ESG metrics with executive compensation, and the company welcomed any examples of best practice. The team also followed up on the prospect of increased regulation around unhealthy eating, the company's net-zero plans, as well as succession planning.

In 2024, the Emerging Markets Equity investment team met with the company on two separate occasions, including a meeting with the Chief Executive Officer (CEO). During these meetings, the discussion covered a wide array of topics including the company's use of green energy, relations with local and central governments and the ongoing search for a new Chief Financial Officer. The investment team also followed up on the prospect of increased regulation around healthy eating in China. The team discussed the relationship with the Chinese Nutrition Society and the broadening the menu to include healthier options. Over 90% of breakfast menu items and 60% of all-day items are not prepared in the fryer, instead using multiple cooking methods, including roasting, boiling, sautéing, and grilling. Finally, the team discussed the company's SBTi commitment, which was removed because of new requirements that introduced the inclusion of FLAG (forests, land and agriculture) targets as part of the net-zero target setting. The additional FLAG requirement resulted in the company's verification application being rejected. Management has confirmed that they are working on resubmitting the application and that the company remains committed to achieving net-zero value chain greenhouse gas emissions by 2050. These meetings were of a fact-finding nature with an element of driving change.

Next steps:

The process increased the investment teams' understanding of and confidence in the company's approach to the issues discussed. The investment teams also noted that further progress was desirable and are committed to continuing to engage with Yum China's management team on the factors that influence the long-term sustainability of the company's growth.

Engagement highlights



Company:
CGI Inc. ("CGI")

Sector:
Information Technology

Sustainability themes:
Board Composition, Diversity Equity & Inclusion, Executive Compensation, Sustainability Disclosures.

Type of engagement:
Information Sharing

Company overview:
CGI Inc. is a Canadian multinational information technology consulting and software development company.

Next steps:
The company was receptive and acknowledged the Canadian Equity investment team's issues. The team will be monitoring the company's response and progress in these areas.

Engagement summary:
As a part of CGI's outreach for investor feedback, the Canadian Equity investment team met with CGI in 2024 to discuss the Board's qualifications, composition and compensation.

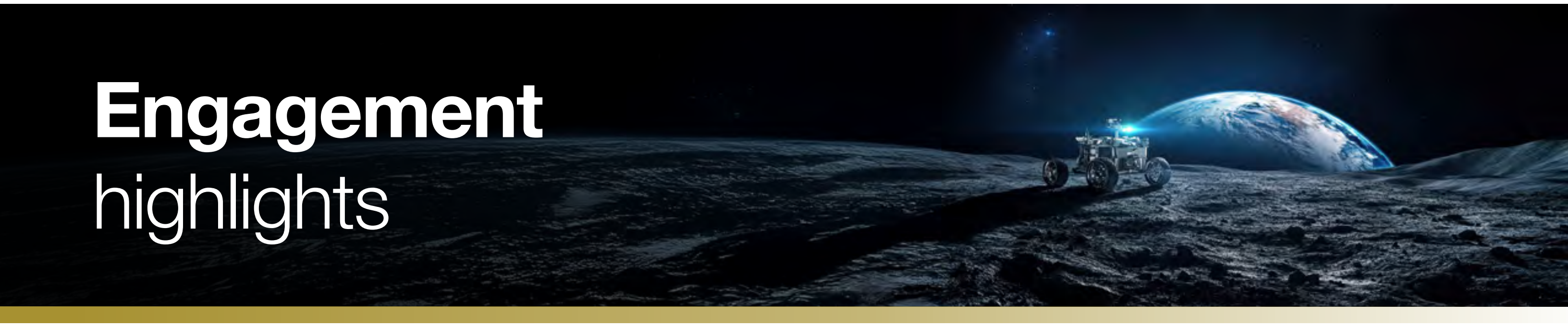
The investment team mentioned that while they were satisfied with the qualification of the directors on the Board, the Board composition does not currently reflect the global stature of the company. For example, of the 15 directors, only four directors, aside from the CEO, are from outside of Quebec or Canada (and only two of these are from other provinces in Canada, so eight of the 15 directors, 53%, are from Quebec). The investor relations team noted that they have heard similar from other institutional investors.

The investment team noted that it was pleased to see CGI's continuous improvement with respect to the proportion of women in leadership positions within the company. While the Board is comprised of 40% women, the investment team noted that only one person out of 15 directors is a visible minority, and encouraged the company to broaden the ethnic diversity of its Board. CGI's investor relations team noted that other shareholders shared a similar sentiment. While this issue does not pertain to the Board, for the general workforce they noted that it is challenging to determine the ethnic diversity of the company given that outside of Canada, the US, and the UK they are not permitted to request employee ethnic background data (for example: in the European Union's General Data Protection Regulation (GDPR) regulations prohibit gathering this type of information).

The investment team noted that its only notable dissatisfaction with executive compensation is that the company has a CEO and an Executive Chairman. It is not clear to investors what the distinction is in terms of their roles, and if it is necessary to have both of these high compensation positions. CGI's investor relations acknowledged that the company needs to do a better job of articulating the duties for each of these roles.

The investment team also mentioned, as it had before, that the introduction of a small, notional dividend could be accreditive to the business. Investor relations responded that the Board was engaging in increasingly longer discussions about the implementation of a dividend.

Key areas of focus on sustainability that CGI Inc. identified going forward were: responsible artificial intelligence, cybersecurity, human capital management, and data privacy and security.



Engagement highlights

Company:
MDA Ltd. ("MDA")

Sector:
Industrials

Sustainability themes:
Human Capital, Cybersecurity, Risk Management, GHG Emissions.

Type of engagement:
Information Sharing

Company overview:
MDA designs, manufactures, and services space robotics, satellite systems, and geo-intelligence technology to the space industry. The company specializes in communication satellites, earth and space observation, space exploration and infrastructure.

Next steps:
Overall, the Canadian Equity investment team found MDA's engagement to be highly constructive and addressed all of the team's questions. Overwhelmingly, the team's feedback for MDA was that the information provided should be more broadly disclosed so other investors could see the good work being done at MDA. Looking ahead, the investment team will continue to monitor progress in these areas.

Engagement summary:
The Canadian Equity investment team reached out to MDA in 2024 to get a progress update on a variety of sustainability issues.

Previously, the investment team had reached out looking for sustainability-related information when researching the company in 2023. At the time, MDA had not collected or released much of the information, but it was highly responsive to the investment team's request. Ahead of the meeting, the team sent a list of areas to focus on, including human capital management, data security, risk management, and environmental disclosure.

The most important discussion topic was human capital management, given its relevance to MDA's core business. MDA had collected data on the team's requested areas, including talent attraction and retention, engagement, initiatives, and highlighted the hiring of a Chief People and Culture Officer. Overall progress on this front was highly encouraging, with useful data points and progress towards positive goals across the board. Additionally, the KPIs associated with human capital management presented a positive picture of the company's people strategy. The company's first employee engagement survey was conducted in 2024, and the team looks forward to hearing the results and takeaways from this initiative. The team provided feedback to MDA that greater dissemination of the information discussed would enhance investors' ability to evaluate the business and raise the company's reputation.

On data security, the company disclosed its use of the National Institute of Standards and Technology (NIST) framework for its cybersecurity controls. Additionally, it was made clear that inquiries over time impacted the company's decision to disclose this information publicly. MDA also detailed a list of cybersecurity controls. The disclosure satisfied all of the investment team's concerns, and the point was reiterated that better public availability of the discussed controls would enhance external evaluations of sustainability performance.

Regarding the company's enterprise risk management disclosure, MDA provided a breakdown of its oversight framework. The company clarified for the team that "sustainability" risk is not a specific category assigned to a team or person. However, both cybersecurity and human capital were identified as "top 10 risks" that are assigned to risk "owners" and receive quarterly "deep dives". Given that the investment team sees these risks as MDA's top sustainability-related concerns, this was considered adequate risk management governance.

Finally, MDA discussed its progress on environmental initiatives and reporting. Key improvements included building the new Brampton headquarters to LEED standards, tracking of scope 1 & 2 GHG emissions, and efforts to improve scope 3 GHG emissions tracking.

Proxy voting

At Guardian Capital, we recognize that proxy voting is an important aspect of responsible stewardship and believe it can help to ensure companies focus attention on the matters that shareholders value most. The primary focus of our management of proxy voting is to maximize shareholder value. We believe well-managed companies, with strong governance processes, a commitment to sustainable environmental practices and consideration of all of their stakeholders will typically produce better long-term investment returns for investors.

We acknowledge that there is currently no universally applicable governance model for every company, but Guardian Capital believes in four broad fundamental principles to apply when evaluating corporate governance systems:

Accountability: Boards should be accountable to shareholders by holding regular board elections, providing sufficient information for shareholders to assess directors and board composition and by providing shareholders with the ability to remove directors. Directors should respond to investor input such as that expressed through proxy voting results and shareholder engagement.

Stewardship: A company's governance, social, and environmental practices should meet or exceed the standards of the market regulations and general practices in the markets in which it operates, and should take into account relevant factors that may materially impact the company's long-term value creation.

Independence: Boards should align their interest with what is best for the company. In order to do so, boards should be sufficiently independent of 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.

These principles guide our approach to meeting our fiduciary responsibility with respect to voting, by promoting long-term shareholder value creation and risk mitigation in our investee companies through the support of responsible and sustainable global corporate governance, environmental, and social practices.

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. With 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 and investors. We also believe that engagement and proxy voting work hand in hand, and our portfolio managers may choose to engage with the company on any concerns that arise through proxy proposals in combination with the determination of a voting decision.

Guardian Capital subscribes to a proxy service, Institutional Investor Services (ISS), to assist with the management of our proxy voting activities. ISS also provides an analysis of all proxy proposals related to companies held in our equity portfolios. We believe that using a proxy service helps to ensure that we are meeting stewardship best practice requirements for execution, disclosure and transparency.

The following is a summary of our proxy voting activities in 2024[2], along with some select proposals to demonstrate the types of factors our investment teams consider when evaluating proxy proposals.

2024 proxy voting by the numbers:

6,621 total proposals

All proposals (management and shareholder):

Management recommendation alignment:
94% voted with
4% voted against

ISS recommendation alignment:
95% voted with
3% voted against

Breakdown of management proposal votes:

Management recommendation alignment:
95% voted with
3% voted against

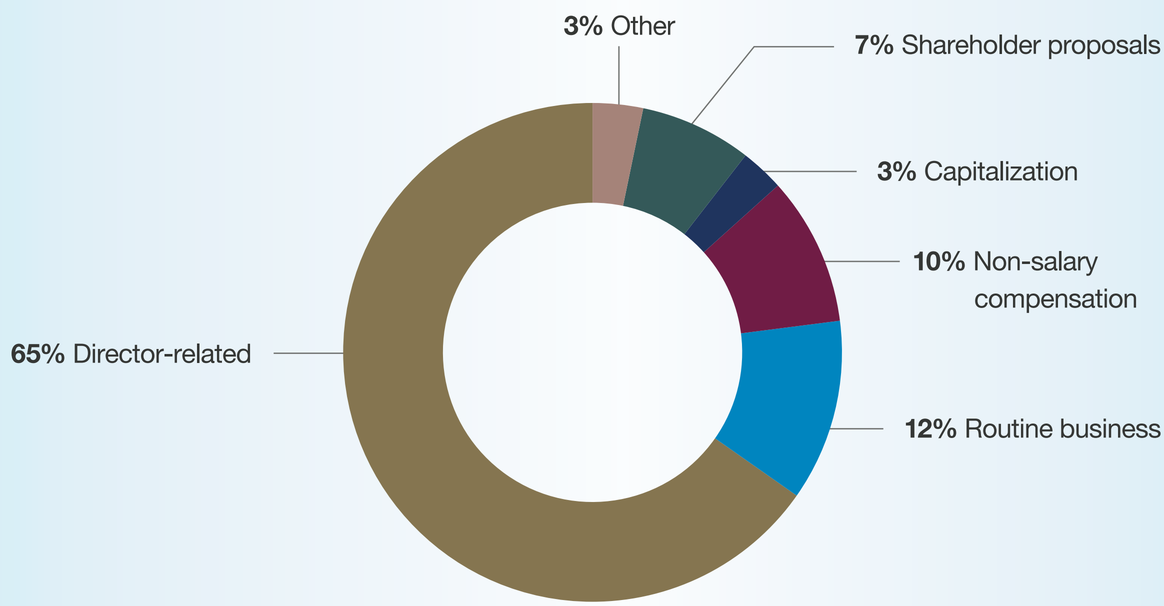
ISS recommendation alignment:
96% voted with
2% voted against

Breakdown of shareholder proposal votes:

Management recommendation alignment:
70% voted with
22% voted against

ISS recommendation alignment:
81% voted with
11% voted against

Proposals by category



[2] Votes not displayed include proposals where we voted to abstain or withheld our vote.

Breakdown of proxy voting results

	Meetings	Proposals	Votes with management	Votes against management	Votes with ISS	Votes against ISS	Votes abstain / withheld
Firm Total	296	4388	4082	179	4179	82	145

Management proposals

	Meetings	Proposals	Votes with management	Votes against management	Votes with ISS	Votes against ISS	Votes abstain / withheld
Director-related	282	2717	2564	78	2604	38	89
Routine Business	277	575	554	7	561	0	14
Non-salary Compensation	258	455	414	33	434	13	8
Capitalization	62	172	169	2	170	1	1
Anti-takeover-related	25	25	24	1	25	0	0
Reorganizations and Mergers	13	17	13	4	15	2	0
Preferred/Bondholder	2	3	3	0	3	0	0
Miscellaneous	22	145	145	0	145	0	0

Shareholder proposals

	Meetings	Proposals	Votes with management	Votes against management	Votes with ISS	Votes against ISS	Votes abstain / withheld
Director-related	26	54	33	5	34	4	20
Compensation	15	16	12	3	14	1	1
Routine Business	20	26	11	12	21	2	3
Corporate Governance	20	23	15	6	19	2	2
Human Rights	24	40	34	4	31	7	2
Social Proposals	14	21	19	0	19	0	2
Health & Environment	40	59	51	7	53	5	1
General Economic Issues	0	0	0	0	0	0	0
Miscellaneous	30	40	21	17	31	7	2

This chart is a summary of the proxy voting activity of all investment teams across Guardian Capital LP, including its UK-based subsidiary and sub-advisor, GuardCap Asset Management Limited and US-based affiliate and sub-advisor Alta Capital Management, LLC, over the period from January 1, 2024, to December 31, 2024.

Proxy voting
case studies

Company:
Keyence Corp. (“Keyence”)

Proxy background:
The company put forward a proposal to re-elect two senior directors to the Board.

Management and ISS recommendation:
Management and ISS recommended to vote FOR the proposals.

Guardian Capital LP’s vote and rationale:
We voted against the proposals due to the lack of additional progress in both the independence and the number of women on the Board. When evaluating Board composition, Guardian Capital will consider factors including, but not limited to size, independence, and diversity. Guardian Capital believes that in order to carry out its fiduciary duties to shareholders in an effective and objective manner, Boards must be independent. Additionally, Guardian Capital believes that Board diversity contributes to long term sustainable performance. Having a diverse Board ensures that a wide range of perspectives and competencies are fostered, which will ultimately lead to better decision-making and overall Board effectiveness.

In June 2024, as part of our ongoing engagement with the company, we met with Investor Relations. The purpose of the call was to discuss the investment team’s concerns regarding the board composition ahead of the company’s annual general meeting (“AGM”). The investment team asked if the company is taking any actions to increase board independence (to at least 50%) and add another woman to the board (at the time, out of nine total directors, the company had only one woman on its board). The investment team also asked about the company’s intention of separating the President and Chair positions and moving towards fully independent Nomination and Compensation Committees. The team remained unsatisfied with the company’s response and voted against the election of two of the most senior directors in 2024 due to the lack of progress.

Proxy voting case studies

Company:
Oversea-Chinese Banking Corporation Limited ("OCBC")

Proxy background:
The company put forward proposals to approve the grant of options and/or rights and issuance of shares pursuant to the OCBC Share Option Scheme, OCBC Employee Share Purchase Plan, and the OCBC Deferred Share Plan.

Management and ISS recommendation:
Management recommended to vote FOR the proposals, while ISS recommended to vote AGAINST the proposals.

Guardian Capital LP's vote and rationale:
We voted against the proposals. Guardian Capital believes that executive compensation should be performance-based and should align the interests of executives with the long-term interests of shareholders. Guardian Capital takes into consideration multiple factors when evaluating executive compensation. Guardian Capital will generally support compensation plans where the components of compensation are aligned with and support the strategic objectives of the company over both the short-term and long-term and a significant component of executive compensation is based on performance.

The reason for voting against the proposal was due to concerns about the size and structure of the share incentive plans, alignment with long-term performance and shareholder value, as well as international best practice. Prior to the AGM, our investment team notified the company of our concerns and asked if the company would consider reducing the size of the share incentive plans and enhancing the performance-related conditions. The company informed us that it had increased disclosure regarding certain performance conditions and limited the threshold for new share plans to 5% for the year but that deferred share plans help with employee retention and the proposed maximum limit of 10% was intended to provide adequate ordinary shares to support the utilisation of awards in the company's long-term compensation strategy. Our investment team notified the company that we would be voting against this agenda item and encouraged OCBC to move the plans into line with international best practice, with an overall limit of 5% for incentive plans. We also outlined our preference for equity incentives accrued by key executives to have performance conditions attached, and that these conditions should be disclosed.

Proxy voting case studies

Company:
Apple Inc. (“Apple”)

Proxy background:
A shareholder put forward proposal requesting Apple prepare a transparency report on the company’s use of artificial intelligence (AI) in its business operations and disclose any ethical guidelines that the company has adopted regarding AI technology.

Management and ISS recommendation:
Management recommended to vote AGAINST the proposals, while ISS recommended to vote FOR the proposals.

Guardian Capital LP’s vote and rationale:
We voted FOR the reporting on the use of AI. Guardian Capital will generally review all shareholder proposals on a case-by-case basis. While a variety of factors goes into each analysis, the overall principle guiding all vote recommendations focuses on how the proposal may enhance or protect shareholder value in either the short term or long term. When evaluating shareholder proposals, Guardian Capital will consider factors including, but not limited to the link to the company’s business, if the issue is more appropriately dealt with through government regulation, if the company has already responded in a sufficient manner, whether the proposal’s request is overly prescriptive, and whether implementation would reveal proprietary information placing the company at a competitive disadvantage.

At the time of the proposal, Apple had established existing guidelines and practices that broadly address AI, but the company does not specifically identify the potential risks resulting from the use of AI, which is what the shareholder proposal seeks. Some of Apple’s peers have publicly committed to mitigating risks posed by AI, like potential adverse impact on labour and the spread of misinformation. These concerns could pose a material reputational and social risk for the company, and we believe that improved transparency from the company regarding its business operations would allow investors to properly evaluate the actions that the company is taking to manage those risks.

Proxy voting
case studies

Company:
American Express Company ("American Express")

Proxy background:
A shareholder put forward a proposal requesting that American Express report on how its direct and indirect lobbying activities align with the company's public commitment to achieve net zero by 2035.

Management and ISS recommendation:
Management recommended to vote AGAINST the proposals, while ISS recommended to vote FOR the proposals.

Guardian Capital LP's vote and rationale:
We voted FOR the reporting on climate lobbying. Guardian Capital believes that climate change increasingly presents significant physical, regulatory and transition-related risks while climate change preparedness can be a source of competitive advantage. Guardian Capital expect companies to understand and manage climate-related risks and opportunities and encourages them to take actions that strengthen governance and oversight of climate change, reduce greenhouse gas and other emissions, and provide transparency and comprehensive climate-related disclosures.

In terms of climate-related disclosure, Guardian Capital expect companies to disclose how their lobbying and policy advocacy activities align with their business strategy. Guardian Capital will evaluate proposals requesting information on a company's lobbying activities, policies, or procedures on a case-by-case basis, but will generally support proposals where the company does not currently disclose such details or existing disclosure is inadequate. Guardian Capital will also consider the practices and disclosure of company peers when evaluating these types of proposals.

At the time of the proposal, American Express had not provided a complete disclosure of the dues paid to trade associations and other tax-exempt organizations that may be engaged in lobbying. The company also had not disclosed the positions of its lobbying partners or the lobbying activities in which these organizations may be engaging in. For that reason, it is unclear whether the company's lobbying activities, as a whole, are aligned with its public commitment to achieve net zero by 2035. We believe that a greater level of transparency regarding the company's direct and indirect lobbying activities will allow shareholders to better assess the company's climate approach.

Appendix

Canadian Equity proxy voting results

Guardian Capital LP manages several Canadian Equity portfolios across growth, core and income investment styles. The Canadian Equity investment team seeks companies that have strong balance sheets, superior management teams, and core competitive advantages that will drive positive price performance over time. The investment process is based on a bottom-up assessment of fundamentals.

All proposals (management and shareholder):

Management recommendation alignment:

95% voted with

3% voted against

ISS recommendation alignment:

95% voted with

3% voted against

Breakdown of management proposal votes:

Management recommendation alignment:
96% voted with
2% voted against

ISS recommendation alignment:
96% voted with
3% voted against

Breakdown of shareholder proposal votes:

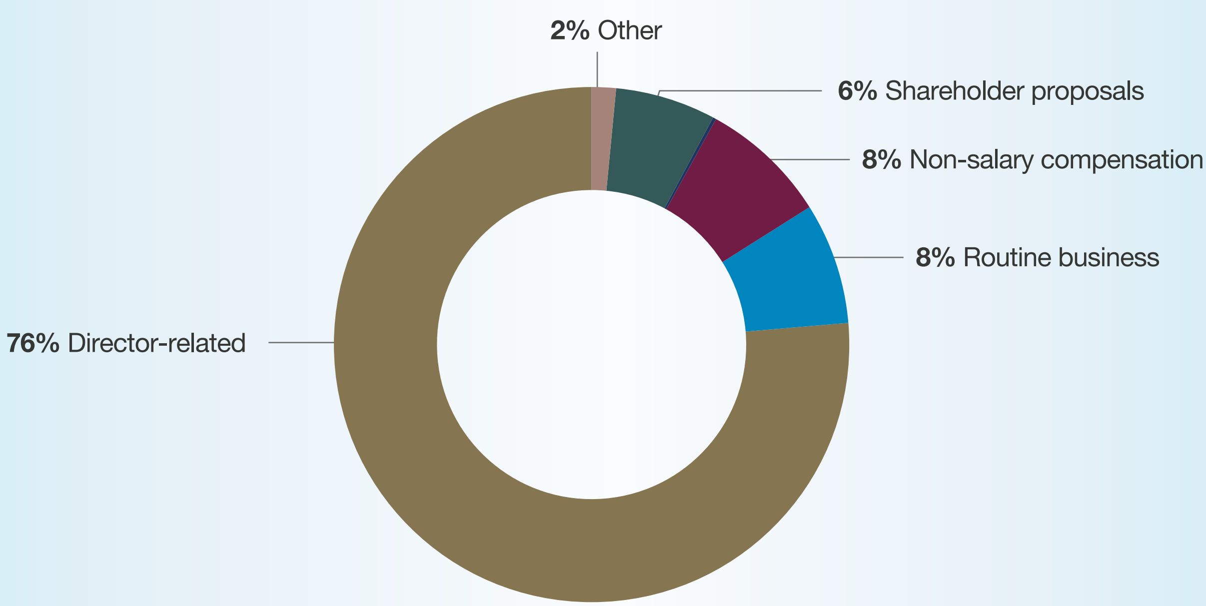
Management recommendation alignment:
81% voted with
13% voted against

ISS recommendation alignment:
89% voted with
5% voted against

2024 proxy voting by the numbers:

985 total proposals

Proposals by category:



Breakdown of proxy voting results

	Meetings	Proposals	Votes with management	Votes against management	Votes with ISS	Votes against ISS	Votes abstain / withheld
Canadian Equities total	71	985	937	27	937	27	24

Management proposals

Director-related	68	752	725	12	720	17	18
Routine Business	68	75	74	0	74	0	1
Non-salary Compensation	62	79	71	7	73	5	1
Capitalization	2	2	2	0	2	0	0
Anti-takeover-related	6	6	6	0	6	0	0
Reorganizations and Mergers	5	6	6	0	4	2	0
Preferred/Bondholder	1	1	1	0	1	0	0
Miscellaneous	2	2	2	0	2	0	0

Shareholder proposals

Director-related	4	4	3	0	3	0	1
Compensation	7	8	7	0	7	0	1
Routine Business	12	15	6	8	13	1	1
Corporate Governance	1	1	1	0	1	0	0
Human Rights	3	3	3	0	3	0	0
Social Proposals	2	2	2	0	2	0	0
Health & Environment	12	24	23	0	21	2	1
General Economic Issues	0	0	0	0	0	0	0
Miscellaneous	4	5	5	0	5	0	0

This chart is a summary of the proxy voting activity for the Guardian Canadian Equity Fund, Guardian Canadian Sector Controlled Equity Fund, Guardian Canadian Focused Equity Fund, Guardian Canadian Growth Equity Fund and the Guardian Canadian Equity Income Fund over the period from January 1, 2024, to December 31, 2024.

i3 Investments™ proxy voting results

The Guardian Capital LP i3 Investments™ team's quantitative process uses a systematic, bottom-up approach and integrates proprietary artificial intelligence models to analyze fundamental factors, relative value and capital growth potential of companies within a broad universe of stocks. The investment team offers domestic and foreign equity strategies based on a systematic investment analysis methodology, as well as blending both quantitative and qualitative elements to identify companies that have the potential to add value to their portfolios.[3]

2024 proxy voting by the numbers:

1,397 total proposals

All proposals (management and shareholder):

Management recommendation alignment:

95% voted with

4% voted against

ISS recommendation alignment:

98% voted with

1% voted against

Breakdown of management proposal votes:

Management recommendation alignment:
96% voted with
3% voted against

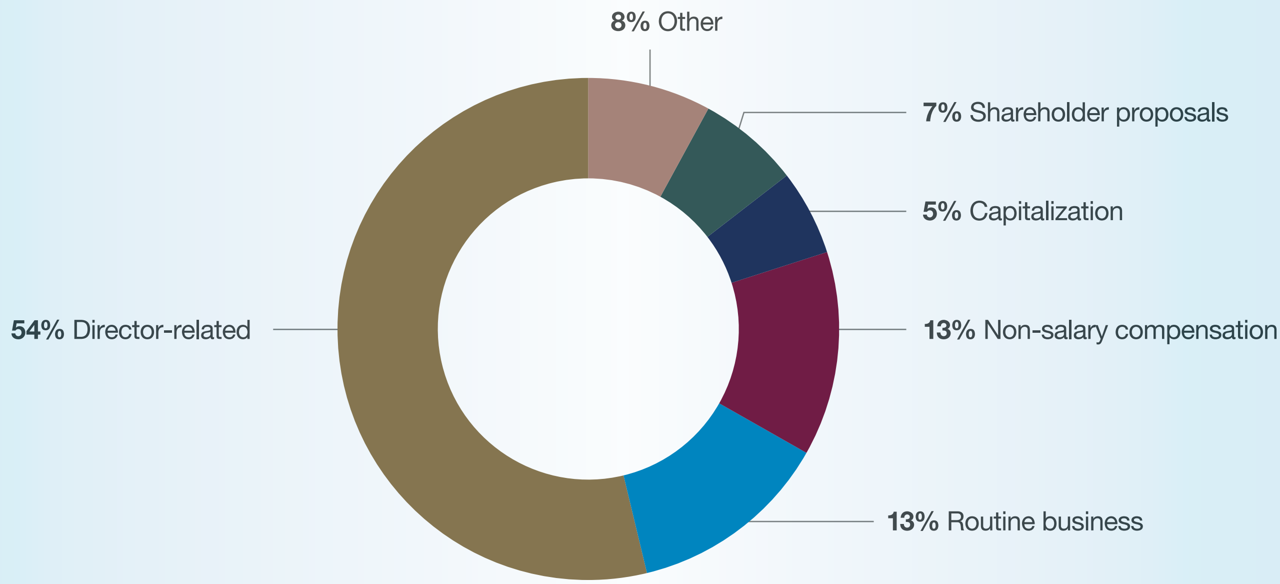
ISS recommendation alignment:
99% voted with
1% voted against

Breakdown of shareholder proposal votes:

Management recommendation alignment:
79% voted with
21% voted against

ISS recommendation alignment:
87% voted with
13% voted against

Proposals by category:



[3] Investment strategies that rely on predictive artificial intelligence and quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends and technical issues in the construction and implementation of the models. Please consider these and other factors carefully and do not place undue reliance on modeled information. There is no guarantee that the use of the quantitative model will result in effective investment decisions, as the simulated results are subject to inherent limitations.

Breakdown of proxy voting results

	Meetings	Proposals	Votes with management	Votes against management	Votes with ISS	Votes against ISS	Votes abstain / withheld
i³ Total	82	1397	1331	61	1374	18	5

Management proposals

	Meetings	Proposals	Votes with management	Votes against management	Votes with ISS	Votes against ISS	Votes abstain / withheld
Directors Related	82	751	722	26	743	5	3
Routine Business	78	182	180	1	181	0	1
Non-Salary Compensation	88	184	169	14	182	1	1
Capitalization	26	77	77	0	77	0	0
Anti-takeover Related	9	9	8	1	9	0	0
Reorganizations and Mergers	0	0	0	0	0	0	0
Preferred/Bondholder	0	0	0	0	0	0	0
Miscellaneous	9	102	102	0	102	0	0

Shareholder proposals

	Meetings	Proposals	Votes with management	Votes against management	Votes with ISS	Votes against ISS	Votes abstain / withheld
Director Related	10	10	7	3	10	0	0
Compensation	3	3	2	1	2	1	0
Routine Business	3	4	3	1	4	0	0
Corporate Governance	7	13	11	2	13	0	0
Human Rights	10	18	17	1	14	4	0
Social Proposals	6	8	8	0	8	0	0
Health & Environment	10	14	13	1	12	2	0
General Economic Issues	0	0	0	0	0	0	0
Miscellaneous	16	22	12	10	17	5	0

This chart is a summary of the proxy voting activity for the Guardian i³ Global Dividend Growth Fund, Guardian i³ Global Quality Growth Fund, Guardian i³ Global Quality Growth ETF, Guardian i³ International Quality Growth Fund and Guardian i³ US Quality Growth Fund* over the period from January 1, 2024, to December 31, 2024.

* On September 19, 2024 the Fund changed its name to align with the launch of mutual fund series units. There were no changes to the investment objective, strategies or management of the Fund associated with the name change.

Fundamental Global Equity proxy voting results

The Fundamental Global Equity strategy is a concentrated, long-only, bottom-up, benchmark-agnostic quality growth strategy, typically holding 20-25 stocks. All holdings must meet the Global Equity investment team's 10 Confidence Criteria and progress through increasingly intensive stages of research which results in a small number of stocks the investment team believes are of the highest quality, capable of sustaining above-average growth over the long term, and reasonably valued when examined in the context of our long-term investment horizon. ESG considerations are integrated throughout the investment process, and proxy voting is a key component of our active ownership philosophy.

2024 proxy voting by the numbers:

440 total proposals

All proposals (management and shareholder):

Management recommendation alignment:

99% voted with

1% voted against

ISS recommendation alignment:

93% voted with

7% voted against

Breakdown of management proposal votes:

Management recommendation alignment:
98% voted with
2% voted against

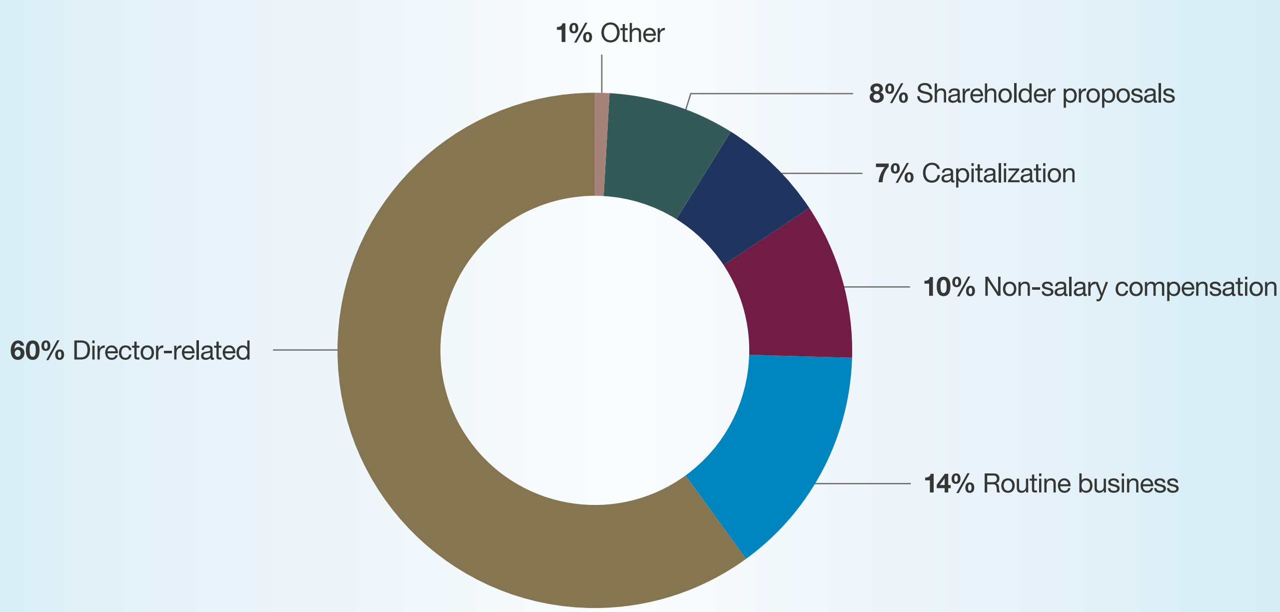
ISS recommendation alignment:
96% voted with
4% voted against

Breakdown of shareholder proposal votes:

Management recommendation alignment:
100% voted with
0% voted against

ISS recommendation alignment:
60% voted with
40% voted against

Proposals by category:



Breakdown of proxy voting results

	Meetings	Proposals	Votes with management	Votes against management	Votes with ISS	Votes against ISS	Votes abstain / withheld
Fundamental Global Total	25	440	434	6	411	29	0

Management proposals

	Meetings	Proposals	Votes with management	Votes against management	Votes with ISS	Votes against ISS	Votes abstain / withheld
Director-related	25	264	258	6	253	11	0
Routine Business	25	64	64	0	64	0	0
Non-salary Compensation	24	43	43	0	39	4	0
Capitalization	9	30	30	0	30	0	0
Anti-takeover-related	3	3	3	0	3	0	0
Reorganizations and Mergers	0	0	0	0	0	0	0
Preferred/Bondholder	0	0	0	0	0	0	0
Miscellaneous	1	1	1	0	1	0	0

Shareholder proposals

	Meetings	Proposals	Votes with management	Votes against management	Votes with ISS	Votes against ISS	Votes abstain / withheld
Director-related	2	3	3	0	1	2	0
Compensation	2	2	2	0	1	1	0
Routine Business	1	1	1	0	1	0	0
Corporate Governance	2	2	2	0	1	1	0
Human Rights	6	14	14	0	8	6	0
Social Proposals	3	4	4	0	4	0	0
Health and Environment	4	5	5	0	4	1	0
General Economic Issues	0	0	0	0	0	0	0
Miscellaneous	3	4	4	0	1	3	0

This chart is a summary of the proxy voting activity for the Guardian Fundamental Global Equity Fund over the period from January 1, 2024, to December 31, 2024.

Emerging Markets Equity proxy voting results

The Emerging Markets Equity strategy is a concentrated, long-only, bottom-up, benchmark-agnostic quality growth strategy, typically holding 25-30 stocks domiciled or substantially operating in emerging economies. All holdings must meet the Emerging Markets equity investment team's 10 Investment Criteria and progress through increasingly intensive stages of research which result in a small "Buy List" of stocks the investment team believes are of the highest quality, capable of sustaining above-average growth over the long term, and reasonably valued when examined with our long-term investment horizon. ESG considerations are integrated throughout the investment process, with proxy voting a key component of our active ownership philosophy.

2024 proxy voting by the numbers:

273 total proposals

All proposals (management and shareholder):

Management recommendation alignment:

95% voted with

5% voted against

ISS recommendation alignment:

98% voted with

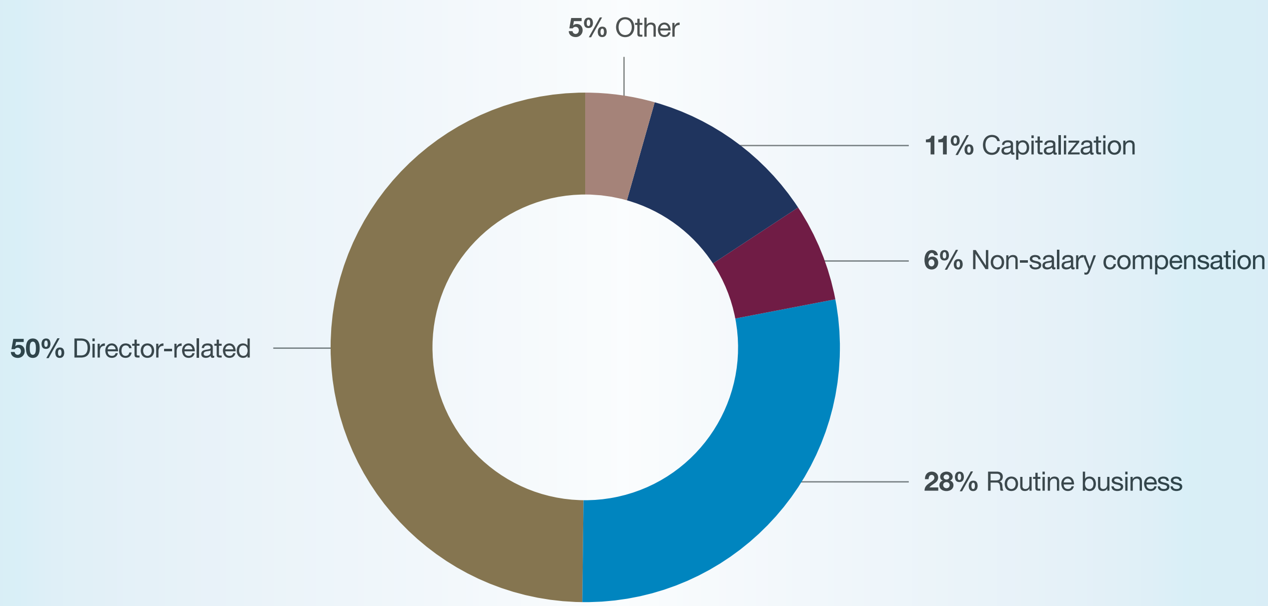
2% voted against

Breakdown of management proposal votes:

Management recommendation alignment:
95% voted with
5% voted against

ISS recommendation alignment:
98% voted with
2% voted against

Proposals by category:



Breakdown of proxy voting results

	Meetings	Proposals	Votes with management	Votes against management	Votes with ISS	Votes against ISS	Votes abstain / withheld
Emerging Markets Total	30	273	260	13	268	5	0

Management proposals

Director-related	24	136	132	4	134	2	0
Routine Business	25	77	76	1	77	0	0
Non-salary Compensation	12	17	15	2	15	2	0
Capitalization	13	31	29	2	30	1	0
Anti-takeover-related	0	0	0	0	0	0	0
Reorganizations and Mergers	6	9	5	4	9	0	0
Preferred/Bondholder	0	0	0	0	0	0	0
Miscellaneous	2	3	3	0	3	0	0

Shareholder proposals[4]

Director-related	-	-	-	-	-	-	-
Compensation	-	-	-	-	-	-	-
Routine Business	-	-	-	-	-	-	-
Corporate Governance	-	-	-	-	-	-	-
Human Rights	-	-	-	-	-	-	-
Social Proposals	-	-	-	-	-	-	-
Health and Environment	-	-	-	-	-	-	-
General Economic Issues	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-

[4] There were no shareholder proposals for the companies held in the Guardian Emerging Markets Equity Fund during 2024.

This chart is a summary of the proxy voting activity for the Guardian Emerging Markets Equity Fund over the period from January 1, 2024, to December 31, 2024.

US equity proxy voting results

The sub-advisor to Guardian Capital's US Equity strategies, Alta Capital Management, LLC, believes companies with high free-cash-flow growth yield superior investment returns with nominal risk. The investment team's bottom-up investment process applies fundamental analysis to validate the strength of a company's management, business, and future performance expectations.

All proposals (management and shareholder):

Management recommendation alignment:

89% voted with

3% voted against

ISS recommendation alignment:

88% voted with

4% voted against

Breakdown of management proposal votes:

Management recommendation alignment:
93% voted with
2% voted against

ISS recommendation alignment:
93% voted with
1% voted against

2024 proxy voting by the numbers:

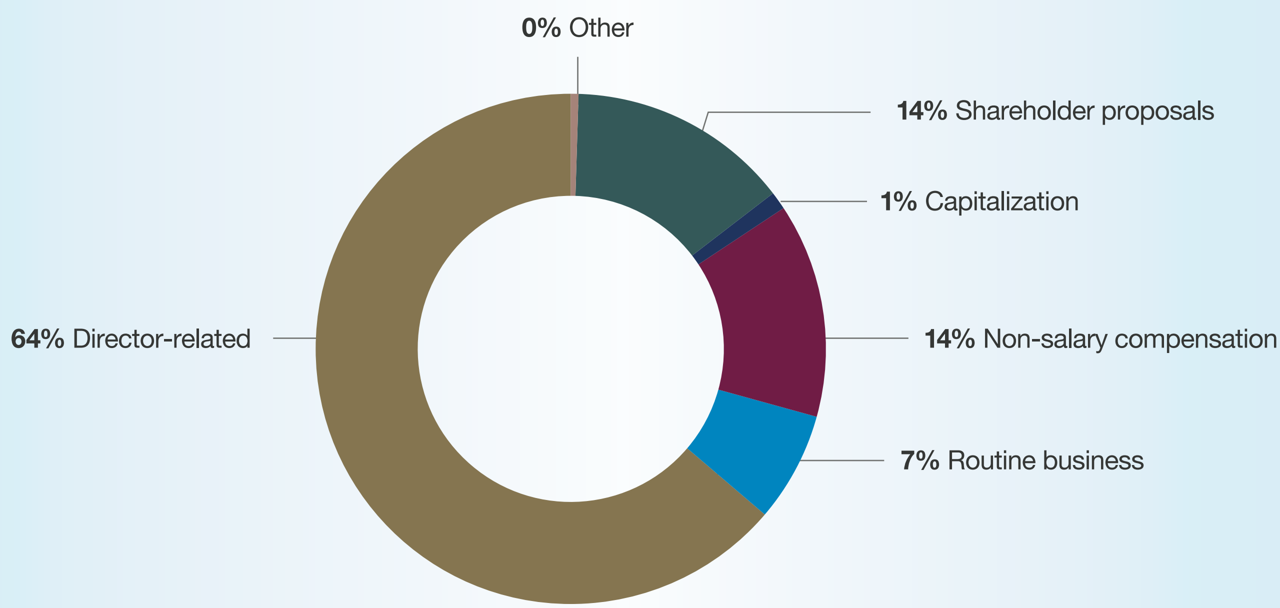
930 total proposals

Breakdown of shareholder proposal votes:

Management recommendation alignment:
70% voted with
11% voted against

ISS recommendation alignment:
61% voted with
20% voted against

Proposals by category:



Breakdown of proxy voting results

	Meetings	Proposals	Votes with management	Votes against management	Votes with ISS	Votes against ISS	Votes abstain / withheld[5]
US Equity Total	40	644	572	20	565	27	57

Management proposals

Directors related	40	423	394	5	396	3	25
Routine Business	40	43	41	0	41	0	2
Non-salary Compensation	37	54	47	3	48	2	4
Capitalization	3	9	9	0	9	0	0
Anti-takeover-related	3	3	3	0	3	0	0
Reorganizations and Mergers	-	-	-	-	-	-	-
Preferred/Bondholder	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-

Shareholder proposals

Director-related	8	27	14	1	12	3	12
Compensation	4	4	3	1	3	1	0
Routine Business	3	5	2	1	2	1	2
Corporate Governance	7	10	7	1	7	1	6
Human Rights	11	24	21	1	15	7	2
Social Proposals	6	11	9	0	9	0	2
Health and Environment	9	14	11	3	10	4	0
General Economic Issues	0	0	0	0	0	0	0
Miscellaneous	11	17	11	4	10	5	2

[5] The "Did Not Vote" during the period was a result of a proxy contest at one of the companies. In this proxy contest, all shareholders received two set of ballots, each with a different choice of directors and only one set of ballots were to be voted on while the other would be discarded. The investment team voted its ballot at this Annual General Meeting and discarded the ballots proposed by the dissident shareholders.

This chart is a summary of the proxy voting activity for the Guardian U.S. Equity Fund* and Guardian U.S. Equity All Cap Growth Fund over the period from January 1, 2024, to December 31, 2024.

* Proxy voting applicable to this Fund is only for the period to November 29, 2024, when this Fund was terminated.

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