Responsible Investment Policy

March 2025

NEI

Contents

About NEI Investments

NEI Investments is part of the asset management arm of Aviso, one of Canada's leading wealth services providers. NEI holds approximately $12.5 billion in assets under management. NEI adopts a differentiated approach to achieving investment returns for Canadians, leveraging a unique structure that includes a global network of money managers, proprietary investment management and asset allocation and a dedicated responsible investing team. This structure is designed to optimally respond to the dynamics of our changing world, uncover unique investment opportunities, and deliver a broad array of investment outcomes with financial growth at the core. www.neiinvestments.com.

About Aviso

Aviso is a leading wealth services provider for the Canadian financial industry, with approximately $145 billion in total assets under administration and management. We're building a technology-enabled, client-centric wealth management ecosystem. Our clients include our partners, advisors and investors. We're a trusted partner for nearly all credit unions across Canada, in addition to a wide range of portfolio managers, investment dealers, insurance and trust companies, and introducing brokers. Our partners depend on Aviso for specific solutions that give them a competitive edge in a rapidly evolving, highly competitive industry.

Aviso's dual-registered investment and mutual fund dealer and our insurance services support thousands of investment advisors. Aviso's asset manager oversees a growing lineup of investment solutions, including NEI funds and portfolios, and separately managed accounts under the Managed Assets Program. Aviso's online brokerage, Qtrade Direct Investing®, empowers self-directed investors, and our fully automated investing service, Qtrade Guided Portfolios®, serves investors who prefer a hands-off approach. Aviso Correspondent Partners provides custodial and carrying broker services to a wide range of firms. Aviso is backed by the collective strength of our owners: the credit union Centrals, Co-operators/CUMIS, and Desjardins. We're proud to power businesses that empower investors. For more information visit aviso.ca.

Introduction

NEI Investments is focused on producing strong financial outcomes for our clients, based on a disciplined investment process incorporating broad data sets, diverse perspectives, and a holistic view of investment risks and opportunities.

We seek to invest responsibly by considering all factors that could impact companies' viability, profitability and future value. These include systemic risks that cannot be mitigated through diversification or divestment and that have the potential to affect investment returns, such as climate change, human rights and nature loss.

We engage with companies in our portfolio to help them become more resilient over the long term. We firmly believe that companies can mitigate risk and take advantage of emerging business opportunities by improving their performance on environmental, social and governance (ESG) factors, also referred to as non-financial factors, and by integrating best practices into their strategies and operations. Further, we believe it is paramount for long-term sustainable value creation that companies carefully consider all forms of capital—that's economic capital, social capital, and natural capital. Without appropriate management of these inputs to a company's operations, the capital is at risk of being destroyed, perhaps permanently. In order to meet our clients' needs, we take it upon ourselves to influence the companies in our portfolio through proxy voting and engagement to improve their capital management for future cash-flow generation.

This Responsible Investment Policy (RI Policy) sets out the philosophy that guides our responsible investment program and describes the strategies, procedures, and lines of accountability that ensure we fulfill our duty to our clients and advance toward our shared goals. Our RI Policy is reviewed annually in line with the ongoing evolution of our views on responsible investing and the dynamic elements that make up our program.

The scope of this RI Policy covers most of NEI's assets under management. The RI Policy is approved by the Responsible Investment Committee (see Governance below) and provided to NEI's Investment Committee for their information. It is produced by a working group led by the Responsible Investing team (RI team) with contributions from Portfolio Management, Product Development, Legal, Compliance, and Marketing and Communications.

Definitions

Responsible investing

Responsible investing (RI) incorporates financial and non-financial analysis of company performance into the investment decision-making process to support the growth of long-term sustainable value for investors and other stakeholders.

ESG factors

These are non-financial factors investors consider in their analysis of a company's investment potential. ESG factors help to identify risks and growth opportunities. Among many other factors, environmental factors include climate change, waste management, and biodiversity; social factors include diversity, equity and inclusion, human rights, and equitable pay; and governance factors include executive compensation, board composition, and bribery and corruption.

Natural capital

Defined by The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services as the "stock of renewable and non-renewable natural resources (plants, animals, air, water, soils, minerals) that combine to yield a flow of benefits to people."[1] This flow of benefits underpins the economy.

Social capital

Defined by the Organization for Economic Cooperation and Development as the "knowledge, skills, competencies and other attributes embodied in individuals that are relevant to economic activity."[2]

[1] Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services: https://www.ipbes.net/glossary-tag/natural-capital.
[2] Organization for Economic Cooperation and Development, Human Capital Investment, May 1998. https://www.oecd.org/en/publications/human-capital-investment_9789264162891-en.html

Systemic risk

Systemic risk is characterized by its potential to destabilize and even collapse entire interdependent systems, such as the global financial system or the biosphere, through a cascade of interconnected events. Examples of systemic risks include geopolitical upheaval, war, climate change, and biodiversity loss. Systemic risks to a portfolio cannot be mitigated through diversification.

Stakeholders

The stakeholder constituency will vary by company and may include employees, customers, suppliers, communities, regulators, creditors, financiers, and investors. The "stakeholder theory of the firm" holds that the purpose of the public company is to create value for all of its stakeholders.

Rights holders

Whereas a stakeholder may have a vested interest in an issue or concern about one issue, a rights holder has "entitlements to have their rights respected, which includes addressing adverse impacts associated with business projects or activities."[3] All rights holders are stakeholders, but not all stakeholders are rights holders. In Canada, for example, Indigenous Peoples are rights holders, with rights protected under Section 35 of the Constitution. We also recognize that Indigenous Peoples have inherent rights that need not be defined by law.

Governance

Reporting structure

The Vice President, Head of Responsible Investing reports to the Senior Vice President, Head of Asset Management of NEI Investments and Aviso. Aviso Wealth Inc. ("Aviso") is the parent company of NEI Investments. The Vice President, Head of Responsible Investing is a member of NEI's Investment Management Committee and Asset Management Executive Committee.

Investment Committee

The Investment Committee reviews and approves all investment-related initiatives undertaken by NEI and has oversight of NEI's RI program. The committee is chaired by the Senior Vice President, Head of Asset Management of NEI Investments and Aviso. Other members include members of the Aviso Executive Team, members of the Aviso Board of Directors, and independent members.

Responsible Investment Committee

NEI's RI program is overseen by the Responsible Investment Committee (RIC). The RIC is made up of members of the senior leadership team of asset management and other business lines within Aviso, and is chaired by the Vice President, Head of Responsible Investing. The RIC reviews and approves NEI's RI Policy.

Responsible Investing team

NEI's RI team, led by the Vice President, Head of Responsible Investing, is responsible for the strategy, management, and implementation of NEI's RI program. The RI team conducts all stewardship activities and policy work, as well as ESG evaluations and ongoing monitoring of fund holdings. They also produce thought leadership on responsible investment matters by authoring whitepapers and articles, speaking to investors, financial advisors and the media, and appearing at industry events.

RI Policy monitoring and review

NEI's RI Policy is reviewed and revised as needed on an annual basis and is subject to the governance outlined above. Program activities covered in the RI Policy are implemented and monitored in line with NEI's internal Policies and Procedures, which are also reviewed annually.

Sub-advisor monitoring

Sub-advisor monitoring involves a range of activities carried out at frequencies from daily to annually, such as performance review and analysis, regular and ad hoc due diligence meetings, and others. The RI Team participates in ad hoc and annual due diligence meetings and is engaged with sub-advisors throughout

[3] The Danish Institute for Human Rights, Cross-cutting: Stakeholder Engagement, Human Rights Impact Assessment Guidance and Toolbox. https://www.humanrights.dk/files/media/document/HRIA%20Toolbox_Stakeholder%20Engagement_ENG_2020.pdf

the year on topics such as ESG evaluation results, exclusions, stewardship initiatives and outcomes, and other RI topics relevant to NEI's portfolio. If a sub-advisor is not meeting its duties and responsibilities pursuant to the sub-advisor agreement or other similar agreement, including any responsible investment activities specified in the applicable fund's Investment Policy Statement (IPS), NEI follows a defined escalation procedure to address the issue.

Conflict of interest

NEI is a registered investment fund manager (IFM), which means it is our fiduciary duty to act in the best interest of our clients and to disclose, and properly address, any conflicts of interest. NEI employees abide by the Aviso Code of Business Conduct & Ethics, which includes "Manage Conflicts of Interests Responsibly" as a guiding principle. All members of the RI team are deemed Access Persons, subject to compliance oversight of personal trading activities. Access Persons must not use their position at NEI to obtain special treatment or investment opportunities not generally available to NEI funds or to the public. With respect to the potential for conflict of interest in relation to proxy voting, details can be found in our prospectus and in our Proxy Voting Guidelines.

Investment model

To deliver on our objectives, NEI operates an "open architecture" investment model that incorporates two interlinked roles. First, we are a manager of managers. Second, we offer innovative standalone and multi-asset investment solutions.

NEI is a manager of managers. We select independent sub-advisors from around the world based on their specific area of expertise for a given mandate. Our roster of sub-advisors includes both large and boutique firms with varying degrees of responsible investment expertise, which is assessed as part of our manager selection and ongoing due diligence process. We maintain active, collaborative relationships with our sub-advisors on the implementation of our responsible investment program and its outcomes.

NEI offers innovative investment solutions. Using the standalone investment funds managed by our sub-advisors as building blocks, we assemble multi-asset solutions where we make strategic and tactical asset allocation decisions in the pursuit of long-term success for our clients.

Embedded within these two roles are the activities we undertake as responsible investors:

- **Sub-advisor oversight** – ongoing due diligence and collaboration
- **Exclusionary screens** – two tiers of revenue-based exclusions
- **ESG evaluations** – in-house program to determine and monitor investment eligibility
- **Thematic investing** – managed by the sub-advisor
- **Impact investing** – managed by the sub-advisor
- **Stewardship** – applies to our entire investment portfolio
- **Proxy voting** – in-house program covers all votable equity securities
- **Corporate dialogue** – solo and collaborative initiatives
- **Policy advocacy** – broad-based influence on key industry developments and challenges

This is a dynamic, flexible, and continually evolving approach that broadens our perspective on risks and opportunities and widens the range of data points that inform our investment decisions. With this model in place, we feel we are well positioned to deliver the long-term results our clients expect when they choose to invest with NEI.

Responsible investment applied

NEI applies multiple and complementary responsible investment approaches at the firm and fund level to help investors achieve their objectives. RI approaches applied at the fund level are exclusionary screening, ESG evaluations, thematic investing, and impact investing.

Our stewardship program, made up of proxy voting and corporate engagement, as well as our policy work, applies more broadly to our entire investment portfolio. To learn which RI approach(es) apply to which funds, refer to our prospectus.[4] We note that RI approaches do not necessarily apply to ETFs, derivatives, or third-party funds that may be held in some of our funds.

Exclusionary screens

NEI considers both the risks and opportunities arising from material environmental, social, and governance factors as part of our holistic investment process. As part of this approach, we will not invest in companies where:

- their products intrinsically cause grievous harm to society that cannot be mitigated, and no level of engagement can influence positive change
- there exists an international treaty or convention aimed at eliminating the product

We have identified exceptional circumstances where we automatically exclude investment in companies that earn any revenue from specific types of involvement in certain industries. These are norms-based exclusions, which we also refer to as firm-wide exclusions:

- Automatic and/or semi-automatic weapons manufacturing for civilian use
- Controversial weapons: cluster munitions, anti-personnel landmines, biological and chemical weapons, nuclear weapons
- Tobacco production and manufacturing

In addition to the firm-wide exclusions, for all funds designated "RS" (Responsible Screens), as well as select other funds, NEI automatically excludes companies with sustained revenues of more than 10% in the industries identified below:

- The distribution of automatic or semi-automatic weapons intended for civilian use
- The manufacture of military weapon systems and/or tailor-made components for those systems
- The distribution of tobacco and/or tobacco-related products

ESG evaluations

For many funds, NEI's RI team conducts proprietary ESG evaluations of investment prospects. The aim is to ensure that companies held in these funds have taken or are taking meaningful steps to manage the ESG risks they face. Companies that fail to address these risks and are deemed unsuitable for engagement may be deemed ineligible for inclusion in our funds. Decisions are based on corporate disclosure, third-party research, and news tracking services.

NEI's ESG evaluation process may be conducted on its own, or in conjunction with our sub-advisors' ESG evaluation process. The methodology and monitoring processes described below apply to NEI's in-house evaluations.

Methodology

NEI's ESG evaluation methodology follows these steps:

1. **Identification of industry-specific material ESG risks.** Material ESG risks vary from industry group to industry group; some industries inherently carry more ESG risk than others. The RI team analyzes these risks and conducts material risk assessments specific to industry groups.

[4] https://www.neiinvestments.com/investment-products/fund-resources/prospectus.html.

2. **Establishment of baseline expectations.** Baseline expectations are measures that companies in an industry group must fulfill to satisfy us that they are managing material ESG risks appropriately. As noted, for designated NEI funds, companies must satisfy baseline expectations to be eligible for investment.

3. **Broad-based benchmarking.** We also conduct, through the establishment of key performance indicators (KPIs) relative to specific ESG risks, industry group-specific and broad-based benchmarking to assess each company's ESG performance relative to its peers. The benchmarking may be performed qualitatively or quantitatively for certain NEI funds. Companies are categorized based on their ESG performance. These performance categorizations do not in and of themselves determine eligibility for investment. Rather, they are useful for determining potential corporate engagement opportunities:

   - Engagements with a leader can help raise the bar for the entire sector.
   - Engagements with companies with average performance could focus on improving specific ESG deficiencies that are hindering sector leadership.
   - Engagements with companies with room to improve will seek to address material, unmitigated ESG risks.

4. **Headline risk assessment.** Finally, we scan for headline risk to identify unethical or illegal business practices or involvement in controversial situations. Exposure to controversy leads to further scrutiny of the severity of the incident or issue and the company's efforts to manage it. Depending on the severity and materiality of the risk, we may seek to engage the company on the topic or deem it ineligible for investment until the risk is mitigated.

Monitoring ESG risks

Holdings are monitored for headline risks, management breaches, and other ESG-related risks. As part of this process, the RI team monitors and evaluates stories published in credible media sources that portray a company in a negative manner. In cases where an incident falls outside the range of issues normally captured by a company evaluation and is not being addressed through corporate dialogue (see below), a management breach investigation may be conducted.

We define a management breach as a significant transgression of management ethics or a situation indicating a corporate culture that is inconsistent with our responsible investment thesis. While a headline risk report records and assesses controversial or negative media coverage about a company, the management breach process examines the fundamentals of an incident to determine if a company has violated our baseline expectations. A management breach determination results in one of three potential outcomes: enhanced monitoring, engagement, or divestment.

Sell discipline

We consider an act of divestment due to a management breach or other significant ESG concern to simply be a facet of our sell discipline as responsible investors. When our evaluation process reveals a severe ESG concern at a company and we are not satisfied with the company's risk mitigation efforts, we ask the sub-advisor to sell the full position within a prescribed timeframe. If there are extenuating circumstances such as liquidity constraints or closed markets (among others), we may agree to a longer period. When deciding to sell a security, we leverage our own analysis and information received from the sub-advisor. A company that has been sold for not meeting our ESG expectations must pass our evaluation at a later date in order to re-enter a fund for which we conduct those evaluations.

Thematic investing

Thematic funds invest with a focus on profiting from long-term trends expected to contribute to large- scale structural shifts in society and the economy. Examples of responsible investment themes from NEI's fund lineup include the need to better manage natural resources, the transition to a low-carbon economy, and companies that offer strong corporate cultures while providing beneficial products and services.

NEI does not internally assess individual holdings against thematic criteria. The determination of whether an investment fits a specific theme lies exclusively with the sub-advisor for the relevant mandate.

Impact investing

Some of our funds employ strategies intended to provide quantifiable positive environmental and/or social impacts, in addition to their primary objective of delivering positive long-term returns. In order for an investment to qualify as an impact investment for NEI, it must meet three criteria:

- **Financial return.** Investments must seek to generate a positive return.
- **Intention.** Investments must seek to generate positive social and/or environmental impact, preferably aligned to the UN Sustainable Development Goals.
- **Measurement.** Investments must be able to measure their intended impact.

NEI does not internally assess individual holdings against impact criteria or for their impact potential; that responsibility lies exclusively with the sub-advisor for the relevant mandate. Different sub-advisors focus on different categories of impact, such as affordable housing, clean water and sanitation, resource efficiency, and waste management, among others.

Stewardship

We define stewardship in line with the Principles for Responsible Investment: "[Stewardship is] the use of influence by institutional investors to maximise overall long-term value including the value of common economic, social and environmental assets, on which returns and clients' and beneficiaries' interests depend."[5]

Our stewardship program is founded on a set of eight core principles and includes two main activities: corporate dialogue and proxy voting. We believe that stewardship, pursued effectively and with careful forethought, can be a powerful way to mitigate risks, improve returns, and drive real-world impact on social and environmental issues.

Principles

1. **We aim to increase the long-term, sustainable value of our investments for the benefit of our clients.** We seek to fulfill that duty by influencing companies to responsibly manage the economic, social, and natural capital that our clients' success depends on.
2. **We are guided by our understanding of material risks and opportunities.** We will strive to stay current with the dynamic nature of materiality and focus our stewardship activities on the most pressing issues.
3. **We believe that addressing systemic risks is critical to grow and maintain long-term sustainable value.** Systemic issues such as climate change, inequality and nature loss require systems-level solutions that we believe are a collective responsibility.
4. **We are respectful, well-researched and solutions-focused in our stewardship activities.** We believe listening is as important as speaking and we are humble in understanding that we do not manage the companies in our portfolio but seek to learn and share.
5. **We speak only for ourselves and never on behalf of other stakeholders or Indigenous voices unless asked to do so.** While we may advocate for companies and governments to meaningfully engage with Indigenous peoples and stakeholders, we cannot and should not purport to represent their perspectives.
6. **We value collaboration and seek opportunities to collaborate on shared objectives to achieve our stewardship goals while maintaining independence to act in unitholders' best interests**. This includes multi-stakeholder or bilateral collaborations with fellow investors, civil society, corporations, and Indigenous groups and individuals.
7. **We embrace transparency as a core value, for ourselves and the companies we own.** While we strive to respect the confidentiality of our dialogues with companies, governments and standard-setters, we will endeavour to be transparent and forthright in order to be accountable for our actions.
8. **We strive to embrace innovation and embody thought leadership throughout our program.** We will evolve our approach to drive continuous improvement in our program and throughout our industry.

[5] https://www.unpri.org/stewardship/about-stewardship/6268.article.

Proxy voting

We see corporate governance as a foundational element of strong long-term performance, and as such we believe it is our responsibility to exercise our vote at companies' annual general meetings (AGMs) and special meetings with our ESG priorities in mind. Through proxy voting, shareholders have the ability to influence the makeup of the board, guide corporate strategy, and support general good governance. Issues that may have an ESG lens include management proposals and shareholder proposals, which appear in the company's management proxy circular and can address issues such as setting appropriate executive compensation levels, improving ESG-related disclosures or practices, and setting decarbonization strategies, among many other topics.

NEI's in-house proxy voting analysts oversee the voting process. Voting is guided by our Proxy Voting Guidelines and aligned with our engagement priorities. The RI team will research and discuss voting decisions that are more nuanced, such as decisions regarding complex or contentious shareholder proposals, as well as the potential for novel proposals. Our proxy voting activity reports detail how proxies were voted for each company in our equity funds. Where possible, we endeavour to provide companies with constructive feedback. Our Proxy Voting Guidelines and activity reports can be found on the NEI website.

Corporate dialogue

We encourage companies to improve their long-term performance by alerting them to material ESG risks and proposing solutions to the tough challenges they face. Our conversations help companies maintain and grow their reputations and limit exposure to risk, thus improving overall value for shareholders. These dialogues keep companies accountable to all their stakeholders, including the communities in which they operate.

Our Focus List is an annual program of targeted, in-depth dialogues with companies on specific issues and themes set out at the beginning of each year. Examples of Focus List dialogues include dialogues with sector leaders capable of breakthroughs in corporate sustainability practice and disclosure, with sector laggards that need to catch up, and with specific companies in response to emerging risks and opportunities.

The companies selected for engagement are chosen based on a review of three factors:

- investment exposure, meaning the weight of the holdings within our funds;
- risk and opportunity exposure, determined by the significance of the issues identified;
- and impact potential, where our intervention is most likely to result in change or where we can leverage existing relationships and collaborations to effect change.

The Focus List does not preclude us from initiating additional engagements over the course of the year. We will seek dialogue with companies outside those mentioned in the Focus List to advance broader corporate action on material issues, and as part of our effort to facilitate meaningful systemic change. We may also initiate engagements in response to acute, timely or newly developing risks, or in response to proactive outreach from portfolio companies.

Collaborations

We believe that working collaboratively with other investors on shared priorities can be an important tool that leverages the collective experience, wisdom, relationships and assets of investors to enhance our influence. We actively support collaborations that address key material risks (such as climate change, nature, and human rights), and we seek to meaningfully participate where possible, often leading or co-leading engagements.

We also value participation in multi-stakeholder collaborations that bring diverse interests together to work on shared sustainability challenges. We believe that having diverse perspectives and interests working on complex challenges leads to robust solutions that can enjoy broad support and best address the material risks we are seeking to mitigate for investors.

Though we see great value in collaboration, we maintain full independence over every decision related to our investment portfolio. We may also turn down or remove ourselves from collaborative engagements in cases where our objectives do not align with our peers.

Escalation

Where we are unsatisfied with the progress of our stewardship activities with a portfolio company, we will likely follow an escalation process to exert further leverage. We have several potential pathways we can pursue depending on the situation. These options are not necessarily employed in a linear manner, but include the following:

- **Consult our sub-advisors.** We may enlist our sub-advisors to leverage their existing relationships and/or dialogues to gain better access, coordinate on engagement requests, or initiate new engagements that support our dialogue.
- **Proxy voting.** We may vote against certain members of the board or pre-declare support for key shareholder resolutions as part of our escalation. As part of our outreach to board members post-AGM we may leverage these votes as an additional point of pressure on the company.
- **AGM statement.** We may choose to speak at the AGM, pose questions to the board during the AGM, or respond to media requests related to the AGM in order to make a public statement on the topic at hand.
- **Shareholder proposals.** Where we find that dialogue is not resolving an issue, we may choose to file a shareholder proposal (see below).
- **Divestment.** As a last resort, if we are not progressing in our engagement and we deem the issue material enough to impact investment eligibility, we may instruct our sub-advisors to divest of the company. In some cases, we may take the interim step of placing a hold on any new security purchases as we continue our dialogue with the company with the goal of resolving the issue. See page 9 for more about the steps involved if we decide to divest.

Shareholder proposals

When dialogue is not advancing, NEI may seek the views of other shareholders on the issue facing the company. This is done by filing or co-filing a shareholder proposal that is included in the management proxy circular and submitted to a vote at the company's AGM.

Shareholder proposals can be a powerful tool for raising awareness of issues among company directors and senior executives, as well as other shareholders. The time between filing the proposal and the company finalizing the management proxy circular for publication is often fruitful for dialogue, because companies often wish to see shareholder proposals removed from the AGM agenda. This can sometimes prompt companies to allocate more resources to ESG concerns. As a result of this, shareholder proposals do not always go to a vote. In general, NEI will withdraw a shareholder proposal in the following situations:

- The company agrees to substantially adopt the proposal without a vote.
- The company agrees to partially adopt our proposal and commit to a series of meetings between the RI team and key operational personnel, company decision-makers, and appropriate stakeholders to explore the issue further.
- The company provides us with evidence demonstrating the proposal is "moot" because it is already dealing with the issue.

If the proposal goes ahead, NEI may issue a proxy alert challenging the company's response and offering additional reasons for investors to support it. More details about the shareholder proposals NEI has filed can be found on our website.

Policy advocacy

Public policy and standards affect the rules by which all companies must operate. Our efforts in this area enable us to promote change on a broader scale, beyond individual companies, to remove barriers to sustainability disclosure and performance on an industry-wide basis. Changing the public policy and standards landscape can support the improvement of corporate performance across an array of ESG areas and facilitate responsible investment best practices. Further, when tackling the most complex and deeply entrenched challenges posed by systemic risks in order to defend and grow long-term sustainable value, policy action is among the most effective tools.

We believe there is a symbiotic relationship between our policy work and stewardship activities. The policy developments we seek to influence have enabled us to increase the leverage of our corporate engagement and proxy voting programs with respect to material issues. We have been able to clearly identify laggards, push companies on weak or non-existent strategies and targets, and track progress over the years. As industry-wide performance improves, it enables policymakers to show even greater ambition, starting the cycle again.

Our policy and standards advocacy can range from providing detailed submissions to public consultations, initiating conversations with policy and standard setters, joining roundtable discussions and/or subject matter expert working groups, and lending our name to collaborative statements and submissions. NEI believes all companies should disclose lobbying and public policy positions if and when taken. Our policy submissions and statements can be found on our website.

A non-exhaustive list of organizations we may engage with on policy issues includes:

- Canadian Securities Administrators
- Canadian Sustainability Standards Board
- Federal and provincial governments of Canada
- Global Reporting Initiative
- Industry associations
- Principles for Responsible Investment
- U.S. Environmental Protection Agency
- U.S. Securities & Exchange Commission

Position statements and commitments

Our program seeks to overcome various systemic challenges that are more effectively addressed by the concerted efforts of multiple actors. These systemic challenges pose significant social, environmental and economic risks that have the potential to reduce investor returns. The public statements and commitments we make below seek to align with, and build momentum for, global efforts to address these challenges while also holding us accountable to following through on our commitments. These commitments are made at the firm level. The work we do to assess our portfolio companies informs our corporate dialogues and proxy voting decisions, as well as our ESG evaluation process.

Statement on climate risk and net-zero ambition

We believe that climate change is one of the biggest systemic challenges facing our society. Mitigating climate change risk should be an imperative for all Canadian investors regardless of which sectors of the economy they invest in, as the material risks of unmitigated climate change will have significant negative impacts across the economy. As investors, we bear a responsibility to actively address climate change through all the tools we have at hand. We will strive to respond strategically and with a focus on driving real-world reductions in greenhouse gas emissions while pursuing a just and equitable transition.

NEI's climate strategy is intended to align our portfolio with the global goal of achieving net-zero global greenhouse gas emissions by 2050.

To achieve our strategic objectives, we commit to:

- Align our investment fund lineup with the global goal of achieving net-zero greenhouse gas emissions across all assets under management by 2050. This includes working with our sub-advisors on net-zero aligned pathways.
- Report on our efforts to measure and address climate-related risks in line with the recommendations of the Canadian Sustainability Disclosure Standards 2: Climate-related Disclosures, and encourage companies in our funds to align their public reporting with disclosure standards relevant to their jurisdiction.
- Strive to assess company performance on climate change issues prior to investing and Exclude from our funds companies that do not meet our minimum expectations.
- Through engagement and proxy voting, encourage companies in our funds to develop strategies and business models that are resilient in a low-carbon future.
- Continue to participate and lead engagements in climate-related investor collaborations, and to increase our participation in nature-related engagements and collaborations.
- Engage policymakers and standard-setters to support and foster progressive climate-related regulations, policies, and standards, including regulations that put a price on carbon, while also reporting on our policy submissions and activities.
- Identify and exploit investment opportunities in technologies and companies helping to advance the energy transition.
- Support innovative efforts to develop nature-based solutions.

Statement on human rights

Human rights put into focus the dignity of all people and are fundamental to our society. Businesses and investors have a responsibility to respect human rights. When faced with potential or actual human rights violations, companies are exposed to operational, regulatory and reputational risks, making human rights issues financially material. As an investor, NEI has a responsibility to consider systemic human rights risks, as the ability of our capital markets to generate long-term sustainable value is underpinned by respect for human rights.

NEI commits to aligning its responsible investment approach with the principles contained in the International Bill of Human Rights (which is made up of the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights, and the International Covenant on Civil and Political Rights), the Geneva Conventions on International Humanitarian Law, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the UN Declaration on the Rights of Indigenous Peoples, and the eight fundamental International Labour Organization conventions. The human rights issues that are relevant to our portfolio are expansive and affect different rights holders and stakeholders including customers, employees, workers in supply chains, Indigenous Peoples and communities, local communities, human rights defenders and others.

As part of our commitment to integrating human rights considerations into our responsible investment approach, we seek to:

- Articulate our expectation that companies in our portfolio identify, address and mitigate human rights risks that may be present in their operations and value chains. We expect companies to define a human rights policy, undertake meaningful human rights due diligence processes, provide accessible grievance mechanisms and facilitate a remedy where violations have occurred.
- Further integrate human rights issues into our ESG evaluation process where the data are available and relevant.
- Continue to embed human rights issues in our stewardship activities to advocate for the development and enhancement of human rights policies and practices, and to respond to any potential or actual breaches involving companies in our portfolio.
- Support the rights of Indigenous Peoples to Free, Prior and Informed Consent (FPIC) through our stewardship and policy initiatives.
- Engage policymakers and standard-setters to enhance performance and reporting expectations of companies on human rights issues to mitigate the risk of adverse impacts, and to promote more standardized disclosure.
- Continue our involvement in investor networks and alliances that allow us to deepen our understanding of evolving human rights risks by connecting with rights holders and stakeholders, and collaborating with other investors to address these risks.
- Report on our progress.

Statement on inequality

We define inequality as the unequal distribution of opportunity, whether that opportunity is the accumulation of wealth or access to fundamental human requirements such as healthcare, education, and a clean environment. According to the International Monetary Fund, excessive inequality can erode social cohesion, cause political polarization, and ultimately lead to lower economic growth.[6] At the corporate level, inequality can impact employee morale, create legal risks, and negatively impact recruitment and retention. We believe inequality is a significant threat to social cohesion and a systemic risk to our portfolio.

To best leverage our responsible investment program to mitigate the risks of inequality, we commit to:

- Continue to incorporate inequality considerations and metrics into our evaluation of corporate performance.
- Continue to address inequality issues through engagement with our portfolio companies and targeted proxy voting. This includes, but is not limited to, action on:
  - Excessive executive compensation
  - Fair wages for employees and workers in the supply chain
  - Access to health and medicine
  - Safe, diverse, inclusive and equitable workplaces

[6] https://www.imf.org/en/Topics/Inequality/introduction-to-inequality.

- Regularly review our Proxy Voting Guidelines to ensure we address key inequality issues, while working with investors and other stakeholders to build broader support for proxy-related action.
- Engage policymakers and standard-setters to promote policies, regulations and standards that improve corporate disclosure and address system-level responses to inequality.
- Support investor networks and coalitions that are working to address key inequality issues.
- Report on our progress.

Statement on nature

Businesses impact and depend on nature and the benefits of the ecosystem services that nature provides. Nature-related risks and opportunities also present as systemic risks that can affect the stability of ecosystems and our financial system. The importance of nature as a business, investment, and societal issue has been emphasized in the Kunming-Montreal Global Biodiversity Framework, and endorsed by governments, standard-setting organizations, and other entities globally. We are committed to integrating nature-related considerations in our investment decision-making process in the pursuit of long-term sustainable value creation for our clients.

Deforestation and conversion of natural ecosystems through land-use change are major drivers of nature loss. Forests facilitate carbon emissions reduction, support the livelihood of many communities, and are home to many different life forms—what we call biodiversity.

We have committed to using our best efforts, primarily through stewardship activities, to eliminate commodity-driven deforestation in our investment funds by 2025, in line with the interim targets and timelines set out in the Financial Sector Commitment Letter on Eliminating Commodity-driven Deforestation. Local laws and regulations may not go far enough to mitigate the reputational, operational, and systemic risks associated with deforestation. Our approach goes beyond legal compliance in identifying the risks to our portfolio and broader systemic risks posed by deforestation. We expect companies we own that could be exposed to a high risk of deforestation in their operations and value chain to make strong deforestation and conversion commitments, particularly with respect to forest-risk commodities such as cattle, soy, palm oil, and pulp & paper.

As part of our commitment to integrating nature-related risks into our responsible investment approach, we seek to:

- Build on our existing efforts to assess the exposure of our portfolio to sectors with the greatest impacts and dependencies on nature, so that we are better positioned to respond to risks and opportunities.
- Continually enhance our nature-related expectations of portfolio companies.
- Continue to support and encourage the adoption of circular business models and activities that mitigate exposure to nature-related risks, such as our ongoing involvement with Circular Economy Leadership Canada.
- Further embed nature-related issues in our ESG evaluation and stewardship activities to determine an issuer's initial and ongoing eligibility for investment and encourage ongoing efforts to assess, mitigate and respond to nature-related risks.
- Integrate human rights and social considerations into our assessment of nature-related risks and opportunities, especially the rights of Indigenous Peoples and communities, customary land rights, labour rights, the rights of environment and human rights defenders, and the inclusion of smallholder farmers.
- Use the data available to us to enhance our decision-making processes today, while advocating for better data and reporting standards to further our efforts on an ongoing basis.
- Encourage policymakers and standard setters to prioritize nature.
- Report on our progress.

Reporting

NEI is committed to transparency so that investors can see how the money they invest with us is being put to work in pursuit of their long-term financial goals. Over the years, we have evolved our reporting tactics, channels, frequency, and format. Our annual Responsible Investment Report contains information about topics such as:

- Sub-advisors
- Exclusionary screening
- Evaluations
- Corporate engagements
- Shareholder resolutions
- Proxy voting
- Impact metrics
- Climate strategy including portfolio emissions
- Policy work

NEI expects to continue to report its program activities to the Principles for Responsible Investment when such reporting is required, as we have been doing since the PRI launched its annual assessment for signatories in 2007. Fund level reporting is available in our Management Reports of Fund Performance, published twice a year in accordance with regulations set out by the Canadian Securities Administrators.

We also produce quarterly and ad hoc reports for institutional clients, as well as corporate engagement and proxy voting updates, and other results of our various responsible investment activities. The format and content of our reporting initiatives is under continual review for improvement, taking into account investor needs, regulatory requirements, internal capacity, and the general evolution of reporting frameworks and guidance globally.

Appendix A: sub-advisors

Our sub-advisor partners are located around the world. Collectively, they manage US$10 trillion in assets as of December 31, 2024.

In alphabetical order:

- Addenda Capital
- AllianceBernstein
- Amundi Asset Management
- Baillie Gifford
- Columbia Threadneedle
- Desjardins Global Asset Management
- Ecofin[7]
- Federated Hermes
- Guardian Capital
- Hillsdale Investment Management
- Impax Asset Management
- Jarislowsky Fraser
- Letko Brosseau Global Investment Management
- Lincluden Investment Management
- Maj Invest
- Picton Mahoney Asset Management
- Principal Asset Management
- QV Investors
- Wellington Management

[7] Ecofin Advisors, LLP was acquired by RWC Asset Management LLP on October 1, 2024, and effective on this date, RWC Asset Management LLP is the acting sub-advisor of the NEI Clean Infrastructure Fund.

Appendix B: affiliations

NEI is an active member of several organizations created to help advance the field of responsible investment and specific topics of concern. Participation in these affiliations has no impact on NEI's investment decision-making process, which remains wholly our own.

Industry group	Themes & topics	Primary activity
Access to Medicine	Inequality – medicines	Stewardship
Access to Nutrition	Inequality – nutrition	Stewardship
Asian Corporate Governance Association	Corporate governance	Stewardship
As You Sow/Plastic Solution Investor Alliance	Nature, climate – plastics	Stewardship
Business Benchmark for Farm Animal Welfare	Human rights – animal welfare	Stewardship
Canadian Coalition for Good Governance	Corporate governance	Stewardship, policy
CDP	Nature, climate	Stewardship, policy
Climate Action 100+	Nature, climate – net zero	Stewardship
CERES	Nature, climate – net zero	Stewardship, policy
Circular Economy Leadership Canada	Nature, climate – plastics	Policy
Climate Engagement Canada	Nature, climate – net zero	Stewardship
Energy Futures Lab	Energy sector	Policy
FAIRR Initiative	Human rights – supply chain	Policy
Finance Sector Deforestation Action	Nature – deforestation	Stewardship, policy
Global Network Initiative	Human rights – digital rights	Stewardship, policy
Initiative for Responsible Mining Assurance	Biodiversity, climate, human rights – supply chain	Policy
International Corporate Governance Network	Corporate governance	Policy
Investment Funds Institute of Canada	RI Working Group	Policy
Investor Alliance for Human Rights	Human rights – digital rights	Stewardship, policy
Investor Initiative on Hazardous Chemicals	Nature	Policy
Interfaith Center on Corporate Responsibility	Corporate governance	Stewardship, policy
Investors for Opioid and harmaceutical Accountability	Inequality – corporate accountability	Stewardship
Nature Action 100	Nature	Stewardship
Portfolio Management Association of Canada	RI topics	Policy
Responsible Investment Association	Corporate governance	Policy
United Nations' Principles for Responsible Investment	Corporate governance	Stewardship, policy
World Benchmarking Alliance	Human rights – digital rights	Stewardship, policy

Appendix C: resources

Internationally agreed conventions, guidelines, and principles provide standards and help identify the priorities for NEI's RI program.

CCGG Stewardship Principles

The Canadian Coalition for Good Governance's Stewardship Principles are intended to help institutions investing in Canadian public equities be active and effective stewards of their investments. For CCGG, stewardship means fulfilling investor responsibilities to clients and enhancing long-term value creation so companies and their investors can prosper and, in the process, benefit the market and society as a whole.

Canadian Sustainability Standards Board

The Canadian Sustainability Standards Board (CSSB) works to advance the adoption of sustainability disclosure standards in Canada. The CSSB published the Canadian Sustainability Disclosure Standards (CSDS) in December 2024 to align with the global baseline standards developed by the International Sustainability Standards Board (see below), with modifications to serve the Canadian public interest.

Global Reporting Initiative

Founded in 1997, the Global Reporting Initiative (GRI) is an international independent standards organization that helps businesses, governments, and other organizations understand and communicate their impacts on issues such as climate change, human rights, and corruption.

ICGN Global Governance Principles

The International Corporate Governance Network's Global Governance Principles describe the responsibilities of boards of directors and investors respectively, and aim to enhance dialogue between the two parties. They embody ICGN's mission to inspire effective standards of governance and to advance efficient markets worldwide.

ICGN Global Stewardship Principles

The ICGN defines investor stewardship as the preservation and enhancement of long-term value as part of a responsible investment approach. This includes the consideration of wider ethical, environmental, and social factors as core components of fiduciary duty. The ICGN Global Stewardship Principles set out the ICGN's view of best practices in relation to investor stewardship obligations, policies, and processes.

International Sustainability Standards Board

The ISSB, as formed by the International Financial Reporting Standards (IFRS) Foundation Trustees, has established a global baseline of sustainability-related disclosure standards to provide investors and capital markets participants with information about companies' sustainability-related risks and opportunities.

Net Zero Asset Managers initiative

The Net Zero Asset Managers initiative is an international group of asset managers committed to supporting the goal of net-zero greenhouse gas emissions by 2050 or sooner, and to supporting investing aligned with that goal. As of this publication, the Net Zero Asset Managers initiative is on pause while the group re-evaluates how it can best support its members.

Net Zero Investment Framework

The Net Zero Investment Framework is a key tool for supporting investors globally to implement net-zero commitments and align with the Paris goals. The Net Zero Investment Framework is a project of the Paris Aligned Investment Initiative.

OECD Guidelines for Multinational Enterprises

The Organization for Economic Co-operation and Development is working with public companies and investment institutions to define ESG risk due diligence more precisely.

OECD Principles of Corporate Governance

The Organization for Economic Co-operation and Development's Principles of Corporate Governance provide a globally recognized benchmark for assessing and improving corporate governance.

Taskforce on Nature-related Financial Disclosures

As stated on the website, the Taskforce on Nature-related Financial Disclosures (TNFD) "has developed a set of disclosure recommendations and guidance that encourage and enable business and finance to assess, report and act on their nature-related dependencies, impacts, risks and opportunities." (www.tnfd.global)

Sustainable Development Goals

Officially known as the 2030 Agenda for Sustainable Development, the SDGs are a set of 17 goals to advance sustainable development. The SDGs were developed by the United Nations involving its 194 member states as well as global civil society organizations. The SDGs were adopted by the UN in September 2015.

United Nations Global Compact

The aim of the United Nations Global Compact is to mobilize a global movement of sustainable companies and stakeholders. The UN Global Compact supports companies to align their strategies and operations with ten principles on human rights, labour, environment, and anti-corruption. The compact also supports companies to advance the UN Sustainable Development Goals (see above).

United Nations Guiding Principles on Business and Human Rights

The UN Guiding Principles on Business and Human Rights is a set of guidelines for states and companies to prevent, address and remedy human rights abuses committed in business operations. They were endorsed by the UN Human Rights Council in June 2011.

This Responsible Investment Policy was last updated on March 14, 2025

To learn more about NEI's approach to responsible investing, visit neiinvestments.com

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus and/or Fund Facts before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

Views expressed regarding a particular security, industry or market sector should not be considered an indication of trading intent of any funds managed by NEI Investments. This material is for informational and educational purposes and it is not intended to provide specific advice including, without limitation, investment, financial, tax or similar matters. Please consult with your own professional advisor on your particular circumstances. The views expressed herein are subject to change without notice as markets change over time. NEI Investments endeavors to ensure that the contents have been compiled or derived from sources that we believe are reliable and contain information that is accurate and complete. However, NEI Investments makes no representation or warranty, express or implied, in respect thereof, takes no responsibility for any errors and omissions contained herein.

NEI Investments is a registered trademark owned by Northwest & Ethical Investments L.P. Northwest & Ethical Investments Inc., is a wholly-owned subsidiary of Aviso Wealth Inc. ("Aviso"). Aviso is a wholly-owned subsidiary of Aviso Wealth Limited Partnership, which in turn is owned 50% by Desjardins Financial Holdings Inc. and 50% by a limited partnership owned by the five Provincial Credit Union Centrals and The CUMIS Group Limited.

25-01-890370E