

## **Responsible Investment (RI) Policy**

Genus Capital Management  
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### **Introduction**

Genus Capital Management believes that responsible investing is in the long-term best interests of our clients. Responsible investing is the consideration of environmental, social, and governance (ESG) factors into investment decision making and ongoing investment management. This policy states our responsible investing commitment, approach, and engagement.

### **Our Commitment**

Genus Capital Management integrates responsible investing practices into our investment decisions and strives to be a leader in sustainable investing.

We are a signatory to the United Nations Principles for Responsible Investing (UNPRI) and are committed to the following:

- Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes.
- Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.
- Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- Principle 4: We will promote acceptance and implementation of the Principles within the investment industry.
- Principle 5: We will work together to enhance our effectiveness in implementing the Principles.
- Principle 6: We will each report on our activities and progress towards implementing the Principles.

### **Approach**

Genus Capital Management is an active asset management firm so we consider risks and opportunities before investing for clients. Environmental, social, and governance factors have risks and opportunities, which we strive to detect and use in our decision making process.

Our research has shown that companies with positive ESG factors have been good investments historically. Due to this research, and our drive to align investments with the best interests for society, we integrate ESG factors into our investment models.

The “deeper green” funds and client accounts managed by Genus Capital Management, including our Fossil Free® suite of funds, go beyond responsible investing and will also have negative screening in order to cut out companies and groups of companies not aligned with client’s values, such as screens on controversial industries, products, or actions. Some fund and client account portfolios will also have positive screening applied in the investment process with the aim of increasing positive environmental and/or social impact. With positive screening, we may choose to overweight investments with strong ESG factors or ones that have considerable focus on an activity which creates substantial benefit to society.

## **Engagement**

Active responsible investing also requires active ownership. Genus Capital Management recognizes the importance of engagement in mitigating risks and increasing shareholder value. It is a critical aspect of our approach.

We look at the actions, policies, and outcomes of the companies in our portfolios and raise environmental, social, or governance issues directly or through 3<sup>rd</sup> party vendors specializing in engagement. In some circumstances, we may engage a specific company on an issue in order to influence their future activities. Alternatively, we may decide on target themes or areas of ESG that we would like to improve in our portfolio and then reach out to companies needing to progress in these areas.

Genus Capital Management has joined in collaborative efforts with other firms and asset owners as an effective way to engage companies and we may continue to use this method in the future.

## **Proxy Voting**

Genus Capital Management votes proxies in a manner that is aligned with the interests of our funds and clients. We will generally support proposals with a strong consideration for sustainability factors and long-term shareholder value. However, each proposal will be considered individually.

Regular reporting on proxy voting is available to clients if requested.

## **Promoting Responsible Investing**

We regularly publish reports on sustainable investing, host seminars, educate clients, and talk to the media in order to promote our responsible investing practice and the movement to responsible investing as a whole. Every year we also disclose carbon emissions data to our clients and the public.

Genus Capital Management is an active participant in organizations and industry working groups that promote the advancement of responsible investing.

## **Summary**

Genus Capital Management is committed to responsible investing. Our firm uses the key principles when making decisions on investments, engagement companies, proxy voting, and promotion. We believe that considering all risks and opportunities, including ones related to ESG, is critical to best serving our clients.