

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 have investment models that integrate ESG factors.

The socially responsible 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.

Guidelines on ESG Factors

Environmental factors:

- Genus strives to have the carbon intensity of sustainable funds significantly below the benchmark.
- Sustainable funds do not hold fossil fuel reserves.
- Genus uses engagement and proxy voting to encourage companies to lower climate risk, such as reporting on climate related data and lowering carbon emissions.
- Within impact mandates, Genus looks for climate transition opportunities, such as renewable energy, energy efficiency, and sustainable buildings.
- For responsible and sustainable funds, specific guidelines for environmental factors are;
 - Equity funds must maintain a carbon footprint 90% or lower than that of the benchmark¹
 - Each Genus fund is required to have ESG integrated into their portfolio construction and analysis process.

Social factors:

- Within sustainable funds, Genus excludes companies with severe social controversies in areas of human rights, labor practices, community relations, and customer safety.
- Genus excludes tobacco from all directly managed portfolios.
- Genus excludes companies with over 10% of revenue from controversial products that could hurt customers, employees, or communities.
- Through engagement, Genus strives to influence social outcomes within companies invested in. Genus often does this in collaboration with other asset managers or asset owners.
- Regarding human rights, all responsible funds exclude companies with significant human rights controversies resulting in poor social factor rankings. Genus sustainable funds exclude companies making over 10% of revenue from certain products that could negatively affect human rights. A main theme within engagement is human rights and decent work.

¹ Fossil Free CanGlobe Equity, Fossil Free Dividend Equity, Dividend Equity, CanGlobe Equity – Benchmark: 25% TSX/75% MSCI World
Fossil Free High Impact Equity – Benchmark: MSCI World
Emerging Markets – Benchmark: MSCI Emerging Markets Index
Canadian Alpha – Benchmark: S&P TSX Composite Index
Global Alpha – Benchmark: MSCI World Index

Governance factors:

- Within sustainable funds, Genus excludes companies with severe governance controversies in areas, such as business ethics.
- Genus excludes companies that are misaligned with reducing inequalities in sustainable accounts.
- Through engagement and proxy voting, Genus encourages companies to improve governance practices.

Guidelines on Systemic Sustainability Issues and Sustainable Outcomes

Genus leverages engagement to help make a difference on systemic sustainability issues within all responsible and sustainable funds. Through stewardship, Genus advocates for decent work, reducing inequalities, climate action, responsible political engagement, and more.

Within sustainable funds, Genus adheres to distinct directives that underpin our strategy for addressing systemic sustainability. These encompass:

- Genus' proprietary ESG Alpha framework, which encompasses aspects such as health and safety, labour management, carbon emissions, and our Genus ESG score.
- Removal of the top financiers of fossil fuel projects on around the globe from our investable universe.
- Evaluation of all companies with controversies concerning indigenous communities across the globe.
- Only investing in companies that are neutral or positive when it comes to reducing inequalities.

Regarding outcomes, Genus measures sustainable performance and outcomes using a variety of metrics. Clients will often have an outcome or measurement that they are focused on so we will report on these outcomes to individual clients. All clients receive a measurement on carbon intensity, the Genus Net Impact Score (based on SDGs), and a third party ESG score².

Guidelines on Private Alternatives

- Genus invests solely in products or companies that are:
 - focused on supporting the achievement of UN Sustainable Development Goals,
 - that support better outcomes for society, including but not limited to improved environmental and social outcomes; and
 - that support the development of a financial ecosystem that bolsters financial inclusion, stakeholder value creation, and supports diversity, equity, and inclusion.

² Provided by MSCI ESG Manager

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 3rd 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 engage GIR (Groupe Investissement Responsable Inc.) to vote proxies in a manner that is aligned with the interests of our funds and clients by following the guidelines set by the SHARE (Shareholder Association for Research and Education). 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 for our Fossil Free Plus CanGlobe Equity and High Impact Equity funds.

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.