Responsible Investing Policy

Business Owner: Director of Research
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This Responsible Investing (RI) Policy outlines Mawer Investment Management Ltd.'s (Mawer) RI principles, our approach to responsible investing, guidelines that the firm applies to investment decisions, as well as oversight. This policy applies to both equity and fixed income assets under management across the investment platform. Recognizing the complex and evolving nature of ESG considerations, the Director of Research will review this policy annually.

Responsible Investing Principles

Mawer is committed to delivering financial peace of mind to our clients. The firm views responsible investing and the consideration of Environmental, Social, and Governance (ESG) factors as key contributors to identifying investment opportunities and better risk management. Moreover, such considerations also allow Mawer to fulfill its fiduciary duty of acting in clients' best long-term interests and helping them achieve their investment objectives.

Mawer's responsible investing decisions are guided by five key principles:

1. Mawer's primary objective is to maximize long-term risk-adjusted returns for clients.
2. ESG factors can impact the sustainable competitive advantage of businesses and the risk/return profile of our investments.
3. Integrating ESG factors into Mawer's investment process increases the odds of investment success.
4. Engaged ownership is an important responsibility Mawer fulfills on behalf of its clients.
5. Lead by example. Mawer, as a corporate citizen, strives to improve its own ESG practices.

Responsible Investing Approach

The firm's approach to responsible investing is one of ESG integration, whereby ESG considerations are embedded within our investment decision-making process. Through integrating ESG into our investment process, we assess the relevance and materiality of varying environmental, social and governance factors that impact, or have the potential to impact, the businesses we own. The firm does not exclude investments that have ESG related risk; rather we weigh that risk among others and take it into consideration in our overall assessment of risk and investment merit. The firm supports companies that are taking reasonable steps to understand, communicate, and improve their ESG policies and sustainability outcomes.

Environmental Factors

Mawer believes that sustainable environmental practices are vital to long-term investing. Environmental liabilities (negative externalities) such as, but not limited to, greenhouse gas emissions, water scarcity, air pollution, waste management, biodiversity loss and resource depletion, may accumulate "off-balance sheet" if not properly managed. Mawer generally supports initiatives that seek to mitigate and manage the risk of environmental liabilities in the context of the specific industry.

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Furthermore, the firm is of the view that climate change presents long-term risks and opportunities that may materially impact certain business models. Mawer generally supports initiatives, processes, and disclosures designed for companies to contribute to the goal of limiting climate change. Mawer encourages companies to explore frameworks, such as the Task Force on Climate-related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB), that provide useful sector-specific guidance as part of an overall risk management process.

Social Factors

Mawer believes that corporate cultures and business practices that emphasize the well-being of stakeholders, most notably employees, customers and local communities, are an important element of corporate social responsibility. As such, matters related to (but not limited to) diversity, equity, and inclusion as well as workplace safety, labour rights, human rights, relationships with local communities (e.g., Indigenous communities), and cyber security are considered when making investment decisions.

Governance Factors

Mawer believes that sound corporate governance is a foundational pillar of the businesses we invest in. In order to promote proper governance practices, we assess the varying elements of a company's governance structure and practices through our research, including matters related to (but not limited to) its board of directors, executive compensation, shareholders' rights, internal controls, and accountability.

Responsible Investing Guidelines

Guidelines for decisions on the purchase or sale of securities based on ESG factors

Mawer's investment philosophy is focused on the quality of the businesses we own, the strength of the management teams, as well as the price we pay for such investments. ESG factors are considered as an input in assessing the quality of investments to enable sound decision making when constructing portfolios. Where relevant, ESG factors may impact a valuation of securities, through revenue estimates, cost projections, and/or discount rates.

When an ESG factor may present a material risk to the investment, portfolio managers use reasonable judgement to assess possible courses of action, (e.g., maintain, reduce, eliminate, or avoid), while continuing to take the overall portfolio construction process into consideration. In the case where a material ESG factor represents a material positive benefit, similar reasonable judgement is used to emphasize the weight of the security within the context of the portfolio construction process.

In keeping with Mawer's decision-making model where a "leader decides with input," portfolio managers have decision-making rights within their respective portfolio and are accountable for all investment decisions, including those related to ESG factors, utilizing the principles and guidelines set out in this policy.

Guideline for engaging with management based on ESG factors

It is the firm's opinion that engaging with management teams can help facilitate positive change in public entities. The investment analysis of entities may create insights that relate to ESG risk or opportunities. When such issues may have a material impact on the company, Mawer encourages research team members to engage with the management team and express their ideas and opinions.

Engagements are defined in the following three ways:

1. Fact finding and gathering information: This helps Mawer assess the magnitude and probability of potential risks and opportunities.
2. Acting in an advisory capacity and providing input: In keeping with Mawer's decision-making model whereby a leader decides with input, Mawer's experience suggests providing direct input to decision-making authorities (i.e., management teams), through engagements and indirectly with voting and our ownership, produces the best long-term outcomes.
3. Influencing change: Applicable in scenarios where there is a reasonable chance Mawer could impact the desired outcome (e.g., being a large shareholder).

Each engagement is approached on a bottom up, company-by-company basis and the assessment of each material issue is based on the magnitude and probability of the risk at the individual company level. Every engagement opportunity is unique, and the impact of the engagement is unique. As such, engagement priorities are driven by the materiality threshold and its impact on the risk/return potential of an investment.

The firm believes that engagement with management may be a powerful agent for change and more effective than a mere vote against a motion recommended by a company's management or a vote in favour of a shareholder proposal. Therefore, Mawer supports investment team members' engagement with a particular management team or board, at the appropriate time, and subject to all relevant securities laws, to communicate the firm's rationale for voting against a particular motion, to explain the principle or guideline applicable, and to suggest more suitable alternatives.

In determining whether to engage, the benefits of engagement are weighed against the costs and risks. Consequently, Mawer's decision to engage is made on a case-by-case basis.

In extreme cases when engagements with management or the board fail to achieve the desired outcome and the issue at hand is material and deteriorating the investment thesis, the research team can choose to escalate its engagement efforts in a number of ways:

1. Discourse with the CEO.
2. Discourse with a board member if the outcome of communication with the CEO is less than satisfactory.
3. Vote accordingly on the relevant proxy and, when it makes sense, notify management in advance of Mawer's voting intentions.
4. Vote against executive compensation.
5. Vote against the re-election of one or more directors, including the chair.
6. Vote for discharging the entire board.
7. Reduce or divest the position.

The course of action with regards to escalation is made on a case-by-case basis at the discretion and judgement of the portfolio manager/analyst.

Guideline for voting based on ESG factors

Mawer has implemented a detailed Statement of Guidelines and Procedures on Proxy Voting ("Proxy Voting Guidelines"), which form part of this RI policy. Significant elements of our Proxy Voting Guidelines are generally aligned with today's corporate governance standards and are focused on matters that are put forward to shareholders on a recurring basis.

Mawer's objective is to vote every share of every company owned at every shareholder meeting. In addition, the firm takes anintegrated approach whereby all proxy voting decisions are made internally by members of the research team involved in company analysis and are based on Mawer's Proxy Voting Guidelines and/or a reasonable judgment of what will serve the best interests of shareholders. Mawer subscribes to a third-party to provide additional research and context on proxy voting, but ultimately, our Proxy Voting Guidelines are used when deciding how to vote.

Mawer generally does not avoid investment in entities where the portfolio managers or analysts may not support the actions of a company's board or management. It is Mawer's opinion that voting "against" can be consistent with the general investment support of the company, reflecting engaged ownership. Having said that, given our philosophy of investing in wealth-creating businesses with excellent management teams, we more often than not vote in line with management's recommendation, but if warranted, the team will cast a vote "against" a recommendation.

Guideline for ESG disclosures and reporting

Mawer believes that companies should take reasonable steps, in the context of their resources, to disclose relevant and material ESG information and articulate progress on ESG matters to investors. Materiality is primarily determined based on Mawer's internal research efforts and analyst/portfolio manager's reasonable judgement. When companies fail to provide reasonable disclosure on an ESG factor, and we suspect that the potential risk is material, Mawer may request the company provide additional ESG disclosure. We consider whether such requests are reasonable given the resources required to fulfill the request, any applicable securities regulations, and the materiality of such information to our investment decisions.

As part of Mawer's investment process, material information, including ESG information and dialogue with management on ESG factors is documented to support our investment analysis and investment decisions. Mawer has developed an ESG dashboard to help with ESG monitoring across the firm's strategies. The tool is used to assist with tracking ESG engagements and proxy voting records across the research platform.

The firm uses third party ESG data and analytics platforms to report on portfolio level ESG metrics relative to their respective benchmarks as required.

Mawer's annual Responsible Investing Report serves as a tool to inform clients on the firm's ESG approach using examples that highlight how the firm's principles are put into practice.

Guideline for resolving conflicts of interest based on ESG factors

Conflicts of interest occur in instances when Mawer is invested in an entity that is also a client. If a material ESG issue arises in these circumstances, Mawer requires the decision-maker to immediately notify Compliance and follow the relevant procedures outlined in the Firm's Proxy Voting Guidelines, Business Conduct Policy, and Independent Review Committee Conflict of Interest Manual.

Principles for Responsible Investment

In addition to our core responsible investing principles and guidelines, Mawer is a signatory to the Principles for Responsible Investment (PRI) to demonstrate our commitment to the development of a more sustainable global financial system. We have adopted the key principles of the PRI which align to our principles and guidelines under this policy:

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

Responsible Investing Oversight

Mawer's ESG Committee oversees the firm's overall ESG strategy and supports programs with the goal of advancing ESG related opportunities and mitigating ESG related risks within the research team and at the firm level. Factoring environmental, social, and governance considerations into the firm's own business activities doesn't just fulfill our fifth responsible investing principle (lead by example), it is a natural expression of living our core values which serves as a compass for our actions.

The ESG Committee is comprised of a member of the Board of Directors, the Director of Research, the Sustainability Specialist and representatives from relevant key areas of the firm. The ESG Committee meets quarterly, or more frequently as required, and reports to the Board's Risk Management and Audit Committee.

Furthermore, senior members of the research team, including the Chief Investment Officer and Director of Research, also provide oversight as part of the research review process to ensure this policy is being applied in an aligned and consistent manner. The Director of Research may direct any decision or action under this policy, upon having been formally made aware of by the Lead Portfolio Manager or any other Mawer employee of (a) an impending breach of this policy, (b) an ambiguous interpretation of this policy, or (c) the need for guidance on the implementation of this policy.

Lastly, being 100% employee owned, Mawer fosters a collective responsibility with regards to adhering to the firm's procedures and policies, including those related to ESG.