2024 Stewardship Report

(2023 activities)

Scotia Global Asset Management®

Sections

Neal Kerr (he/him)
Head, Scotia Global Asset Management

A message from our Head of Scotia Global Asset Management

At Scotia Global Asset Management (Scotia GAM),[1] we strive to enrich clients' financial futures with investment solutions, delivered in partnership with comprehensive wealth advice. We continue to engage on Environmental, Social, and Governance (ESG) issues to deliver long-term value to our clients.

The investment landscape continues to change – with ongoing regulatory changes in several jurisdictions, heightened focus on many ESG themes, and significant geopolitical concerns. Against this backdrop, these are some activities and achievements we made this past year in three key areas:

- **Companies** – we continued to leverage our active management research capabilities and scale to engage with the management teams of companies across multiple industries on a variety of themes, which we share in detail later in this report.
- **Culture** – we made progress on diversity, equity, and inclusion (DEI) initiatives throughout our business with a focus on attracting, retaining, and developing diverse talent at Scotia GAM. For example, as a **Benefactor Sponsor** of Ivey Business School's Women in Asset Management Program at Western University, we welcomed seven more women interns again this summer, providing them with the skills and knowledge required for a future career in our industry. We also continued with ongoing internal DEI programs, such as an Analyst Rotation Program (learn more on page 28) and the Uplift Program (page 30).
- **Advocacy** – the regulatory environment has continued to change this year. At Scotia GAM, we believe it is an honour to be regulated. What we do has a significant impact on the financial futures of our clients – and we both expect and welcome the high level of scrutiny. This year, we continued our ongoing open dialogue with a range of organizations and regulators – including the Ontario Securities Commission, the Investment Funds Institute of Canada and the Canadian Coalition for Good Governance – (International Sustainability Standards Board) on topics such as climate-related disclosures and a framework on Responsible Investment identification. We discuss and advocate for issues that are important for our industry and our clients to help shape policy in the right direction.

As stewards of our clients' capital, we take a thoughtful approach to the consideration ESG factors in the industry. Throughout our investment processes we aim to deliver well-built solutions that can help meet our clients' goals and expectations.

We will continue to make strides on ESG issues in the upcoming year with diligence, transparency, and an eye to the future.

[1] Through our registrant 1832 Asset Management L.P..

Firm overview

Scotia GAM, one of Canada's largest asset managers, offers a broad range of investment management solutions to meet the needs of clients in Canada and around the world.

We place the highest priority on the stewardship of our clients' assets – striving to enrich our clients' futures with investment solutions delivered in partnership with comprehensive wealth advice.

Our multi-disciplined Investment Team delivers high-conviction active management supported by a rigorous risk management framework. Rooted in more than 60 years of portfolio management, the Investment Team continues to evolve to meet changing investor needs.

Scotia GAM and its affiliates serve one of the most diverse range of clients in the industry through multiple brands and diversified platforms. As such, we offer our clients a wide range of choice to help protect and grow their life savings and reach their financial goals.

To learn more about Jarislowsky Fraser's approach to responsible investment, its Stewardship Report can be read **here**.

340 billion
in AUM[2]

200+
Investment professionals[3]

15+
distribution channels[4]

2 million+
clients[5]

All numbers reported as at January 31, 2024

[2] Assets Under Management (AUM) represents assets managed by Scotiabank (through its Global Wealth Management division) on a discretionary basis and in respect of which the Bank earns investment management fees. AUM are beneficially owned by clients and are therefore not reported on the Bank's Consolidated Statement of Financial Position.

[3] Investment professionals includes registered individuals employed by Scotia GAM and its affiliates.

[4] Distribution channels represent different types of financial intermediaries through which Scotia GAM makes its investment solutions available.

[5] The number of active client accounts for which Scotia GAM and its affiliates earn investment management fees.

Our approach to responsible investment

Scotia GAM places the highest priority on the stewardship of our clients' assets.

As active investment managers, we consider ESG factors, where relevant, and conduct deep proprietary research with active involvement from our portfolio managers and research analysts. We employ a thorough approach to risks and opportunities with dedicated support from our ESG Investment Committee.

It is important to offer clients choice, and Scotia GAM offers a range of investment products across our various distribution channels. Our products span mandates with investment objectives that focus solely on risk and return as well as investment products that incorporate ESG-focused considerations into the investment objective alongside risk and return.

Given the strengths of our Investment Team, our products are, for the most part, internally managed active mandates.[6] We believe that successful fundamental investing requires the consideration of relevant financial and non-financial factors (ESG and otherwise). Our strong research engine considers relevant factors and is used across our internally managed active mandates. For our mandates focused solely on risk and return, ESG factors are not the primary focus but are considered when deemed relevant, alongside many other factors, through the lens of how they could impact risk and return. These mandates do not seek to achieve specific ESG-related outcomes or attributes at the portfolio level.

For our ESG-focused mandates that include certain ESG considerations in the investment objectives, those specific factors are a primary focus for investment decisions. Those specific ESG factors are considered through the lens of not only how they could impact mandate risk/return potential, but also how they could impact the performance against the specific ESG-related objectives of the mandate.

[6] For our active mandates, we are referring to mandates actively managed internally by the Scotia GAM Investment Team, as opposed to those mandates that are passive and/or sub-advised externally.

For positive change to happen in our society, companies need to adapt to new governance and operational norms. Where appropriate, our Investment Team engages closely with companies to encourage progress, which assists the team in identifying the potential leaders of tomorrow. For example, the team may consider securities with characteristics such as:

- Governance structures that ensure longevity and consistent results;
- Sustainable operations aligned to environmental regulations; and
- Socially diverse and inclusive standards that drive customer, employee, and community value.

Dedicated ESG investment committee

Scotia GAM has a dedicated ESG Investment Committee that meets monthly to provide oversight and guidance on all our ESG initiatives.

This committee is comprised of members from our Executive Team, portfolio managers and also members from the Investment Risk Team, Compliance, and other areas of the business.

Reporting directly to the Scotia GAM Board of Directors, the ESG Investment Committee:

- Evaluates ESG-related policies and guidelines;
- Supports the consideration of ESG factors in investment processes;
- Reviews potential ESG-related investment products;
- Provides oversight of ESG commitments to align with industry initiatives;
- Facilitates knowledge sharing across investment teams; and
- Communicates externally on firmwide ESG efforts.

“

Trust and integrity are paramount in our industry. Our guiding principle from the very beginning for our approach to ESG was to be authentic and transparent with our stakeholders. We have sought to ensure that any reporting on ESG or external commitments accurately reflects our investing activities and how we manage our clients' capital.”

Daniel Yungblut (he/him)
Head of Research and Chair of the Scotia GAM ESG Investment Committee

Internal governance of our ESG approach

We have implemented multiple layers of review and quality assurance on ESG considerations, and also on any reporting or external communication with our stakeholders.

Our ESG Investment Committee includes senior members from each of our investment teams and also key oversight personnel. The ESG Investment Committee helps share best practices on the consideration of ESG factors across our investment style-based teams.

Our formal oversight process includes quarterly reviews by our Oversight Committee to ensure that our portfolio managers are adhering to the investment processes and appropriately considering relevant factors in their investment decisions, including ESG factors where relevant. The significance and relevance of ESG factors are considered through the lens of how they could impact the investment objectives of each mandate.

For our mandates with risk/return-focused objectives, we do not make any claims or commitment about the ESG attributes of the funds. However, ESG factors can be signficant and relevant in achieving the risk/return objectives of those mandates. For our ESG-focused mandates with specific ESG factors included in the investment objectives, those specific factors will be relevant and significant for most investment decisions in achieving the objectives of the mandate.

Our ESG Investment Committee's direct understanding of our investment processes puts it in an appropriate position to review and approve our external ESG-related claims and representations to stakeholders.

Scotia GAM has an internal Restricted Securities Policy, which applies to all Scotia GAM mandates, and is driven by risk management considerations. The intention of this Policy, which can evolve as circumstances change, is to ensure there are controls in place to restrict and monitor investments in certain securities. The Restricted Securities Policy is not intended to ensure ESG-related alignment in investment portfolios but can encompass ESG-related considerations.

ESG-focused mandates

In addition to the above governance processes, we recognize there are heightened requirements for our ESG-focused mandates, which are those that incorporate ESG-related considerations into their investment objectives. Our clients in those mandates rightly expect us to ensure that those additional ESG-related commitments are met.

The exact governance process for ESG considerations can vary slightly for each of our ESG-focused mandates; however, we can outline the general structure. For each ESG-focused mandate, a list of issuers (either an approved list or exclusionary list of issuers depending on the mandate) is created. This helps ensure that any companies purchased for any given mandate have incorporated the ESG-related objectives and strategies of that mandate.

In addition, at its regular monthly meetings, the ESG Investment Committee reviews those lists of issuers to ensure that all of the companies on each list are consistent with the parameters of the mandate and with reasonable client expectations. If the ESG Investment Committee has questions about any holdings, the Chair of the Committee and the Managing Director, Investment Management, follow up with the portfolio managers involved in the mandate in a timely manner. Appropriate action is taken, which could include engagement or divestment of specific securities.

Active engagement: case studies

At Scotia GAM, engagement is a key pillar of our active investment process, and our approach has remained consistent over time. We use our access to management teams and influence as a large investor to actively engage on a variety of issues and themes. We generally prefer to engage with companies on issues and support ongoing improvement, rather than exclude entire sectors. We believe it is important to engage with policymakers at all levels of government on key issues, such as emissions reductions and disclosure rules on diversity, equity, and inclusion.

Engagement with issuers

Meeting with company management teams and other stakeholders is a hallmark of our active, fundamental investment process. We firmly believe we must consider issues relevant to the investment decision, including ESG-related issues, where relevant, as our fiduciary duty to our clients. With an increasing focus on ESG factors in the industry, we now explicitly label certain issues as ESG in our investment process.

In addition to engagement, we view our research and proxy-voting activities as key pillars of a comprehensive active investment process. None of these pillars functions in isolation because of concerns that the depth and effectiveness of our engagement could be diminished. Our investment professionals know companies best, meet with executive teams, and are well positioned to engage with stakeholders and actively vote proxies. Through our engagement, we look to encourage companies to reduce negative impact for society through innovation and targeted capital spending.

Our engagement approach in 2023 can be summarized by the following diverse group of examples, under the themes of sustainability and the energy transition towards lower emissions.

Climate Engagement Canada

Our engagement activities span both our direct meetings with companies as part of our investment process, and our meetings with companies as part of joint initiatives such as Climate Engagement Canada (CEC). We were a founding member of CEC, a collaboration between institutional investors representing $6.2 trillion+ of AUM[7] to jointly work with issuers to make progress on climate-related challenges. 2023 was the second year that CEC members began directly engaging with issuers, and it was a busy year. We co-led the CEC group that engaged with an operator of convenience stores and gas stations, a potash producer, and a utility company, while we also participated in two more joint engagements with a pipeline company and an infrastructure company.

We have sought to set a constructive tone in our engagements with the CEC, working with companies to make tangible progress on climate-related issues, without impairing their core business activities and financial performance. The CEC engagements run parallel to our core investment engagement meetings and offer the opportunity to have a more focused discussion on climate issues. While we may not agree with every view and imperative of the other participants, we have found constructive ways to work with our CEC partners to encourage issuers to take key climate issues seriously.

We believe there is value in collaborating with other institutional investors on engagement initiatives like the CEC, however we do not collaborate nor work in concert with other institutional investors in our investment decisions, which are based on our own independent analysis and opinions.

For the meetings with the gas station operator, a key focus was on encouraging the company to make progress on initiatives to support its customers in reducing emissions while also positively contributing to its financial profile. The company has already shown leadership in disclosing Scope 1 and 2 greenhouse gas emissions and making progress on projects to reduce those emissions directly. However, due to the nature of their business, the vast majority of their emissions footprint is in the vehicles they supply fuel to, which is captured under Scope 3 emissions metrics. We discussed the company's ongoing efforts to measure Scope 3 emissions and suggested peers and best practices they could consider supporting their efforts. With Scope 3 emissions, much is beyond the company's control. A bigger focus for us in our engagement with them was to indicate investor support for pilot projects to expand electric vehicle charging infrastructure and advanced biofuel capabilities that could facilitate the transition to lower-emission transportation networks while aiming to generate returns for investors.

We engaged multiple times with a fertilizer producer on their governance of sustainability initiatives, and we were impressed by the senior-level attention the initiatives received and the direct board accountability. The company has made progress on clear short- and medium-term targets around emissions reductions. A focus for further

[7] As of August 2024

engagement is around Scope 3 emissions, given the majority of their emissions footprint is related to how farmer customers use their products. The company is making reasonable progress on developing the infrastructure needed to measure Scope 3 emissions; however, we were especially interested in the programs the company has to help farmers reduce their emissions through more efficient precision agriculture. We indicated interest in enhanced disclosures around those programs and the importance of continuing to pursue them for both the company and their farmer customer base. The second meeting with the company this year had an even deeper focus with company experts on their carbon credits program for farmers, and how it can positively contribute to overall emissions reductions. The program is still in the early stages, but we hope consistent engagement with the company can lead to positive outcomes over time.

Oil sands producers

We met with three of the large oil sands producers that are part of Pathways Alliance, a joint collaboration between oil producers to work towards net-zero GHG emissions by 2050. We reiterated our ongoing support for companies that have found a way to work constructively with governments towards emissions-reduction initiatives. As the Pathways Alliance will be a multi-decade initiative, we anticipate this will be an ongoing engagement effort for us for many years.

After many years of facing criticism, the largest oil sands producers have made progress on providing more details about their emissions reduction plans. More work is required, however we view the Pathways Alliance initiative as a critical use of capital if the companies are to continue to have social license to operate and maintain the infrastructure needed to get their product to market.

Most of this decade's focus will be on carbon capture and storage projects to reduce emissions. In previous engagements with the companies, we asked for improved disclosure on capital spending and other details related to those projects. We noted more detailed planning activity in 2023 from the companies. They have identified reservoirs and are starting to get a sense of how much carbon could be captured. They're also mapping out specific phases of carbon capture capacity during each phase. Importantly, there has been improved disclosure around an estimate of the joint capital spending on Phase 1 of the Pathways Alliance major projects, including on electrification of infrastructure to help reduce the emissions profile. The economics and viability of the projects are still heavily dependent on government support, but the Pathways Alliance initiative is a promising opportunity for Canada. Discussions on the exact policy measures that will be supportive – notably investment tax credits and clear carbon pricing – help us understand what to monitor on policy announcements and inform our views for when we have our opportunities to engage with government stakeholders.

On another constructive note, there was meaningful progress from one oil sands producer we had concerns about a few years ago because of a lack of clarity on any deliberate action being taken to make progress on its net-zero targets. This year, we noted positive steps by the company to be an active contributor to the Pathways Alliance initiative. The company has also now put more concrete commitments behind its net-zero target. The company is targeting Scope 1 and 2 emissions reduction by 30% by 2035, including over $1bn of capital spending and specific assessment activities of new technologies. We have provided consistent feedback and encouragement in past years to work towards this enhanced credibility of public commitments.

Critical minerals companies

Critical minerals – such as lithium, cobalt, aluminum, nickel, graphite and others – are key inputs for the wind turbines, solar panels, electric vehicle batteries and other electrification components that will be required to facilitate the energy transition. As investors in the metals and mining space, we focus on finding potential investments in these key growth commodities across all parts of the mining cycle. We continue to regularly meet with mining companies involved at different stages, including exploration, development, and production.

Our process engages with miners of critical minerals to identify those that operate responsibly in their local communities, and have robust safety records and credible governance. In our experience, without those fundamentals in place, operating challenges can often lead to disappointing mine production and results for all stakeholders involved – especially investors.

At this early stage, the investment due diligence is centred on the technical attributes of the geology of a company's assets. However, even as the company drills to delineate the scope of its critical mineral deposit, our process also looks at the environmental considerations for any potential mine, including water availability and land access. We met multiple times this year with a lithium mine developer. In our first meeting we acknowledged their land and water permits for exploratory drilling, but emphasized the need for them to engage with local First Nations and have a Memorandum of Understanding (MOU) with them before they start their program. Without that, it was hard for us to have confidence in the mine developer's operating plan. By the time of our second meeting with the company this year, they had made significant progress by completing the MOU with the appropriate First Nations and agreeing to attractive commercial terms, which contributed to our investment decision.

To support many areas of the energy transition, additional sources of critical minerals such as lithium will be key. Potential sources of lithium supply within North America have generally been underdeveloped. Some of the challenges have been improving the environmental footprint of the mines to obtain the necessary government and local community support for projects. This year, we met with an existing lithium producer in Canada, and the focus of the engagement was on their efforts to connect hydro power generation to a mine to enhance its profile. The company has executed well on its engineering, but it has faced considerable challenges on obtaining permits from both the federal government and the local First Nation. Our feedback was that the considerable delays in the project have impaired investor confidence, and it appeared there was considerable room for improvement in the company's engagement with different stakeholders in the permitting process. It will be crucial for the company to execute on both the engineering part of the mine and also the permitting process. Expanding North American lithium production in a responsible way could have important social benefits while providing strong returns for investors; however, it requires considerable due diligence and engagement to determine which potential projects can execute sufficiently well to deliver that alignment amongst stakeholders.

Engagement with policymakers and regulators

We continue to leverage opportunities with policymakers at all levels of government, and regulators, in the hopes of contributing to private-sector solutions on a range of challenges.

Policy support for transitioning Canada's electricity grid

In April 2023, we contributed to a closed-door Conference Board of Canada panel on attracting investment for Canada's Clean Energy Economy. The bulk of the audience was municipal, provincial and federal government members and the goal, was to be an open forum on potential policy solutions.

We argued that the most significant constraint to reducing emissions from the electricity grid is the ability to pass on capital spending costs to consumers, not the availability of capital. Policy makers will need a comprehensive plan to assure investors they will earn a reasonable return on any invested capital, while also managing inflation on customer energy bills. Investment tax credits can support the building phase of power generation projects; however, further lifetime support is needed, in the form of power purchase agreements, ability to hedge power prices, or some form of regulated returns could support the required investor confidence to meet the demand for cleaner power. Any comprehensive plan cannot just focus on total power generation capacity, but will have to include essential transmission and distribution infrastructure, refurbishing existing ageing infrastructure, and providing grid reliability. It will be crucial for Canada to incentivize investments in our electricity and energy sectors if we are to achieve stated goals without compromising fiscal sustainability.

There are enormous challenges related to the energy transition. However, it is encouraging to participate in productive exchanges of ideas that, ideally, can help create balanced public policy frameworks that can appropriately serve the needs of all stakeholders.

DEI disclosure rules

In 2023, the Canadian Securities Administrators (CSA) released proposed new disclosure rules concerning diversity on boards of directors and executive officer positions at public companies in Canada.

The main objective of the proposed rules is to increase transparency on diversity, including board and executive officer representation; provide investors with information to better understand how diversity ties into an issuer's strategic decisions; and provide guidance to issuers on corporate governance practices related to board nominations, board renewal and diversity.

We contributed to a joint submission from the Canadian Coalition for Good Governance (CCGG), of which we are an active member on the board and its Environmental & Social Committee. The submission was supportive of enhancing DEI disclosure rules for public companies in Canada and recommended that the new disclosure rules establish a single national standard, require a 'comply or explain' approach to disclosure requirements for the most statistically relevant demographic groups , and that the disclosures be in a clear and comparable tabular format.

We support diverse and inclusive boards of directors, but have no expectation that all boards will be diverse in the same way. We continue to encourage boards of directors to include a diverse set of skills and perspectives that can support investor value.

International sustainability-related reporting disclosures

The International Sustainability Standards Board (ISSB) issued new global sustainability-related disclosure standards last year, which are designed to "help to improve trust and confidence in company disclosures about sustainability to inform investment decisions". **Scotia GAM submitted detailed feedback** on the disclosure standards as well as on the ISSB's strategic priorities going forward.

The two standards – IFRS S1, focused on sustainability, and IFRS S2, focused on climate - provides a set of disclosure requirements to enable companies to communicate to investors about the sustainability-related risks and opportunities they face over the short, medium and long term. Both incorporate the recommendations of the Task Force on Climate-related Financial Disclosures.

Scotia GAM is generally supportive of both standards as drafted, including the materiality threshold for required reporting that focuses on risks and opportunities that could impact enterprise value. We are hopeful that the standards can achieve their stated purpose to provide investors, lenders and other creditors with globally comparable sustainability-related disclosures that are useful for the decision-making process.

We expressed concerns that some of the requirements on the IFRS S2 scenario analysis were overly prescriptive, the level of detail required for the long-term effects of climate-related risks on financial position was inappropriate, and that issuers should have more flexibility on Scope 3 emissions disclosures.

We recommended that going forward the ISSB's sole focus should be on supporting global adoption of the first two reporting standards and support the development of global assurance capabilities rather than expand further into new disclosure areas, which could undermine the adoption process globally and be counterproductive to the ISSB's underlying mission. For the ISSB's reporting standards to achieve their stated purpose, they will have to be adopted into law by securities regulators in key jurisdictions, which could be complex and time-consuming. The ISSB will play a critical educational and support role to securities regulators through that process.

Proxy voting analysis and disclosure

Proxy voting is a key part of our fiduciary duty and an important component of active engagement with companies. Our portfolio managers vote proxies to serve the best interests of our clients. Scotia GAM has hundreds of mandates and serves a breadth of clients across retail, institutional, and other distribution channels.

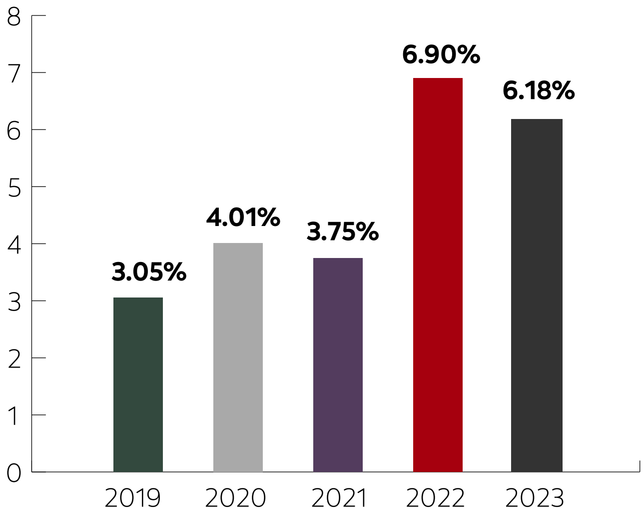
Scotia GAM generally does not impose a top-down firm-level view on proxy votes. As with investment research, we do not believe proxy voting can be separated out as a function distinct from our Investment Team's research processes without impairing the effectiveness of our management engagement and our overall fundamental investment process.

Appropriate consideration of each proxy vote is essential to fulfilling our fiduciary duty to clients. Proxy votes are analyzed on a case-by-case basis. Voting decisions (for or against) are based on the merits of the proposal, whether it has been brought forward by management or shareholders.

Scotia GAM supports constructive action on environmental and social issues. However, there can be reasons to vote for or against proposals on environmental and social issues where we believe that the proposal is not aligned with the best interests of our clients. Proxy votes are only one tool in the engagement process and may not reflect broader conversations on a topic.

We update our proxy voting disclosures on a semi-annual basis. To see Scotia GAM's Proxy Voting Dashboard, **please visit the website** of our registrant, 1832 Asset Management L.P.

Percentage of ESG Votes to Total Votes (2019-2023)



Environmental and social-related proxy voting record

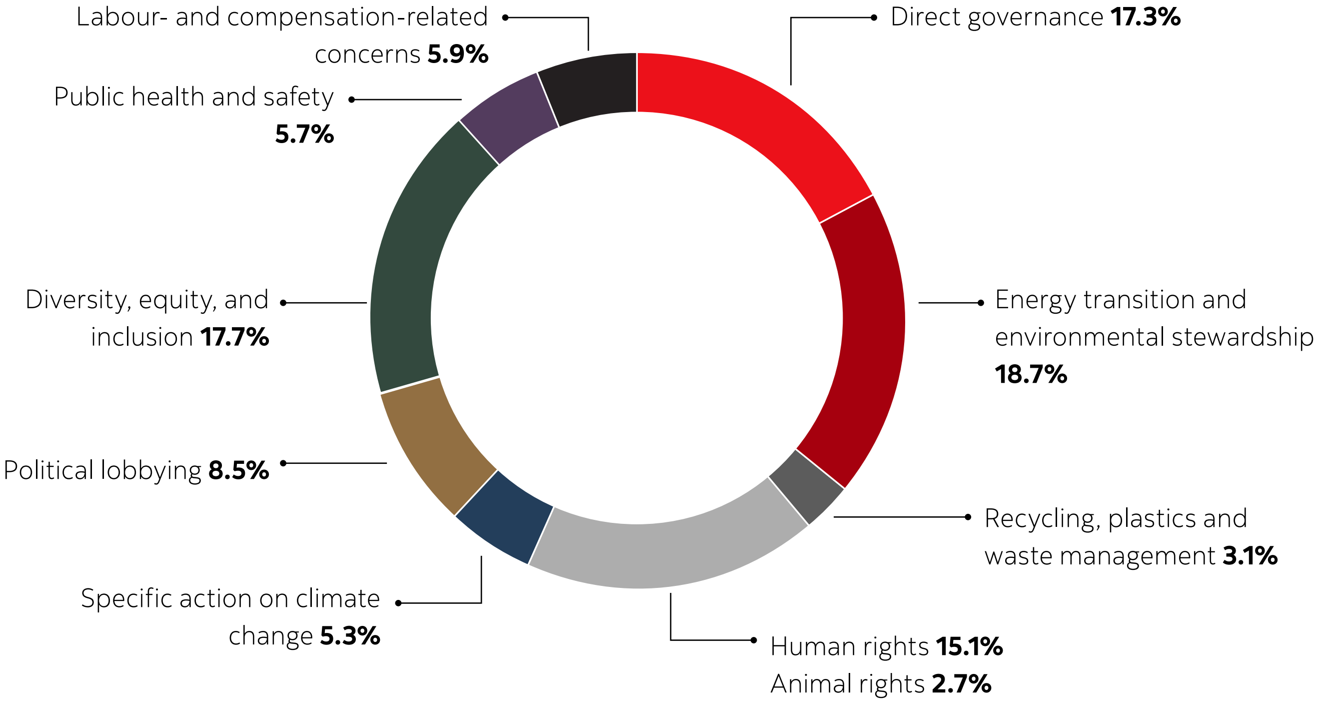
As ESG issues continue to become more prominent, in our experience, proxy votes dealing with Environmental and Social (E&S) issues are occurring with greater frequency. Scotia GAM portfolio managers assess E&S-related proxy votes within the context of their overall investment process and take action in the best interests of our investment funds.

E&S votes cover a wide range of issues that are important for the strategic direction of businesses.

2023 E&S Proxy voting summary

Issue	E&S total votes	% by issue of E&S votes	Votes with management	% E&S votes with management	Votes against management and abstain	% Votes against management and abstain
DEI	911	17.7%	911	100.0%	0	0.0%
Direct governance	891	17.3%	891	100.0%	0	0.0%
Energy transition and environmental stewardship	962	18.7%	947	98.4%	15	1.6%
Human rights	778	15.1%	770	98.9%	8	1.1%
Animal welfare	139	2.7%	133	95.7%	6	4.3%
Labour and compensation	297	5.9%	294	99.0%	3	1.0%
Political lobbying	439	8.5%	437	99.5%	2	0.5%
Public Health	292	5.7%	157	100.0%	0	0.0%
Recycling and plastics	157	3.1%	157	100.0%	0	0.0%
Specific action on climate change	274	5.3%	259	94.5%	15	5.5%
Total	**5,140**	**100.0%**	**5,091**	**98.9%**	**49**	**1.13%**

E&S proxy votes by issue



Proxy voting case studies

CASE STUDY #1

Type of company: Electrical power products

Issue at stake: Company's Climate Transition Plan

Details of vote: Management requested investor approval for its Climate Transition Plan

Voting decision: Voted in support of the Climate Transition Plan

Voting result: For

Rationale: We view the transition plan as taking effective action on key issues, while allowing its business fundamentals to continue to thrive. The company has set out clear net-zero targets, with effective disclosure that is aligned with Task Force on Climate-related Financial Disclosures framework.

CASE STUDY #2

Type of company: Oil & gas producer

Issue at stake: Political lobbying disclosure

Details of vote: Shareholder proposal to request company to produce a report outlining how the company is aligning its lobbying with its public net zero goal

Voting decision: Voted in support of the shareholder proposal

Voting result: For

Rationale: The proposal is requesting additional disclosure that is relevant for investors in gauging the alignment of its activities with public commitments, which can provide insight into management credibility. The proposal was reasonable in what it is requesting, and also specifically mentions that the company should not have to incur excessive costs in preparing the report and could omit proprietary information.

CASE STUDY #3

Type of company: Convenience store operator

Issue at stake: Supplier behaviour and conduct related to human right and animal welfare

Details of vote: Shareholder proposal to require company to disclose its supplier code of conduct and specific supply chain policies

Voting decision: Voted against the shareholder proposal

Voting result: Against

Rationale: Disclosure on the company's initiatives to ensure appropriate conduct in its supply chains is important. However, the company already provides significant disclosures in its Sustainability Report about its initiatives on its Supplier Code of Conduct, a sourcing study, and quality assurance. The additional disclosure requested by the shareholder proposal was unnecessary and inappropriate from a competitive standpoint.

ESG investment solutions for our diverse clients' needs

Scotia GAM and its affiliates have a unique multi-brand, multi-distribution platform that serves clients across the investment spectrum and across our international footprint. This platform includes serving our Scotiabank customers and other Canadian retail investors via our Dynamic Funds, ScotiaFunds, Tangerine, and MD Financial brands. We manage investments for higher-net-worth clients who are serviced through Scotia Private Investment Counsel and ScotiaMcLeod. We offer a range of ESG-focused solutions across our platform that incorporate ESG considerations into their investment objectives.

Scotia Global Asset Management's diverse ESG lineup

Dynamic Funds® Invest with advice.

Dynamic Energy Evolution mandates (Fund and ETF)

Dynamic Sustainable Suite of Funds

ScotiaFunds®

Scotia Low Carbon Suite of Funds

Scotia Responsible Investing ETFs

Tangerine

Tangerine Socially Responsible Portfolios

MD Financial Management

MD Fossil Fuel Free Suite of Funds

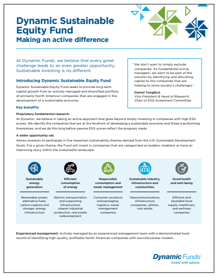
Scotia GAM ESG Products

Fund	Thematic[8]	Exclusionary[9]
Dynamic Funds		
Dynamic Sustainable Credit Fund	✓	
Dynamic Sustainable Equity Fund	✓	
Dynamic Energy Evolution ETF	✓	
Dynamic Energy Evolution Fund	✓	
Scotia Low Carbon Funds		
Scotia Low Carbon Canadian Fixed Income Fund		✓
Scotia Low Carbon Global Balanced Fund		✓
Scotia Low Carbon Global Equity Fund		✓
Scotia Responsible Investing ETFs		
Scotia Responsible Investing Canadian Bond Index ETF	✓	
Scotia Responsible Investing Canadian Equity Index ETF	✓	
Scotia Responsible Investing U.S. Equity Index ETF	✓	
Scotia Responsible Investing International Equity Index ETF	✓	
MD Fossil Fuel Free Funds		
MD Fossil Fuel Free Bond Fund		✓
MD Fossil Fuel Free Equity Fund		✓
Tangerine Socially Responsible Global Portfolios		
Tangerine Balanced Income SRI Portfolio		✓
Tangerine Balanced SRI Portfolio		✓
Tangerine Balanced Growth SRI Portfolio		✓
Tangerine Equity Growth SRI Portfolio		✓

[8] Thematic: products that select and allocate companies that fall under specific sustainability-related themes.

[9] Exclusionary: products that apply filters to potential investments to exclude specific non-desired issuers or sectors.

The Dynamic Funds suite of sustainable investment-focused solutions includes:



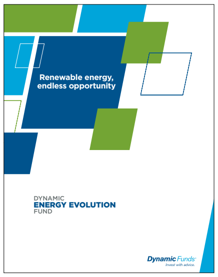
Dynamic Sustainable Equity Fund seeks to provide long-term capital growth from an actively managed and diversified portfolio of equities of companies that are engaged in the development of a sustainable economy.

Dynamic Sustainable Credit Fund seeks to provide income and the potential for capital appreciation from an actively managed and diversified portfolio of primarily North American investment- grade fixed income securities from issuers who are engaged in the development of a sustainable economy.

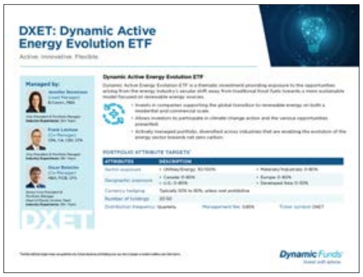
Key investment themes for the Funds

Dynamic Sustainable Equity Fund and Dynamic Sustainable Credit Fund focus on five key sustainable investment themes that are derived from the United Nations Sustainable Development Goals.

- Sustainable energy generation
- Efficient consumption of energy
- Responsible consumption and waste management
- Sustainable industry, infrastructure and communities
- Good health and well-being



Dynamic Energy Evolution Fund seeks to provide long-term capital appreciation and income primarily through investment in a diversified portfolio of companies involved in renewable energy or related activities from around the globe.

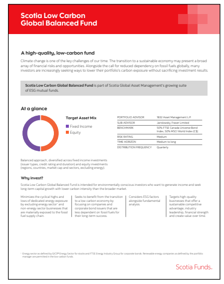


Dynamic Active Energy Evolution ETF seeks to provide exposure to the opportunities arising from the energy industry's secular shift away from traditional fossil fuels towards a more sustainable model focused on renewable energy sources.

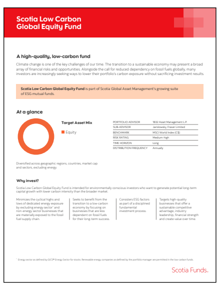
Scotia Low Carbon Funds

Scotia Low Carbon Funds are intended for investors seeking a diversified portfolio of quality investments with lower carbon intensity than the broader market. Each fund is managed to have a lower weighted average carbon intensity than its respective benchmark index. Scotia Low Carbon Funds are sub-advised by Jarislowsky, Fraser Limited (JFL), a wholly-owned subsidiary of Scotiabank.

Scotia Low Carbon Canadian Fixed Income Fund aims to generate regular income and modest gain, with lower carbon intensity than the FTSE Canada Universe Bond Index.[10]



Scotia Low Carbon Global Balanced Fund aims to generate income and long-term capital growth, with lower carbon intensity than 50% of the FTSE Canada Universe Bond Index and 50% of the MSCI World Index (C$).[11]



Scotia Low Carbon Global Equity Fund aims to provide long-term capital growth with lower carbon intensity than the MSCI World Index (C$).

Why Invest?

- Lowers the carbon intensity of a portfolio relative to the benchmark.
- Minimizes the cyclical highs and lows of dedicated energy sector exposure.[12]
- Benefits from exposure to quality businesses that are less dependent on fossil fuels for their long-term success.

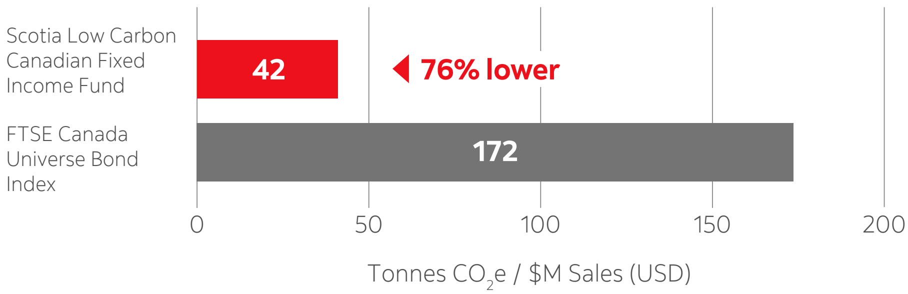
[10] FTSE International Limited ("FTSE") © FTSE 2024. FTSE® is a trade mark of the London Stock Exchange Group companies and is used by FTSE under licence. All rights in the FTSE indices and/or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and/or FTSE ratings or underlying data. No further distribution of FTSE Data is permitted without FTSE's express written consent.

[11] This report contains certain information sourced from MSCI (MSCI information). The MSCI information may only be used for your internal use, may not be reproduced or redisseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. (www.msci.com).

[12] Energy sector as defined by GICS® Energy Sector for stocks and FTSE Energy Industry Group for bonds. Renewable energy companies as defined by the portfolio manager are permitted in the funds.

Scotia Low Carbon Canadian Fixed Income Fund

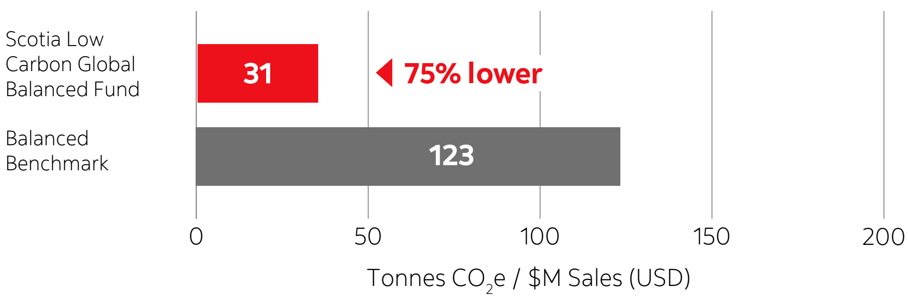
Weighted Average Carbon Intensity[14]



For Fund, data availability is 62.7% with 12.4% comprised of MSCI estimates; for benchmark, data availability is 34.9% with 12.5% comprised of MSCI estimates. Note that data availability is lower for bond funds because of the inclusion of government bonds.[13]

Scotia Low Carbon Global Balanced Fund

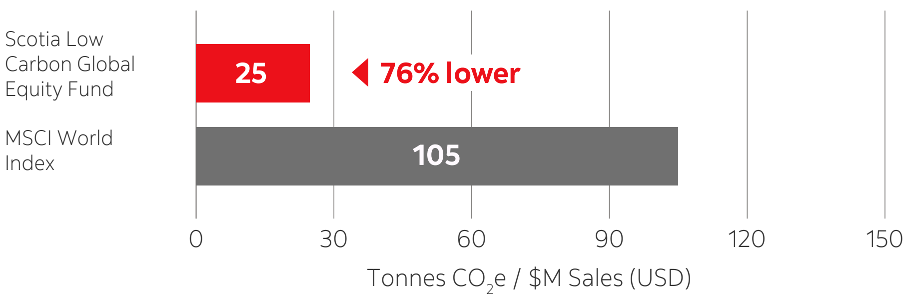
Weighted Average Carbon Intensity[14]



Balanced Benchmark is 50% MSCI World Index and 50% FTSE Canada Universe Bond Index. For Fund, data availability is 82.3% with 15.1% comprised of MSCI estimates; for benchmark, data availability is 67.4% with 10.1% comprised of MSCI estimates.[13]

Scotia Low Carbon Global Equity Fund

Weighted Average Carbon Intensity[14]



For Fund, data availability is 100% with 17.5% comprised of MSCI estimates; for benchmark, data availability is 99.9% with 7.8% comprised of MSCI estimates.[13]

[13] Fund holdings using available carbon intensity data as at December 31, 2023.

[14] Carbon Intensity = tCO2e/$M USD revenue. Data Sources: JFL and MSCI. Emissions include Scope 1 and Scope 2 Emissions.

Scotia Responsible Investing ETFs

Scotia Responsible Investing ETFs are a suite of ESG exclusion funds that provide a simple, transparent, and low-cost approach for investors seeking a responsible foundation for their portfolio. The suite includes four core asset-class building blocks that offer broad market exposure coupled with the exclusion of significant involvement in defined sectors as well as considerations of gender equality and Greenhouse gas (GHG) emission reduction.

SRIB Scotia Responsible Investing Canadian Bond Index ETF

SRIC Scotia Responsible Investing Canadian Equity Index ETF

SRIU Scotia Responsible Investing U.S. Equity Index ETF

SRII Scotia Responsible Investing International Equity Index ETF

Screening approach:
Each ETF tracks a responsible index screened by a set of responsible investment criteria defined by the index provider.

Fossil fuels

- Excludes companies materially involved in fossil fuel exploration, production, distribution, and servicing
- Includes activity-based screens that eliminate companies with material exposure to coal mining, oil sands, and hydraulic fracturing production

Carbon intensity

- Carbon screen removes companies with the highest carbon intensity
- Top 25% of emitters in each sector are excluded

Controversies

- Norms-based screen excludes companies with alleged or verified failure to respect international norms (e.g., human rights, environmental challenges, corruption)
- Activity-based screen eliminates companies with material exposure to a range of controversial business activities (e.g., controversial weapons, gambling, alcohol, tobacco)
- Excludes companies with no female representation in key decision-making positions

With a clearly defined approach to exclusions, Scotia Responsible Investing ETFs seek to allow investors to align their investments and their values.

MD Financial Management

MD Fossil Fuel Free Funds™

The MD Fossil Fuel Free Funds™ seek to avoid investments in companies extracting, transporting or processing fossil fuels.

MD Fossil Fuel Free Bond Fund invests in a variety of Government of Canada, provincial, municipal, corporate and asset-backed bonds with mid to long terms of maturity. The fund will follow a fossil fuel free investment strategy.

MD Fossil Fuel Free Equity Fund invests primarily in a diversified portfolio of equity securities that are appropriate for a fossil fuel free investment strategy. The fund may also invest in companies that provide solutions to the problems caused by using fossil fuels.

The funds seek to avoid investments in:

- Companies involved in oil and gas refining, marketing, storage & transportation
- Oil, gas, coal and consumable fuels producers
- Energy equipment and energy services companies
- Companies that have significant involvement in transporting fossil fuels and the fossil fuel transportation infrastructure
- Companies in the utilities sector that have significant involvement in the fossil fuel industry

Why invest?

MD offers flexibility in how you reduce the fossil fuels in your portfolio. Working with your MD Advisor, you can control your risk level by choosing a split between a bond and an equity fund. And you can choose how much of your portfolio you want to be fossil fuel free.

Tangerine Socially Responsible Global Portfolios

Tangerine Socially Responsible Global Portfolios are mutual funds made up of a diversified mix of fixed income and/or equity ETFs that invest in securities located around the world and are filtered using socially responsible investment criteria.

Tangerine Balanced Income SRI Portfolio – target asset mix is 70% fixed income and 30% equities.

Tangerine Balanced SRI Portfolio – target asset mix is 40% fixed income and 60% equities.

Tangerine Balanced Growth SRI Portfolio – target asset mix is 25% fixed income and 75% equities.

Tangerine Equity Growth SRI Portfolio – target asset mix is 100% equities.

Screening approach:
The portfolios avoid companies based on the following criteria:

Controversial business activities: Companies that are perceived to be generating a material level of revenue from controversial business activities.

Carbon intensity: Companies ranking in the top 25% of their sector for the most carbon intense (CO_2/Revenue) manufacturing practices.

Gender representation: Companies with no female representation in key decision-making positions.

Established norms: Companies with alleged or verified non-compliance with established international norms (e.g. anti-corruption plus human, labour & environmental rights).

Controversial weapons: Companies with verified ongoing involvement in controversial weapons.

Scotia GAM team members with graduates of the Uplift program, now in its 5th year.

(from left to right):

Rebecca Jiang, Catrina Devlin, Kristen Williams, Saleme Atieh, Justine Roberts, Tonya Campbell, Faye Chang, Iris Gu, Rose Nguyen, Hannah Bergsma, and Ashley Gilmore.

Diversity, equity, and inclusion initiatives

Scotiabank is committed to ongoing efforts to build a more diverse, equitable and inclusive workplace. Scotiabank's Diversity, Equity, and Inclusion Representation Goals aim to increase the diversity of the employee population by 2025, with a focus on Black People, Indigenous Peoples, People of Colour, People with Disabilities, 2SLGBTQIA+ People, and Women.

You can read more about Scotiabank's global Diversity, Equity and Inclusion strategy in the **Scotiabank 2023 ESG report** (pages 57-71).

In 2023, Scotiabank was proud to be recognized as one of the **Best Workplaces in Canada™** for the fourth consecutive year, for executive gender diversity on *The Globe & Mail's* **Women Lead Here list** for the third consecutive year, and to be included in the **Bloomberg Gender-Equality Index** for the sixth consecutive year.

Scotia GAM's efforts are closely aligned with the goals and ambitions of Scotiabank, and we aspire to be an industry leader in attracting, growing and retaining underrepresented talent, and creating an inclusive culture where employees can bring their authentic selves to work.

In 2020, we issued a Scotia GAM statement on diversity, equity, and inclusion (DEI) that we proudly stand behind, and, in 2023, we further intensified our efforts in all key areas.

Scotia GAM statement on diversity, equity, and inclusion

As one of the leading investment firms in Canada, Scotia GAM recognizes that it has a responsibility to take a leadership role in the advancement of diversity, equity, and inclusion (DEI). Significant inequities exist both in Canada and globally. To address these inequities, we are committed to furthering DEI – in the corporate culture we foster, in the communities in which we operate, and in the companies in which we invest.

We will focus, but not limit, our efforts on:

1. **Expanding our efforts internally to address barriers to entry** by adopting hiring practices that create and systematize a more diverse pool of candidates.
2. **Improving DEI practices internally** by collecting and monitoring DEI data, heightening awareness across the organization, and providing ongoing education opportunities.
3. **Expanding our reach to build and sustain a robust pool of diverse and inclusive professional talent** that engages employees throughout their career journey.
4. **Reviewing the diversity disclosures across the companies in which we invest** – as we recognize a connection between diversity and long-term company financial performance over time.

We commit to continually reviewing and evolving our approach to bring about a more diverse and inclusive investment landscape and community in Canada now – and in the future.

Building a diverse talent pipeline

Jim Morris (he/him)
Managing Director, Investment Management, Scotia GAM

Diverse representation in the asset management industry continues to be an area of focus. For example, the representation of women on investment teams in Canada is 13.7%[15]. Scotia GAM's Investment Team is markedly higher at 20%[16] – but we recognize there is still more work to be done to increase the representation of women and other underrepresented groups.

Jim Morris, Managing Director, Investment Management of Scotia GAM, has led a range of key initiatives to create and grow a diverse talent pipeline.

Jim spent the last three years partnering with Western University's Ivey Business School as a member of the Advisory Committee on the **Women in Asset Management Program**. This program, of which Scotia GAM is a proud Benefactor Sponsor, aims to increase the representation of women in asset management, with the goals of:

- informing women of the diverse asset management career options and enabling them to secure employment;
- increasing the number of women in the Canadian asset management industry; and
- building a network of women leaders in the industry that can mentor other women.

[15] Source: Mercer Insights; Diversity Dressing – Progress Evaluation, as at December 1, 2022.

[16] Source: Scotia GAM Investment Team, as at November 2023.

In the summer of 2023, Scotia GAM welcomed its second cohort of women interns for a 10-week paid internship on the real-world experience of running money. The interns, who were placed on various investment teams, found the program inspiring and rewarding. Interest in pursuing a role in the industry peaked, including among those interns pursuing interdisciplinary studies.

Scotia GAM strongly advocated for the Women in Asset Management Program to include participants from other universities and, in 2024, the program is slated to extend nationwide. “We are thrilled to see this exciting development for the Program and are eagerly anticipating our next cohort of women interns this summer”, says Marilyn Croghan, Director, Investment Management Operations, who runs the WAM program for the business.

Candidates who participate in the Women in Asset Management Program will be one stream considered for the in-house **Analyst Rotation Program** that Jim spearheaded in 2019 to hire highly qualified new graduates from underrepresented groups. Participants undergo a two-year rotational training program with a range of investment teams before being offered full-time positions. The first group of analysts was placed as full-time analysts across our Investment Team and the program continues into 2024.

Scotia GAM also participated in the **Scotiabank Expedition Program**, a Women in Leadership Development initiative that engages women with advanced degrees to spend time working in various areas of Scotiabank. One analyst successfully completed her 6-month term. A second analyst started her term near the end of 2023. Two additional analysts from this program worked with the Investment Team for six-month periods.

Jim has made it a priority to reach equity-deserving individuals at earlier stages in their lives as well. He has been an active supporter of **Trust 15**, a charitable organization that provides youth in the underserved neighbourhood of Rexdale/North Etobicoke “with programs that promote and facilitate positive behaviour, creative expression, and cooperative working skills,” according to the charity.

Jim has led full-day annual mentorship sessions in Scotia GAM’s downtown Toronto offices (and online during COVID-19) for at-risk high school students, bringing in executives from across the Bank in a range of fields to provide valuable education in finance, portfolio management, trading, law, marketing, and sales, ensuring a more inclusive influence in the asset management industry. Another mentorship session is scheduled for Spring 2024.

While the programs in place are contributing to a more diverse playing field for future portfolio managers, traders and analysts, Jim recognizes there is more to be done to fulfil our responsibility to progress DEI, which in turn will fuel our culture of diversity of thought and debate to help spur the best investment outcomes for clients.

While working as an analyst on the Scotia GAM Investment team, I have been involved in a range of quantitative and leadership projects. I enjoyed learning about different investment styles and applying my technical skills to generate insights from credit and equity data. I have also had the pleasure of working with the Women in Asset Management Internship Program, guiding and supporting second-year students on their first experience in the world of Investments. I look forward to being part of strategic initiatives to leverage diversity and innovation in this industry."

Teresa Cristina De SaLima
Senior Manager, Expedition – Women in Leadership Program

My time at Scotia GAM has been one of the most fulfilling and exciting experiences in my career. The firm values different perspectives and experiences, and, most importantly, the fast-paced and continually evolving environment provides excellent opportunities for me to learn and grow every day. I especially love working with some of the brightest, friendliest and most dedicated people who drive the growth and success of the firm."

Penny Du
Portfolio Analyst, Power Growth Team

The Scotia GAM Investment Team has fostered a collaborative work environment focused on intellectual honesty. I have received an optimal amount of hands-on mentorship combined with ample room for individualized pursuit. The team's commitment to deep fundamental research and the emphasis on honing a repeatable investment process is pushing me to be a better analyst and to think about investments from a quality-anchored, long-term lens."

Natalie Zhang
Portfolio Analyst, Equity Team

Living our values

Our DEI efforts are shaped by our intention to foster a supportive, respectful, and inclusive environment where employees can bring their authentic selves to work – and we increasingly find ways for this culture to permeate our business, with the support of our senior leadership team.

Scotia GAM created a DEI Committee in 2020 to help cultivate this inclusive environment, and in June 2022 a new Chair was appointed for a two-year tenure, with a new roster of Committee members from diverse backgrounds representing different areas of the business. Committee initiatives for 2023 included: strategic support and participation in sponsorship and mentorship programs; continuing a DEI storytelling series to share lived experiences and help employees become better allies; and ongoing representation on a council of grassroots bank-wide employee resource groups.

Scotiabank piloted a **Global Sponsorship Program** in the Global Wealth Management business in 2022, which was profiled in Talent Canada, a national news and information source for employers, for its commitment to fostering leadership development. Scotia GAM was an integral contributor to the program, which focuses on building the next generation of leaders – by creating advancement opportunities for high-performing individuals from equity deserving groups. Nearly half (46%) of protégés had received a promotion or an expanded mandate during or one month following the conclusion of the program. Nine in 10 (92%) said it had a positive impact on their career and professional development. Every protégé said they would recommend the program to their peers. In 2023, the Program was extended to other areas of Scotiabank.

The **Uplift Program** was created in Scotia GAM to increase gender diversity by developing existing top talent while expanding and expediting our talent pipeline. The Program provides mentorship for a small cohort of women and focuses on providing deep network connections and long-term career development. There have now been 46 women who have benefited from the program – the inaugural cohort began in October 2020, and the fourth began in September 2023 – with graduates providing peer support on an ongoing basis. Each year, the program looks for opportunities to maximize mentee opportunities across the Global Wealth Management business.

Diversity disclosure analysis

Scotia GAM's Investment Team has continued its work on developing a systematic, comparative analysis of the diversity disclosures of the companies in which it invests.

The initial focus in 2022 was on Canada's Big Six banks, where 19 different metrics were assessed in three main areas to benchmark performance:

- high-level board and demographic statistics;
- inclusive internal culture using 500+ different HR initiatives as a proxy; and
- overview of DEI targets and banks' progress in reaching those targets.

Going forward, these DEI statistics will be used to track year-over-year progress over time looking at a variety of targets, metrics and initiatives. Over the past year, progress remained relatively static.

DEI analysis expanded in 2023 to include U.S. banks as well as a subset of North American Consumer Staples names. Research found that banks in both countries generally outperformed Consumer Staples names in their respective countries, in the areas of board and employee reporting disclosures as well as internal DEI culture efforts.

As our Scotia GAM Statement sets out, we are committed to furthering our DEI efforts in all key aspects – in the corporate culture we foster, in the communities in which we operate, and in the companies in which we invest.

Thought leadership

Scotia GAM is committed to advancing dialogue on a multitude of ESG issues, with thought leadership ranging from policy initiatives to the global transition to clean energy.

The Inflation Reduction Act: A Deepdive for Responsible Investors

The Inflation Reduction Act of 2022 ("IRA") was passed in the United States in August 2022 and despite its name, is in fact a dramatic benefit for climate change and clean energy project investment. We believe that the large tax credit programs and grants for clean energy investing in the IRA will provide a significant tailwind for the companies we invest in for our mandates that are focused on the energy transition. There is an important alignment between the enhanced investment opportunities created by the IRA, and the various components of the act that are designed to deliver the reduction of US carbon emissions by about 40% by 2030 from 2005 levels.

Being Active in the Energy Transition

Vice President & Portfolio Manager Jennifer Stevenson discusses the growth potential and investment opportunities for the global transition to clean energy, as well as the incremental value that active management can add in the space.

Where Sustainability Meets Opportunity

Vice President & Portfolio Manager Eric Mencke discusses the benefits of active management in sustainable investing, our multi-thematic approach, examples of companies addressing these challenges, and why we're optimistic about a more sustainable economy for the future.

Active engagement with key responsible investment organizations

Scotia GAM continues to take a leadership role in the industry by actively engaging with key responsible investment-focused organizations. These organizations help shape policy and influence capital markets to address a range of societal challenges. We are selective about the industry organizations we join to ensure high-quality engagement and that we are comfortable with the initiatives the organizations are pursuing.

Signatory of:

PRI Principles for Responsible Investment

Principles for Responsible Investment (PRI)

Scotia GAM is a signatory to the United Nations-backed PRI, one of the world's leading proponents of responsible investment. The PRI outlines key commitments for signatories to support the development of a more sustainable global financial system through the incorporation of ESG issues into investment decisions. Scotia GAM continues to be an active voice in the organization to help influence the strategic direction it follows in the future.

Canadian Coalition for Good Governance (CCGG)

The CCGG is a prominent corporate governance organization in Canada, well positioned to effect change as an important voice of institutional shareholders investing in Canadian public equities. The CCGG provides guidance to Canadian companies regarding best practices to ensure effective communications with shareholders. The Chair of Scotia GAM's ESG Investment Committee is a member of the Environmental and Social (E&S) Committee, created to provide best practice guidelines on E&S matters through a governance lens.

CFA Institute

The CFA Institute provides the premier global investment designation, the CFA Charterholder program, and it is also one of the world's most influential voices in global capital markets. The CFA is in the process of developing ESG disclosure standards for investment products, which will serve an important function in the market by providing a consistent framework to support investors when comparing different products on their ESG-related attributes.

Climate Engagement Canada[17]

Scotia GAM is a founding member of Climate Engagement Canada (CEC), a finance-led initiative that drives dialogue between the financial community and corporate issuers to promote a just transition to a net-zero economy.

International Financial Reporting Standards Foundation (IFRS Foundation)

The IFRS Foundation is a not-for-profit corporation that sets global accounting standards for the financial statements of public companies, giving investors confidence that they can rely on financial statements to make informed investment decisions. The IFRS Foundation is currently exploring the possibility of creating a parallel set of sustainability-reporting standards to complement the existing rules on financial reporting. Scotia GAM has engaged throughout the process with detailed feedback.

Responsible Investment Association (RIA)

The RIA is focused on education, policy advocacy, and supporting the development and integrity of the industry. RIA members include asset managers, asset owners, advisors, and service providers who support the promotion of responsible investment in Canada's retail and institutional markets.

The Chair of Scotia GAM's ESG Investment Committee joined the RIA's Leadership Council to help guide the strategic direction of RIA initiatives.

[17] Logo used with permission from CEC

Looking ahead

At Scotia GAM, we strive to enrich clients' financial futures with investment solutions, delivered in partnership with comprehensive wealth advice.

We consider ESG factors, where applicable, throughout our business to deliver long-term value to our clients. This includes active engagement with a wide range of stakeholders, deep in-house research, active involvement from our portfolio managers, dedicated oversight from our ESG Investment Committee, the launch of dedicated responsible investment solutions, and examining our own corporate social responsibility practices.

As we look ahead, we are dedicated to continual progress in all of these areas – to best serve our clients' financial goals and the futures of those around us.

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Scotia Global Asset Management®