



HEXAVEST

POLICY ON PROXY VOTING RIGHTS

Updated in April 2015



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1. Introduction

Being a shareholder entails considerable rights and responsibilities, all of which must be carefully assumed. Among these are voting rights, which enable shareholders to express their positions and influence a company's evolution. As a fund manager, Hexavest acts as an agent when exercising voting rights in favour of those who invest in our funds. As such, we have the fiduciary obligation to act in our clients' best interest, and our primary objective is to optimize long-term returns on our investments.

This document establishes the general principles used to evaluate the proposals presented to shareholders. Please note that these are only guidelines, rather than strict regulations, and that each proposal is assessed according to its own particulars. While our main element of analysis when exercising voting rights lies in maximizing the value of our investments, we also require that companies comply with the regulations in force in the countries and jurisdictions where they operate, that they maintain a socially responsible approach, and that they follow high governance and ethical standards.

Hexavest's policy on proxy voting rights was developed in collaboration with the *Comité syndical national de retraite Bâtirente inc.* based on the document entitled *Lignes directrices sur la gestion des risques extrafinanciers*. In an ever-changing political and economic landscape, any policy on proxy voting rights must undergo regular adjustments, which implies that revisions and updates will be made periodically in order to improve our policy.

GUIDELINES ON VOTING RIGHTS

The principles stated hereafter comprise the instructions given to the agent responsible for exercising voting rights for the public equities held in the Hexavest Fund ("Hexavest Fund" meaning all segregated funds and accounts in which Hexavest has voting rights). It also bears mentioning that Hexavest does not usually vote in markets where shares need to be blocked to exercise a vote.



2. GOVERNANCE

2.1 Board of Directors

2.1.1 Independence of Directors

- The Fund will vote for proposals that require that at least two thirds of the directors be independent, based on the definition below.
- The Fund will abstain from voting or will vote against directors who are related, based on the definition below, if less than two thirds of the board directors are independent.
- The Fund will vote for proposals that require an increase in the number of independent directors, unless at least two thirds of the board directors are independent.

Definition of independence

A director or board candidate who does not meet any of the following definitions is deemed independent:

- *Is currently a member of the company's, or one of its subsidiaries', senior management team, or has held such a position in the past 5 years;*
- *Is a former CEO of the company, without any term limits;*
- *Has been sitting on the board of directors of the firm for over ten years;*
- *Has, or a member of his or her immediate family, received compensation for services rendered to the company or a subsidiary, except as director, in the past 3 years;*
- *Has family ties with a current or past member of the company's or a subsidiary's senior management team;*
- *Is an employee of an entity that provides the company, or has provided the company in the past 3 years, with auditing, consulting, accounting, or credit-granting services, or is one of the company's major clients or providers of goods and services; or has a direct family tie with majority shareholders or senior management members of such entity;*
- *Is in a situation of reciprocity with a member of the company's senior management team. (Note: A director is considered in a situation of reciprocity when a member of the senior management team of the company on which he sits on the board is also a member of the board of the company where said director is a member of management);*
- *Directly or indirectly benefits from the usufruct of more than 50% of the company's voting rights;*
- *Is a member of the senior management team of a foundation or university (chair, institute, research centre or other) that receives sponsorships, subsidies, or other types of financing from the company or a subsidiary;*
- *Owes the company or a subsidiary more than \$100,000;*
- *Has received or could receive some compensation or a bonus from an investor with the intent of favoring the interests of that investor regarding that firm.*

Any director or board candidate who is not considered independent based on these criteria is deemed related.

2.1.2 Director Quality and Diversity

- The following indicators will lead to a vote against a director, or an abstention, if voting against is not allowed:
 - Attendance rate to board or applicable committee meetings below 75%, without valid reasons;
 - Personal involvement in a scandal, embezzlement, or a lack of ethics with the company or another corporation where the individual is a director or member of senior management;



- The adoption by the board of directors of a restructuring plan for a shareholder rights plan or any other decision deemed contrary to shareholder interests;
 - The company's refusal to provide the information the shareholders are entitled to;
 - The candidate sits on too many boards. A candidate should not sit on more than 5 boards or on more than 2 boards if he is also chairman of the board or CEO of a company;
 - The board's refusal to comply with a proposal accepted by a majority of shareholders;
 - He is a member of the nominations committee, while no woman sits on the board of directors and no female candidate is nominated.
- The Fund will vote for proposals that seek to improve the representation of women, minorities, or other stakeholders, or improve the diversity of director skills.

2.1.3 Size of the Board

- The Fund will vote against proposals that require that the number of directors be less than 5 or more than 15.

2.1.4 Independence of the Chairman of the Board

- The Fund will abstain from voting or will vote against a non-independent candidate who is chairman of the board, or who will become chairman of the board after the election.
- The Fund will vote for proposals that require that the chairman of the board be independent.
- If an independent director is named "co-chair" (lead director) and if it is expected that, following a period of one year (at the most), the positions of chairman and CEO are to be divided, the Fund will vote for a candidate who will be CEO and chairman.

2.1.5 Board Committees

- The Fund will abstain from voting or will vote against a related director who sits on the compensation committee, the governance and nomination committee, or the audit committee.
- The Fund will abstain from voting or will vote against a director or candidate who sits on the compensation committee if he or she is also CEO of another company.
- The Fund will vote for proposals that require the implementation of audit, compensation, or governance and nomination committees.
- The Fund will vote on a case-by-case basis with regards to proposals that require the implementation of a special committee on ESG risks, taking into account the significance of the risks for the company, its ability to manage these risks, and the lack of such mandate in an existing committee.

2.1.6 Annual Election and Staggering Terms

- The Fund will vote for proposals that require the annual election of all directors.
- The Fund will vote against proposals that implement staggering terms.

2.1.7 Individual Election

- The Fund will abstain from voting or will vote against all directors if individual votes are not allowed or if the election is focused on a closed list of candidates.
- The Fund will vote for proposals that require the individual election of directors.
- The Fund will vote for proposals that require that a greater number of candidates versus the number of available positions be voted on by shareholders.

2.1.8 Majority Vote

- The Fund will vote for proposals that stipulate that shareholders can voice their opposition to board candidates when the nomination process is not open to shareholders. The Fund will vote for proposals that request the resignation of directors who have not received a majority of votes.



2.1.9 Cumulative Voting

- The Fund will vote on a case-by-case basis with regards to proposals that support cumulative voting, taking into account the interests of all shareholders. The existence of a controlling shareholder and obvious board inability to defend the interests of shareholders are factors that can lead to cumulative voting when the nomination process is not open to shareholders.

2.1.10 Ability to Nominate

- The Fund will vote for proposals that allow shareholders to nominate candidates under certain conditions. These conditions are assessed on a case-by-case basis, but a minimum of at least 3% of common shares, held for at least 6 months, is considered reasonable.
- The Fund will abstain from voting or will vote against directors collectively if they have modified the statutes and regulations, without first consulting the shareholders, by imposing measures aimed at obstructing the rights of the shareholders in nominating board candidates.

2.2 Shareholder Rights

2.2.1 Nomination of Auditors

- The Fund will vote against the audit firm under one or several of the following conditions:
 - More than 25% of the fees paid to the firm stem from activities that are not related to the audit;
 - The length of the relation between the auditor and the company exceeds 7 years, unless the rules being followed ensure the independence of the auditor or audit process;
 - The company does not itemize the firm's fees per mandate or does not disclose the length of the relation between the auditor and the company;
 - The Fund will abstain from voting or will vote against retiring directors who are members of the audit committee if more than 50% of the fees paid to the firm stem from activities that are not related to the audit;
 - The Fund will abstain from voting or will vote against retiring directors who are members of the audit committee if the nomination of the independent auditor is not submitted for shareholder approval at the annual general assembly;
 - The Fund will vote for proposals that prohibit giving to external auditors mandates for services unrelated to the annual audit, unless the firm demonstrates convincingly that it is not in the interest of the shareholders;
 - The Fund will vote for proposals that require the disclosure of fees paid to the auditors.

2.2.2 Multiple Voting Shares (Uneven)

- The Fund will vote against the creation of multiple voting common share classes or classes with undefined conditions (voting rights, dividends).
- The Fund will vote against the increase in multiple voting shares outstanding when such classes are already in place.
- The Fund will vote for the implementation of programmes aimed at replacing multiple voting shares with single voting shares if this does not entail unreasonable costs for the shareholders.
- The Fund is not opposed to the implementation of multiple voting share classes for small- and medium-sized start-up companies if said companies intend to eliminate them as soon as they reach a critical size.

2.2.3 Takeover Bids

- The Fund will examine, on a case-by-case basis, every aspect of takeover bids, whether hostile or not, by assessing their impact on the company's long-term value, such as exposure to new non-financial risks and their impact on all stakeholders, including employees.



- The Fund will vote, on a case-by-case basis, proposals requiring the adoption of anti-takeover mechanisms. In its analysis, the Fund will take into account the specific needs of a start-up company and will favour compliance with the following criteria:
 - The threshold to initiate the mechanism is not below 20% of the shares;
 - The plan stipulates that a permitted bid that is below the initiation threshold will be presented directly to the shareholders for voting;
 - The poison pill remains active for 60 days as of the date the bid was presented;
 - The plan must be put up to a shareholder vote at least every 3 years, and any change must be presented to shareholders for approval;
 - The plan can only be cancelled following shareholder approval; the board can cancel a shareholder rights plan to allow an unauthorized bid to be presented to shareholders, but the board must make sure all bids are presented to the shareholders;
 - The definition of potential buyer must exclude anyone who intends to reach the threshold without any buying intentions, such as a passive institutional investor;
 - Partial offers are allowed with a minimum deposit;
 - Private placements are not excluded from the plan;
 - The company's governance practices do not affect shareholder interests (for example, the board's independence criteria are followed);
 - The bid will be deemed approved if a majority of independent shareholders, other than the controlling shareholder(s), approves the transaction.
- The Fund will vote for the implementation of a periodic control process aimed at defining how these pills were used and allowing the shareholders to review and adapt these plans based on new market conditions when such plans are already in place.
- The Fund will vote for proposals that require the company to have the shareholders approve all share capital lock-up agreements that involve more than 5% of outstanding shares and for which the price of protected shares is equivalent to the fair market value.
- The Fund will vote for proposals that require companies to ignore laws that provide takeover bid protection, such as the laws of some U.S. states.
- The Fund will vote for proposals that require approval before reincorporating another jurisdiction if such a move is financially justified (other than for tax avoidance purposes) and is not intended to gain protection against takeover bids.
- The Fund will vote for proposals that prohibit greenmailing and the payment of sums used for greenmailing, if possible.
- The Fund will vote for proposals that require that all shareholders be treated fairly as part of a takeover bid.
- The Fund will vote against the issuance of stock purchase warrants when used as a protection against takeover bids, a practice often seen in Japan.
- The Fund will vote against proposals that seek to limit the rights of shareholders to vote in writing.

2.2.4 Qualified Majority

- The Fund will vote against qualified majority proposals if the required majority represents more than two thirds of the votes.

2.2.5 Statutes and Regulations

- The Fund will vote on a case-by-case basis on proposals that require a change in the statutes and regulations based on their impact on the company's long-term profitability.
- The Fund will vote against proposals that seek to "deal with all other matters."
- The Fund will vote against proposals that seek to release directors, auditors, or management members of their responsibilities.
- The Fund will vote against proposals that seek the adjournment of the assembly.
- The Fund will vote against proposals that seek to reduce to less than 21 days the notice to call special general meetings.



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- The Fund will vote against proposals aimed at reincorporating the company in a jurisdiction where the tax burden is low or nonexistent or, for example, which has a harmful tax system according to the OECD.
- The Fund will vote against proposals aimed at transferring reserve funds or using reserves to pay dividends when the company faces recurring losses.

2.2.6 Quorum

- The Fund will vote against proposals that set the quorum for annual meetings at less than 25% of voting shares.

2.2.7 Related Proposals

- The Fund is opposed to related proposals when their respective objectives need not be related.

2.2.8 Shareholder Right to Call a Special Meeting

- The Fund will vote against proposals that limit or abolish the right of shareholders to call a special meeting.
- The Fund will vote for proposals that state that the calling of a special meeting requires minimum and reasonable shareholder participation, based on the size of the company.

2.2.9 Taking into Account of Shareholder Proposals

- The Fund will vote for proposals that state that shareholders may present proposals during the annual meetings while complying with conditions similar to those established in Canada and the United States.
- The Fund will vote for proposals that require that the board of directors be committed to shareholder proposals that have received over 50% of the votes.

2.2.10 Share Issuances and Buybacks

- The Fund will vote for the issuance of shares and the increase in the number of authorized shares, unless its potential impact on dilution is, without valid reasons, above 20% of shares outstanding.
- The Fund will vote against proposals that require the issuance of shares or the right to issue shares if the number of new shares is not specified.
- The Fund will vote against proposals that require the issuance of shares at a price below that of the market at the time of issuance.
- The Fund will vote for proposals that require the ability to issue shares with pre-emptive rights, unless the dilution potential is, without valid reasons, above 50% of shares outstanding.
- The Fund will vote for proposals that require shareholders with pre-emptive rights to waive these rights if the same conditions as those of the share issuance are met.
- The Fund will vote against the issuance of shares in blank cheque mode, which allows the board, without shareholder approval, to establish certain rights pertaining to shares (voting rights, dividends, conversion, etc.).
- The Fund will vote against proposals that allow share buybacks without shareholder approval and those that require share buybacks if:
 - The number of shares bought back is not disclosed or exceeds 10% of the number of outstanding shares without a valid reason;
 - Earnings per share are used to measure management performance and play a leading role in the establishment of management compensation plans;
 - The buyback is not properly justified or its specifications are not defined.
- The Fund will vote against proposals that require the re-issuance of redeemed shares, unless the proposal states that these shares are issued at market price.
- The Fund will vote against proposals that require a change to the statutes and regulations to allow buybacks without shareholder approval.



2.3 Compensation

2.3.1 Director Compensation

- The Fund will vote on proposals to increase director compensation on a case-by-case basis and is opposed to increases where a need has not been established by the board.
- The Fund is favourable to cash compensation and share granting programmes with a conservation clause.
- The Fund is opposed to stock option plans for directors.
- The Fund will vote for proposals that seek to limit director indemnification in cases of lawsuits and that provide indemnities to cover legal fees only when it is deemed that directors acted honestly and in good faith.
- The Fund supports the repeal of existing retirement programs for directors.
- The Fund will vote against severance packages for directors.

2.3.2 Senior Management Compensation

- The Fund will abstain from voting or will vote against the members of the board's compensation committee if the global compensation programs (salaries, shares/options, bonuses, retirement plans, etc.) meet certain of the following criteria:
 - Compensation is deemed excessive versus that of competitors from the same sector and of a similar size (for instance, measured by revenues, assets, number of employees, etc.);
 - Compensation is deemed excessive given the company's average salary;
 - Compensation is deemed excessive given the company's financial health or recent layoffs;
 - Compensation is deemed excessive given the company's performance versus competitors or a benchmark index;
 - Compensation is not clearly tied to performance objectives, or these objectives are inadequate;
 - Performance objectives are abandoned or modified during the reporting period without acceptable justification;
 - The senior managers' compensation program is not properly disclosed or clearly explained;
 - The compensation program gives significant discretionary authority to the board of directors in granting bonuses or other forms of incentive compensation.
- The Fund will vote against global compensation programs that meet some of the criteria stated above.
- The Fund will vote for proposals that require the adoption of the annual advisory vote on management's remuneration.
- The Fund will vote for proposals that require the disclosure of the salary spread between the most highly paid employee and the least paid employee, or versus the average of all company employees (and on a case-by-case basis compared to the average of a given sector, region or country).
- The Fund will vote on a case-by-case basis on proposals that require the capping of the compensation ratio for management and employees.
- The Fund will vote for proposals that require the implementation of bonuses or other forms of compensation that depend on meeting environmental or social performance objectives.
- The Fund will vote for the adoption of a clawback policy that applies to senior management's variable pay if the financial statements are restated.

2.3.3 Compensation Consulting Firm

- The Fund will vote for proposals that require the disclosure of the fees paid to the compensation consulting firm.
- The Fund will abstain or will vote against compensation committee members when:
 - The fees are not disclosed;
 - Most compensation consulting firm fees do not stem from the compensation mandate;



- The fees paid to the compensation consulting firm represent more than 10% of its annual revenues;
- The relation between the compensation consulting firm and the company is considered too long and impedes its independence.

2.3.4 Incentive Compensation for Management

- The Fund will vote for long-term, share-based incentive plans where the interests of the management team are aligned with those of company shareholders.
- The Fund will vote for proposals that require the implementation of bonuses or other forms of remuneration based on the achievement of environmental and social performance objectives.
- The Fund will vote against a share-based incentive compensation plan whose restriction criteria are not sufficiently disclosed or if one or more of the following criteria are met:
 - It is based exclusively on the achievement of an absolute performance objective or does not include any relative performance objectives (i.e. performance versus the competition or an index);
 - Its stock dilution exceeds 5%. In the case of developing SMEs, or if said plan is available to all employees, dilution of up to 10% is acceptable;
 - It features no expiration date or said date exceeds 5 years;
 - Its annual stock allocation rate exceeds 1%. In the case of developing SMEs, or if said plan is available to all employees, a 1% rate is acceptable;
 - Its holding period is less than 3 years;
 - It allocates 20% of the shares available in one year to a single person;
 - It benefits consultants, suppliers, or temporary personnel;
 - Members of the management team can buy or sell their shares following a change in controlling interest even if they have not been demoted or have not lost their job following said change (single trigger).
- The Fund will generally vote against stock option-based compensation plans, unless such plans are in the shareholders' best interests.
- The Fund will generally vote against incentive plans that allow the grant of fictitious stock, unless such plans are in the shareholders' best interests.
- The Fund will vote against global incentive plans.

2.3.5 Incentive Compensation for Non-Management Employees

- The Fund will vote for the share purchase plan available to employees, if said plan meets the same criteria as the ones offered to management.

2.3.6 Severance Packages

- The Fund will vote against severance packages for senior management if said packages represent over twice their annual salary and bonus, unless it is adequately proven that they eliminate any conflict of interest in the case of mergers or acquisitions.
- The Fund will vote against severance packages that are valid for more than 2 years after the date of a change in controlling interest.

2.3.7 Lending Programs

- The Fund will vote for lending programs for management to be used to purchase stocks as part of a compensation policy or if the company is a financial institution offering market interest rate.

3. TRANSPARENCY



Should data sought be unavailable to shareholders, it must be produced at reasonable cost, within a realistic amount of time, and be of a clear enough nature that shareholders may better appreciate risks that are material at first glance.

- The Fund will vote for proposals that require the disclosure of risks, performances, and ESG risk management strategies, in accordance with recognized standards or guidelines.
- The Fund will vote for proposals that require the production of risk/opportunity reports linked to projects, facilities, practices or products/services, insofar as said risks/benefits seem significant.
- The Fund will vote for proposals that require an independent third-party audit of ESG data produced by a company.
- The Fund will vote for proposals that require the disclosure of data related to a company's involvement in public debate, including its contributions to political parties or lobbies.

4. SOCIAL RESPONSIBILITY

Generally, the Fund will vote for resolutions proposing measures to increase a company's ability to meet its social responsibility requirements, as detailed in the Guideline principles. Inversely, the Fund will vote against proposals that may impede initiatives put forth by a company to improve its social responsibility.

- The Fund will vote for proposals requesting that a company adopt a policy or strategy based on international law or best practices, or requesting that the company research this opportunity should its current strategy fail to comply. This includes, among other things, the adoption of management policies and systems that aim to:
 - Ensure compliance with, and promotion of, the human and workers' rights of its employees, those of its supply chain sub-contractors, and those of the communities impacted by its projects or operations, specifically through securing prior, wilful, and informed consent from said communities;
 - Reduce the environmental and social impact of its operations and products/services throughout their life cycle and maximize their benefit to society;
 - Fight corruption and tax evasion.
- The Fund will vote for proposals requesting that an independent third-party audit a company's environmental and social policies.
- The Fund will vote on a case-by-case basis with regards to proposals that require that a company withdraw itself from specific sectors of activity or geographic regions based on the relative importance of these risks for the company.
- The Fund will vote for proposals that require the assessment of the potential development of new products or services that have a positive environmental or social impact.
- The Fund will vote for proposals requesting that a company get involved in public debate where common interest is upheld.

4.1 Compliance to National and International Law

- The Fund will vote for proposals requesting that a company adopt policies and strategies to ensure that its operations comply with national and international law or consider their adoption should it fail to comply adequately.

4.2 Adoption of Best Practice Standards

- The Fund will vote for proposals requesting that a company adopt ESG risk management best practices or consider their adoption, unless such policies are already in effect.



Furthermore, should the company face major situations involving such matters, the Fund favours the adoption of management policies and systems focused on the following issues:

4.2.1 Human Rights

- The Fund will vote for the adoption of a human rights policy.
- The Fund will vote for proposals that require reporting on risks linked to its presence in one or more countries with high human rights violation risks.
- The Fund will vote on a case-by-case basis with regards to proposals that require to cease a company's operations in a given country when the United Nations has imposed no legal and mandatory sanction on said country. Factors that could comprise such an evaluation include the state of human rights within the country, the ability of its government and judiciary system to enforce these rights, the nature of the company's operations and its contributions to the local economy, as well as its economic ties with the given government or entity.
- The Fund will vote for proposals requesting that companies whose operations take place in conflict zones comply with the Voluntary Principles on Security and Human Rights in order to guide compliance with local, human, and humanitarian rights by private or public services in order to ensure the security of their facilities and prevent their aggravation of said conflicts.

4.2.2 Workers' Rights

- The Fund will generally vote for proposals that require the adoption of policies and codes of conduct based on international labour standards, as detailed in ILO conventions.
- The Fund will vote for proposals requesting companies to avail themselves of independent auditing systems to ensure the compliance of their facilities, sub-contractors and suppliers, or provide their shareholders with a report audited by a third party on the progress made as part of their implementation of international labour standards.

4.2.3 Access to Medical Care

- The Fund will vote for proposals that require the development of access policies for health care or employee training on precautions designed to curb pandemic spreads.
- The Fund will vote for proposals requesting that pharmaceutical companies adopt measures to ensure that underprivileged populations have access to medicine.

4.2.4 Community Relations

- The Fund will vote for proposals requesting that companies produce impact studies to assess human rights within their projects and/or facilities, gauge risks linked to their dealings with communities or other stakeholders, or take advantage of opportunities to be yielded by their improvement.
- The Fund will vote for proposals that require companies to adopt community commitment strategies based on the respect of said communities' right to prior, wilful, and informed consent, particularly when dealing with natives.
- The Fund will vote for proposals that require the adoption and disclosure of policies and strategies to avoid participating in corruption or tax evasion activities.
- The Fund will vote for proposals that require that companies support the Extractive Industries Transparency Initiative (EITI), which seeks to fight corruption in natural resource producing countries.

4.2.5 Non-Discrimination

- The Fund will vote for proposals that require the adoption of policies or objectives to eliminate discrimination within the workplace or compliance with the International Labour Organization's (ILO) Convention concerning Discrimination in Respect of Employment and Occupation.
- The Fund will vote for proposals that require the adoption of a non-discrimination policy based on sexual orientation or identity.



- The Fund will vote for proposals that require reporting on labour equity within a company.

4.2.6 Climate Change

- The Fund will vote for proposals that require reporting on climate changes, the adoption of energy efficiency programs or greenhouse gas emission reduction targets. Propositions requesting a company to implement these measures will be assessed on a case-by-case basis, taking into account the company's current emission levels and the efficiency of its emission reduction programs.

4.2.7 Ecosystems, Biodiversity, and Forest Management

- The Fund will vote for proposals that require reporting on a company's operational impact on ecosystems and biodiversity, and those that require the adoption of policies and strategies to reduce its biophysical footprint.
- The Fund will vote for proposals that require the adoption of a strategy to certify a company's forest management policies, in compliance with Forest Stewardship Council (FSC) standards, or on a case-by-case basis in the case of other certification standards, or to shift its supply chain to materials benefiting from such certification.

4.2.8 Aquatic Resource Management

- The Fund will vote for proposals that require a company to reduce its operational impact on water quantity or quality, or to ensure its compliance to right to water.

4.2.9 Recycling

- The Fund will vote on a case-by-case basis with regards to proposals that require a company to implement reuse or recycling programs, or to adopt policies favouring the purchase and offer of reused or recycled products, based on their feasibility or profitability.

4.2.10 Animal Rights

- The Fund will vote for proposals that require a company to adopt animal well-being standards in its operations or supply policy. Proposals requesting that animal testing be stopped or limited will be examined on a case-by-case basis, based on the industry, test finality, current legislation, and the availability of viable alternatives.

4.3 Sustainable Development Strategy

4.3.1 Potentially Harmful Products

- The Fund will vote on a case-by-case basis with regards to proposals that require reporting on the potential dangers and responsibilities linked to products, services, and processes, or the measures taken to manage, eliminate, or find alternatives for such risks.

4.3.2 Stop Offering Specific Products or Services

- The Fund will vote on a case-by-case basis with regards to proposals that require that a product or service cease to be produced, used, or sold if it is deemed to pose an environmental or social risk. The final decision will take into account the risk level associated with said product or service, as well as its importance to the company.



4.3.3 Impact of Products and Business Opportunities

- The Fund will vote on a case-by-case basis with regards to proposals requesting that a company reduce the environmental and social impact of its products and/or services throughout their life cycle, or favour products and/or services with lesser impact.
- The Fund will vote on a case-by-case basis with regards to proposals that require a study of the potential development of new products and sectors featuring a particularly positive social or environmental impact, should it be deemed reasonable that such an activity would contribute to the company's bottom line and corporate standing.

4.4 *Dialogue with Internal and External Stakeholders*

- The Fund will vote for proposals requesting that a company adequately consult its stakeholders and integrate the respect of their rights and interests in its operations.
- The Fund will vote on a case-by-case basis with regards to proposals requesting that a company take a public stand on a specific issue, based on what that issue represents for its shareholders and other stakeholders.
- The Fund will vote for proposals that require the disclosure of information relative to a company's involvement in public debate, including its contributions to political parties or lobbies.
- The Fund will vote against requests to authorize the making of financial contributions to political organizations.