



ASSET MANAGEMENT

COMPANY ENGAGEMENT APPROACH

Engagement with companies on strategic, governance, and environmental and social risk management issues forms a core part of our Stewardship responsibilities. It is an activity that many of our clients have come to expect from us as a long-term asset manager. Engagement may also help us select and monitor companies in our Funds.

Purpose & Goals

Engagement should serve a clear purpose that meets RLAM's business and investment needs. The purpose of engagement will be driven by one or more of the following criteria:

1. To support the investment decision-making process
2. To address real or perceived risks to companies' or RLAM's own reputation
3. For information-gathering purposes, i.e. to better understand a company or sector
4. To apply pressure for change to a company policy or practice; or to help companies build a case for change internally
5. To voice concerns about a policy or practice on behalf of RLAM or its clients

Criteria for Selecting Engagement Projects

An engagement topic must meet one or more of the following criteria:

- It meets the needs and expectations of clients
- It is topical and relevant to the investment performance of the funds
- It has the potential to impact corporate ESG or financial performance
- It will contribute to raising best practices standards within a sector or market
- It adds value in demonstrating RLAM as a thought-leader and as a good steward of its investments

We select the companies we engage with based on the following factors:

- Evidence of poor performance (or outperformance) on ESG issues relative to peers
- Evidence of ESG risk that has the potential to cause value destruction or significantly affect the reputation of the company or of RLAM as a shareholder
- Percentage of gross exposure within RLAM's holdings
- Percentage of the outstanding shares held by RLAM relative to other companies
- Fund manager or client recommendations

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