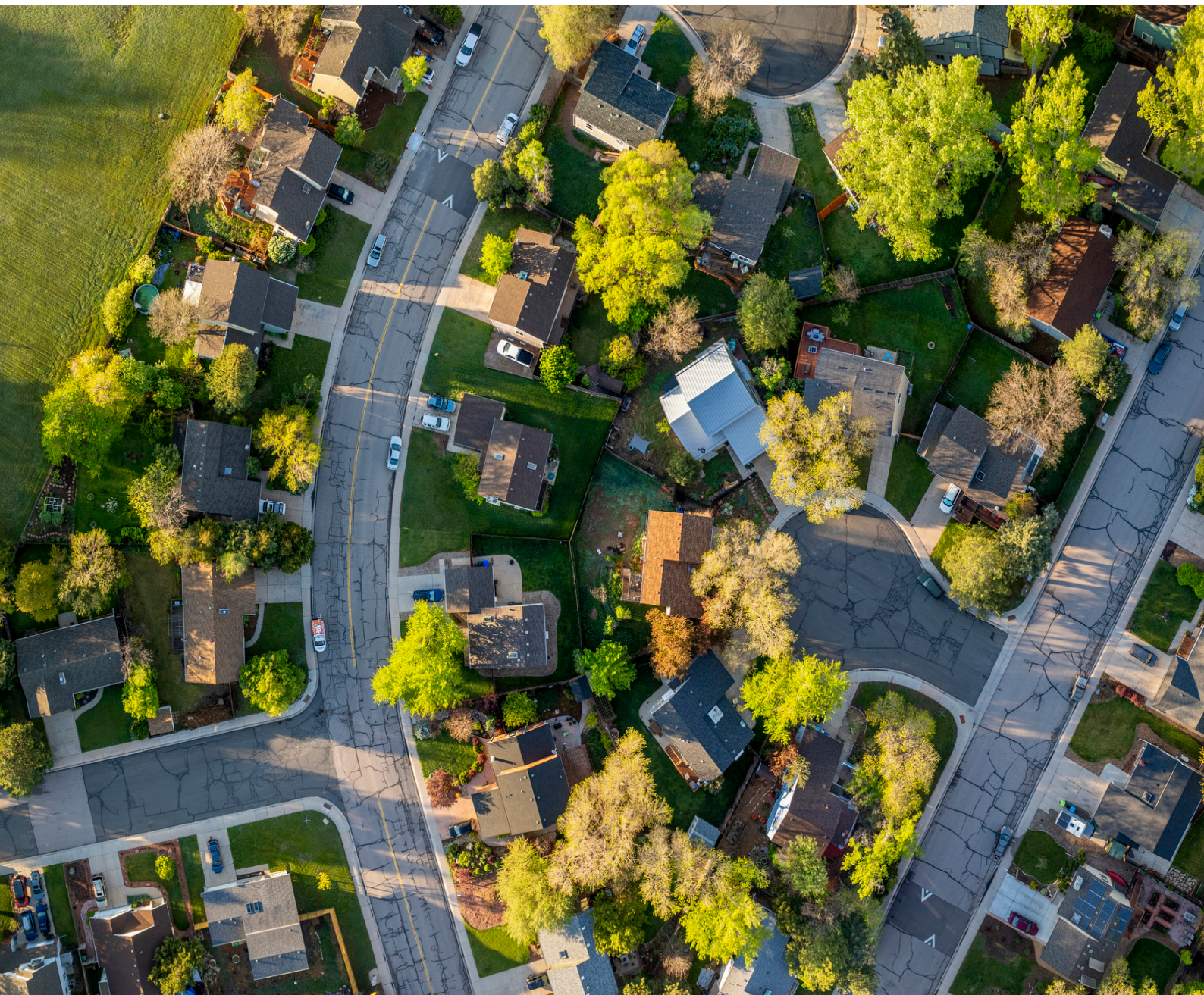




Q3 2025

# Engagement Report



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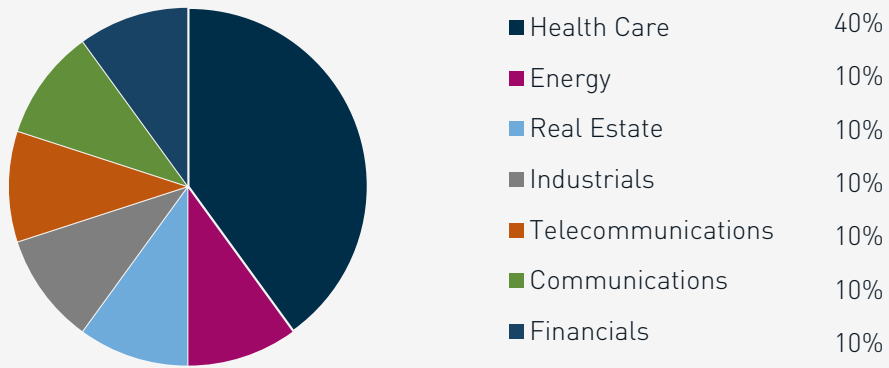
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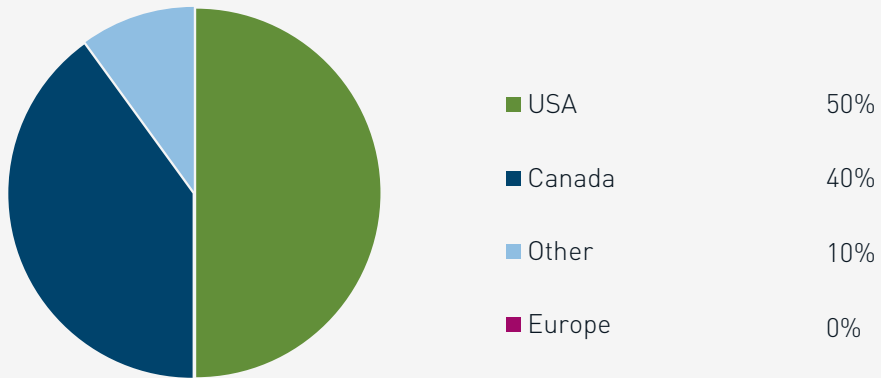
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# Q3 2025 Engagement Breakdown

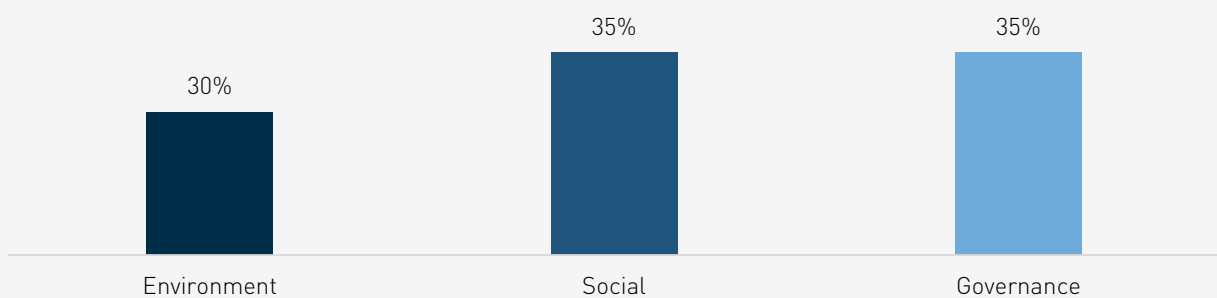
## Engagements by Sector



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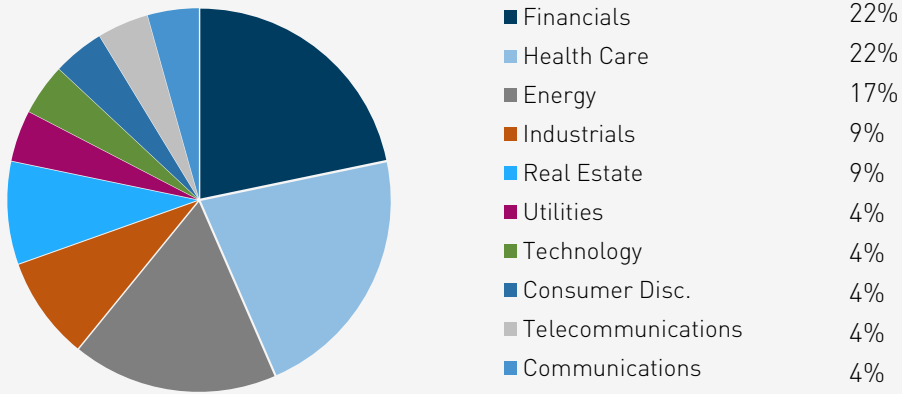
## ESG Discussion Topics



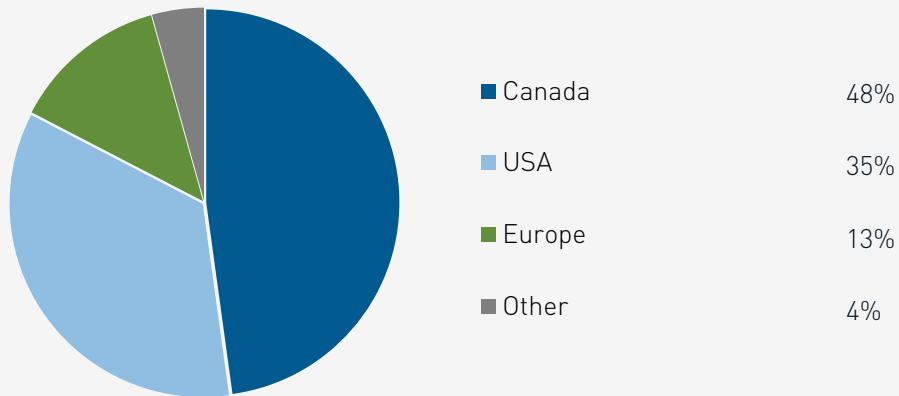
Data has been rounded to the nearest number, and the sum may not equal to 100%.

# 2025 YTD Engagement Breakdown

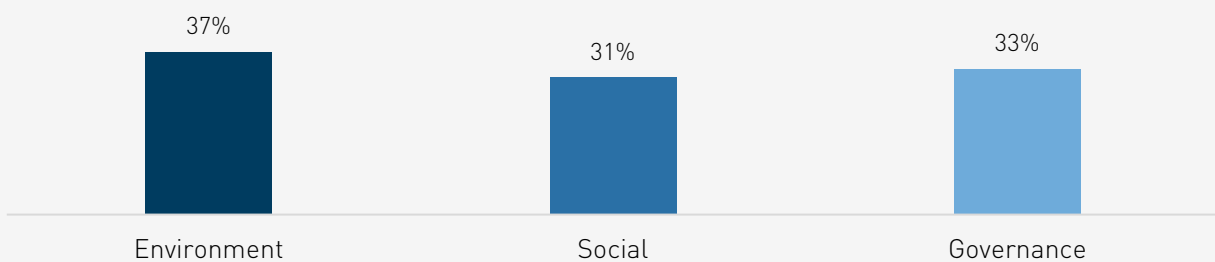
## Engagements by Sector



## Engagements by Geography



## ESG Discussion Topics



Data has been rounded to the nearest number, and the sum may not equal to 100%.

# Our Engagements

## U.S. Managed Care Organization

**Sector:** Health Care

**Geography:** U.S.

**Discussion Topic:** Social & Governance



### Engagement Rationale

- We engaged this U.S.-based managed care issuer to better understand its ESG governance, clinical oversight practices, and sustainability efforts in light of ongoing scrutiny around Medicare Advantage operations and prior authorization processes. We hold this issuer across several strategies.

### Highlights & Outcome

- In response to concerns around claim denials, the issuer highlighted its leadership role in an industry-wide initiative launched by AHIP to reform the Medicare Advantage prior authorization process. They have committed to six areas of reform, including reducing the volume of services requiring prior authorization, improving electronic processing timelines, ensuring continuity of care, enhancing communication transparency, expanding real-time decision capabilities, and maintaining clinical rigor in all reviews.
- The issuer also uses predictive modeling, including a proprietary tool, which identifies members at risk of a substance use disorder and guides early intervention through targeted outreach and coordinated care.
- On the environmental front, the company has surpassed its 2030 emissions reduction target, achieving a 70% carbon footprint reduction from a 2021 baseline. While it has not set a net-zero target, efforts are focused on operational decarbonization and community resilience. Supplier sustainability is assessed via annual ESG questionnaires, and social initiatives include housing and food access programs.
- The engagement provided sufficient assurance around ESG integration and oversight. No changes were made to our portfolio positioning.

## Canadian Senior Housing REIT

**Sector:** Real Estate

**Geography:** Canada

**Discussion Topic:** Environment & Governance



### Engagement Rationale

- We engaged this Canadian senior housing issuer due to their elevated emissions intensity, ESG disclosure gaps, and ongoing litigation risks. The issuer is held across several of our mandates and has been flagged as a relative laggard within the real estate sector on environmental and social metrics.

### Highlights & Outcome

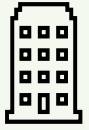
- The issuer confirmed that its overall ESG strategy has not changed meaningfully in recent years, though incremental governance improvements and community-focused programs were noted. On the environmental side, the company has participated in GRESB for three years and is undertaking capital improvements with efficiency in mind. However, initiatives to date remain limited in scope. LED retrofits have begun, and a waste audit is underway, though no results have been reported. The issuer cited challenges applying third-party certification programs such as LEED (Leadership in Energy and Environmental Design) or BOMA BEST (Building Owners and Managers Association – Building Environmental Standards) to senior residences, but it adopts relevant best practices where feasible.
- On social topics, the company emphasized its resident well-being programs and a charitable foundation for seniors, which it co-founded and sponsors. Legal risks were addressed, including a COVID-19 class action lawsuit targeting operators of long-term care homes. The issuer expects insurance to cover any potential damages and does not anticipate systemic business implications. Governance oversight includes ESG skills on the board and annual ESG education. Vendor compliance is confirmed via signed codes of conduct, though no audit mechanism is in place.
- The engagement reinforced existing concerns around environmental performance and limited emissions progress. However, at this time, no changes were made to our portfolio positioning.

## Canadian Retail REIT

**Sector:** Real Estate

**Geography:** Canada

**Discussion Topic:** Environment & Governance



### Engagement Rationale

- We engaged this Canadian retail REIT following its recognition as a top ESG performer among peers. Our discussion focused on understanding what has contributed to its leadership position, the credibility of its decarbonization efforts, and integration of ESG across business operations. The issuer is currently held across multiple mandates.

### Highlights & Outcome

- The issuer has taken a practical and integrated approach to ESG, anchored in three core objectives: business resilience, purposeful impact, and strategic partnerships. ESG is embedded at all levels, including quarterly board updates, employee performance evaluations, and compensation frameworks. Notably, ESG metrics remain part of executive pay through the company's Impact Scorecard.
- Progress on emissions has been moderate. While the company has a 2050 net-zero goal and has developed a proprietary GHG decarbonization model to guide planning, it has yet to formalize a clear path. Reductions are expected to come from HVAC retrofits, hybrid heat pumps, and improved tenant engagement as tenants account for 95% of Scope 3 emissions. Estimated Scope 3 data remains a challenge, though efforts are underway to improve utility access through partnerships with providers.
- BOMA BEST certifications are being scaled, with targets of 85% coverage by 2026 and 90% by 2030. AI pilots are also underway to improve waste diversion and tenant education. Social programs include virtual health clinics and affordable housing rezoning initiatives. Governance frameworks remain strong, and ESG education is included in board oversight.

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