Addenda
CAPITAL

Sustainable Investing Report

2025

Contents

1

Introduction

About This Report

Report Scope and Boundary

This report serves as Addenda Capital's annual sustainable investing disclosure and covers activities and performance during the 2025 calendar year (January 1, 2025—December 31, 2025), unless stated otherwise. It provides an overview of updates on our sustainable investing practices and progress toward our climate and net-zero framework. All facts and figures are as of December 31, 2025, unless stated otherwise. Addenda Capital Inc. is referred to herein as "we", "our", "Addenda Capital", "Addenda" and the "company".

Reporting Frameworks

This report has been prepared with reference to recommendations from the Task Force on Climate-related Financial Disclosures (TCFD) and the International Financial Reporting Standards S2 Climate-related Disclosures (IFRS S2). Content indices are included in the Appendix for reference.

Definitions and Acronyms

See the Appendix for key definitions and acronyms used throughout this report.

Currency

All dollar amounts are in Canadian dollars, unless stated otherwise.

External Assurance

The environmental, social, and governance (ESG) performance data contained herein have not been externally verified.

Contact us

We welcome questions and feedback on our report and initiatives.

Please contact us at info@addendacapital.com

Land Acknowledgement

Addenda Capital acknowledges that the places where we live and work are home to past, present, and future First Nations, Métis, and Inuit peoples, who have cared for these lands since time immemorial. We recognize this history as part of our journey and as integral to our ongoing commitment to Truth and Reconciliation in Canada. We honour and thank the traditional custodians of these lands and are grateful for the opportunity to live and work on them.

Image: Painting by Frank Polson, Algonquin Traditional Artist of Sacred Fire Productions, commissioned by Addenda

Letter From Our President and CEO

The world feels a little more uncertain than usual right now

Right here at home in Canada, people are seeing environmental changes happening in real time, in the places where they live and work. Communities are feeling pressure and markets are shifting, which is why we believe, more than ever, that sustainable investing truly matters.

Understanding long-term risks and opportunities is part of being a responsible investor. Not because it's trending or checks certain boxes, but because it simply makes sense. It's also an important part of helping clients navigate uncertainty and build resilience over time.

We stayed focused on that work throughout 2025, renewing our collaboration with the Net-Zero Asset Managers initiative and continuing to support the broader sustainability ambitions of Co-operators. Recognizing that progress is rarely linear, we know the answer isn't to pull back when conditions become more difficult. And what encourages me is that our clients are increasingly seeing this too. This past year, we saw continued interest in responsible investment solutions. More people are looking for investments that can deliver strong performance and meaningful impact in communities, and the broader economy.

Important steps forward were taken in our work on Indigenous economic reconciliation through the publication of our thought leadership paper on an Indigenous Sustainable Bond Framework. For us, this work is about partnership and creating long-term opportunity. It's about building stronger relationships grounded in respect.

Focused on practical action, we worked with industry partners who share the same vision and support stronger governance. Not because we think we have all the answers, but because this kind of collaboration matters, especially in times of uncertainty and change.

The reality is that the challenges facing communities, businesses, and investors aren't going away anytime soon. And that's exactly why this work matters. Responding thoughtfully and planning for the long term is simply common sense.

I'm proud of the progress we've made, and grateful for the trust our clients continue to place in us.

Roger J. Beauchemin, CFA
President and Chief Executive Officer

2025 Highlights

Sustainable Investing Practices

- We revised our Sustainable Investing policy in 2025.
- We launched an impact report for the Eco-Social Commercial Mortgages Pooled Fund.
- We joined the Partnership Accreditation in Indigenous Relations (PAIR) advancing our ongoing journey toward Reconciliation.

Stewardship

- Addenda and Co-operators CEOs wrote to the Prime Minister's office urging clear market signals, like supporting a carbon price, to unlock private capital for energy efficiency and technology that cuts emissions.
- Published findings and recommendations on developing an Indigenous Sustainable Bond Framework to increase access to affordable financing and help address the Indigenous infrastructure investment gap.
- Offered detailed feedback to the Canadian Sustainability Standards Board (CSSB) consultation on CSDS 1 and CSDS 2.

Leadership

- We contributed to the Business Future Pathways, supporting the development of Canada's Green and Transition Taxonomy.
- We partnered with New Economy Canada to engage policymakers on investor-driven net-zero transition needs.
- We hosted a focused roundtable to advance an Indigenous Sustainable Bond Framework.

2

Leadership

Who We Are

Addenda Capital is a Canadian investment firm that believes sustaining near-term returns requires long-term thinking

Guided by our cooperative heritage as part of Co-operators[1], we combine in-house research, independent insight, and a deep sense of responsibility to build customized, innovative investment solutions that help our clients grow their wealth while strengthening the communities in which they live, work, and invest.

As one of Canada's largest multi-asset investment firms, Addenda manages more than $42.5 billion[2] in assets as of December 31, 2025. Our expertise spans fixed income, equities, and commercial mortgages, integrated to design portfolios tailored to client's goals and constraints.

With 165 employees across Montréal, Toronto, Guelph, and Regina, we draw on in-house research, independent insight, and a deep understanding of the diverse clients we serve—pension funds, insurance companies, private wealth clients, advisors, foundations, and Indigenous communities—to design solutions that sustain long-term performance and serve the people and communities behind every mandate.

As a purpose-driven organization, we see capital as a powerful tool for good business and good outcomes. Our collaborative, human-centred culture attracts some of the industry's brightest minds and fuels our drive to innovate, challenge convention, and build a better future through every investment decision.

$42.5B

Assets Under Management[2]

165

Employees

Building our Capacity Through Education

Addenda provides sustainability training to all employees as part of the onboarding process. This core training is delivered by Addenda's Sustainable Investing team, which also offers additional sessions on topics such as Climate Transition, AI Impacts, and Indigenous considerations in investment research and stewardship.

We encourage employees to pursue further education in responsible investing and offer financial support for certifications such as CFA ESG, RIA and other sustainability-, climate-, or Indigenous-related designations.

We have also established partnerships with organizations that support professional development and sustainability education.

[1] Co-operators Group is a leading Canadian co-operative insurer and financial services organization. Through its wholly owned subsidiary, Co-operators Financial Services, it holds a majority interest in Addenda Capital Inc. Co-operators merged its investment and counselling services with Addenda Capital when it acquired the company in 2008. Today, Addenda is recognized as one of Co-operators' group of companies, providing discretionary investment management services to both external clients and internal companies. In its sustainability disclosures, Co-operators explicitly identifies Addenda as its dedicated and largest asset management company.

[2] C$38.6 billion in assets under management, $3,065 million in advisory assets and $858 million in overlay assets

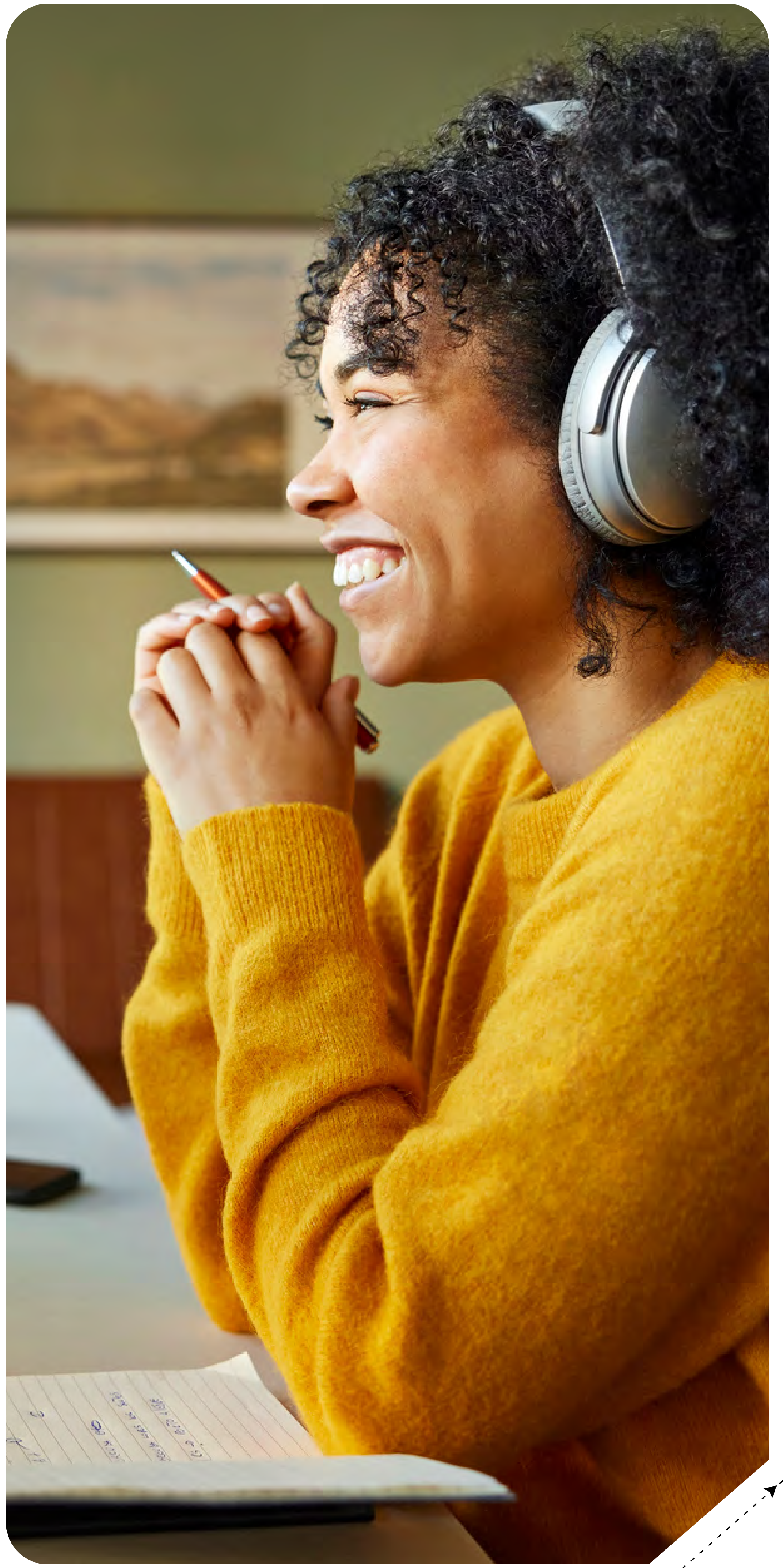
Diversity, Equity and Inclusion

At Addenda, people are at the core of our strategy

We recognize and celebrate the unique value each person brings, and foster an environment where diverse perspectives are valued and respected. Diversity, equity, and inclusion (DEI) guide how we operate and evolve as an organization.

Our DEI strategy is driven by a clear and actionable approach focused on the following priorities:

- **Policy commitment**
  We adopt relevant policies and codes, such as the CFA Institute's Diversity, Equity, and Inclusion Code, to guide our actions and uphold high standards across the organization.
- **Workplace environment**
  We promote and maintain a respectful and inclusive workplace where everyone feels valued and supported.
- **Inclusive recruitment**
  We integrate diversity into our recruitment practices by enhancing accessibility, reducing barriers, and proactively engaging diverse candidate pools. We also work to mitigate bias during the selection process and support inclusive hiring and onboarding practices.
- **Continuous improvement**
  We conduct exit interviews and engagement pulse surveys to identify opportunities for improvement.
- **Education and awareness**
  We provide ongoing DEI training, conference participation, and awareness-building activities for all executives and employees to strengthen understanding and address unconscious bias.
- **Advocacy and industry leadership**
  We actively advocate for DEI best practices across the investment industry through consultations, disclosures, signatory commitments, and partnerships that support greater representation in finance. Key initiatives include:
  - Being a founding signatory to the Responsible Investment Association's Canadian Investor Statement on Diversity and Inclusion.
  - Signing the Investor Statement to support the United Nations Women's Empowerment Principles.
  - Submitting comments to the Canadian Securities Administrators' consultation in support of board and executive-level diversity-related disclosures.
  - Partnering with Versify to promote women and gender-diverse individuals across the finance sector.



Indigenous Reconciliation

We recognize that advancing Indigenous economic participation is essential to the prosperity of the communities we serve and to our organization's long-term integrity. Strengthening relationships with Indigenous Peoples is both a moral imperative and a foundation for building a more equitable and resilient future. To support this commitment, we participate in the Partnership Accreditation in Indigenous Relations (PAIR) program through the Canadian Council for Indigenous Business (CCIB).

Our approach focuses on building meaningful relationships with Indigenous communities, deepening our understanding, and expanding opportunities. In practice, this includes:

- Building and sustaining respectful, mutually beneficial relationships rooted in active listening, transparency, and collaboration.
- Integrating Indigenous perspectives into our investment, advisory, and operational practices.
- Advancing economic reconciliation through responsible investment and partnership, acknowledging the essential contributions Indigenous Peoples make to Canada's social, environmental, and economic landscape.
- Using the PAIR framework to guide our progress, set clear objectives, measure impact, and hold ourselves accountable to our commitments.

Guided by Co-operators' Reconciliation Strategy, we are committed to embedding economic reconciliation across all our investment and stewardship activities. We continue to learn and strengthen our internal capacity so that Indigenous perspectives are meaningfully reflected in our investment decisions and engagement practices.

1. Strengthening relationships and supporting Indigenous-led expertise

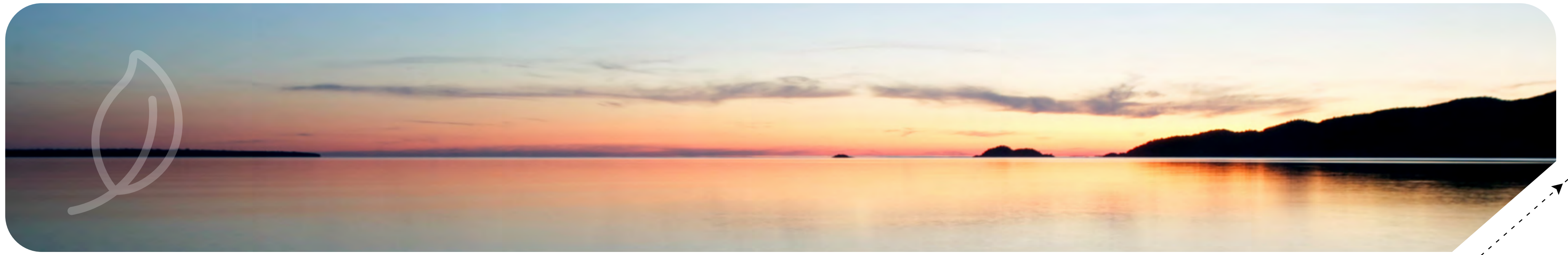
We continue to build partnerships with organizations that offer deep knowledge in sustainable investing and Indigenous perspectives. This includes capacity building and awareness training delivered by SHARE, as well as participation in the Reconciliation and Responsible Investment Institute (RRII) and the Investors and Indigenous Peoples Working Group (IIPWG).

We were proud to support SHARE's campaign encouraging TSX-listed companies with significant Indigenous interconnections to develop Reconciliation Action Plans.

Alongside First Nations Major Projects Coalition (FNMPC) and First Nations Financial Management Board (FMB), we convened a roundtable of Indigenous leaders, debt issuers, asset owners, and sustainable finance experts to explore how the sustainable bond market could better meet the financing needs of Indigenous communities. The dialogue examined the opportunity to develop an Indigenous sustainable bond framework that could attract investor capital while ensuring that proceeds deliver authentic benefits for Indigenous Peoples. Key insights and recommendations emerging from this work are shared through our public article series.

2. Building knowledge and addressing gaps toward Indigenous sustainable bond framework

We have co-led a three-part research series in partnership with the FMB and the FNMPC. The first article, *The $500 Billion Gap: Understanding Indigenous Finance Challenges in Canada*, identified the scale and root causes of systemic barriers that limit Indigenous Peoples' access to capital, including legal and regulatory constraints and misalignment between conventional financial tools and Indigenous realities. Building on this foundation, the second article, *Lessons Learned from the US$5T Green Bond Market*, explored how green, social, and sustainability bonds mobilized trillions of dollars by combining clear use-of-proceeds rules, strong governance, and transparent impact reporting. This offers a compelling model for expanding Indigenous finance. The final article, *Creating an Indigenous Sustainable Bond Framework: From Vision to Action*, synthesizes these insights and presents a roadmap for a dedicated Indigenous sustainable bond framework—led by Indigenous rights holders and grounded in principles such as Free, Prior, and Informed Consent (FPIC) and reconciliation. This framework aims to translate global market best practices into a credible, accountable tool, helping Indigenous communities frame investment projects more effectively and attract billions of dollars of capital from institutional investors to their infrastructure and other projects.



3. Collaborating on priorities defined by Indigenous partners

Our work remains shaped by insight and guidance from Indigenous organizations and leaders. This includes our partnership with PAIR, as well as participation in gatherings hosted by NATOA and FNMPC.

By helping establish a credible set of principles, we aim to support the growth of a market that can reduce financing costs and help close the infrastructure gap facing Indigenous Nations and communities.

While we acknowledge the need for further action, we remain committed to advancing reconciliation efforts, supporting opportunities for Indigenous participation and economic benefits, and nurturing lasting partnerships.

4. Embedding an Indigenous lens into investment and stewardship practices

We continue to build our awareness and try to integrate Indigenous perspectives and the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) into our sustainable investing, stewardship, and proxy voting policies. We have also incorporated Do No Significant Harm (DNSH) principles, such as avoiding adverse impacts, upholding human rights, and aiming for environmental integrity, into our climate transition and impact strategies.

To strengthen internal capabilities, we are renewing our partnership with SHARE to support targeted training and capacity building for our investment and stewardship teams.

While progress has been made, we recognize that more work lies ahead. We remain committed to advancing reconciliation, supporting increased Indigenous participation in the economy, and nurturing long-term, trust-based partnerships with Indigenous communities.

Deepening Investor Understanding of Indigenous Rights and Reconciliation

We are renewing our partnership with SHARE and the Reconciliation and Responsible Investment Institute (RRII) to support targeted training and capacity building for our investment and stewardship teams. As we deepen this work, meaningful conversations on Indigenous rights and economic reconciliation require a shared understanding of key concepts.

The following definitions, drawn from SHARE, provide a common foundation and language to support informed decision-making, respectful engagement, and responsible investment practices.

Definitions

Economic Reconciliation
Indigenous economic reconciliation refers to the process of addressing and redressing the economic marginalization of Indigenous Peoples by restoring their rights to self-determination, land, resources, and economic participation. It involves education of stakeholders about the history of Indigenous Peoples in Canada; transforming existing systems, policies, and relationships to support Indigenous-led economic development; equity in employment and procurement; and shared prosperity grounded in respect for Indigenous rights, laws, and knowledge systems.

True economic reconciliation must uphold the goals and visions articulated by Indigenous leaders and their communities. Ultimately, economic reconciliation means self-determination, specifically across (yet not limited to) the following domains:

- Equitable access to opportunities for economic development
- Ability to make long-term revenue and govern usage
- Ability to pursue and ensure the economic viability of Indigenous communities
- Opportunity to participate fully in Canada's economy, both domestically and internationally

Economic reconciliation is a subset of reconciliation and cannot be a distraction or substitute from fundamental issues of rights recognition and governance.

Indigenous Peoples
Culturally distinct groups whose ancestors were the original inhabitants of a territory. In this guidance, the term "Indigenous Peoples" refers to the peoples Indigenous to Canada, which includes First Nations, Inuit and Métis Peoples.

Indigenous Rights Holders
Indigenous rights holders: Nations, communities or groups that hold inherent collective rights.

Indigenous governing bodies: Rights holders including, but not limited to, First Nations bands and hereditary or other traditional forms of governance.

Consultative bodies: Rightsholders have been identified by a Nation's own legal traditions as the appropriate group for consultation and engagement, including, but not limited to Indigenous governing bodies, knowledge holders and decision-makers.

Reconciliation
The Truth and Reconciliation Commission of Canada (TRC) defines reconciliation as the ongoing process of establishing and maintaining respectful relationships between Indigenous and non-Indigenous Peoples in Canada. It requires awareness of the past, acknowledgment of the harm that has been inflicted, atonement for the causes and action to change behaviour. Reconciliation involves addressing the legacy of residential schools and the broader impacts of colonialism, and it is rooted in principles of mutual respect, recognition of rights, and partnership. The TRC has emphasized that reconciliation is not a single event, but a multi-generational journey that must involve all sectors of Canadian society, including governments, institutions, corporations and individuals.

Governance and Oversight

Maintaining strong governance practices is essential in fulfilling our responsibilities to our clients and stakeholders

We maintain our governance approach to monitor and address sustainability and climate-related risks and opportunities as we transition to a net-zero world. Figure 1 outlines our sustainable investing governance structure, which supports the achievement of our sustainability and climate commitments including oversight by the Executive Committee and the Board.

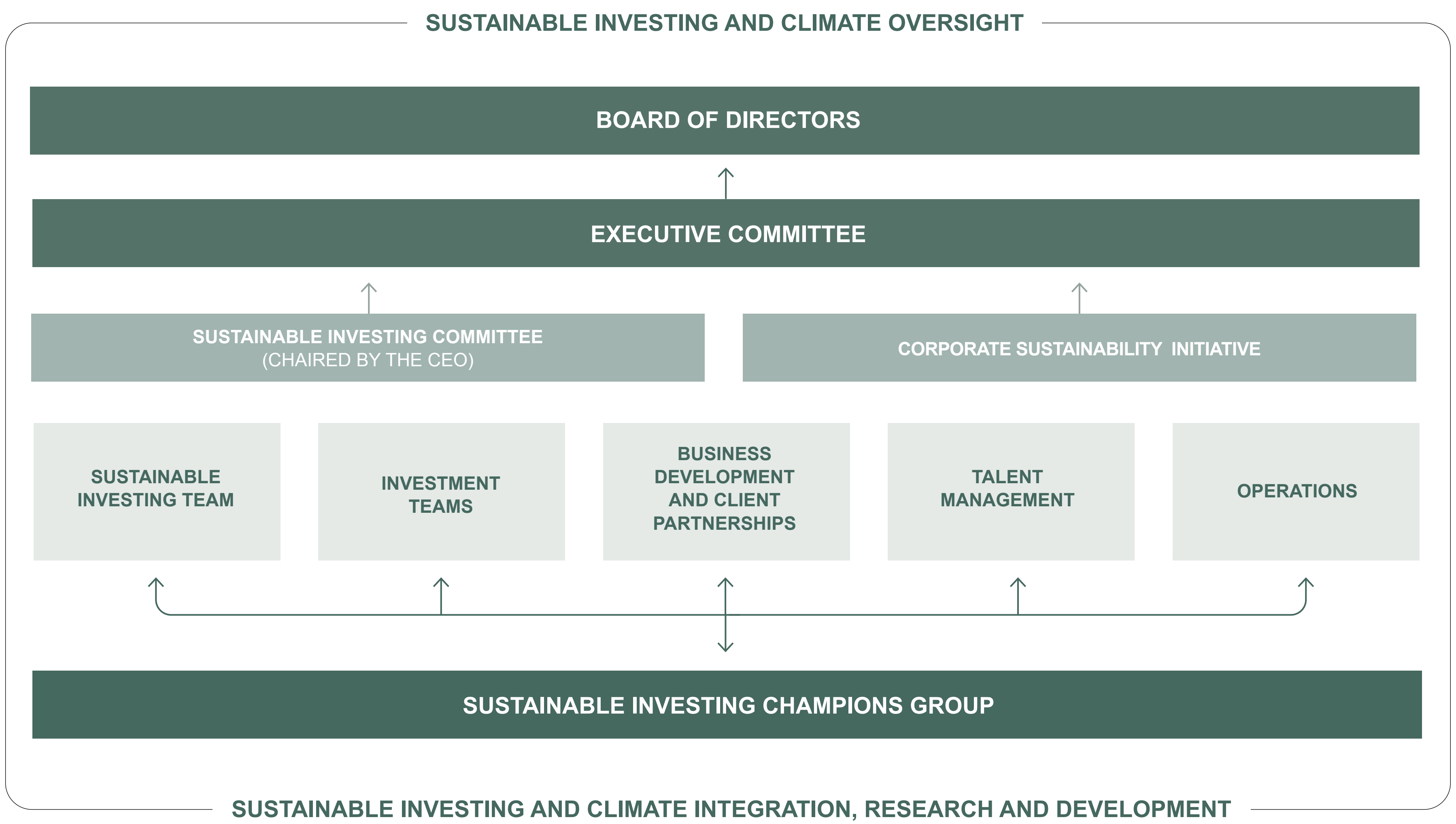
Board oversight

Addenda's Board of Directors oversees the firm's climate and sustainable investing approach and holds ultimate responsibility for the firm's sustainability and climate strategy, including major climate-related commitments such as the Net-Zero Asset Managers (NZAM) initiative. The Board regularly reviews material updates to Addenda's sustainable investing policies. Addenda's President and CEO, Roger Beauchemin, serves as Chair of the Sustainable Investing Committee (SIC), providing a direct and ongoing link between management and the Board on sustainability and climate-related matters.

Climate expertise and capacity building

The Board benefits from the expertise of Co-operators, Addenda's majority shareholder and parent company, whose executives and directors bring knowledge in climate policy, food and agriculture, credit unions and communities, and emerging industry trends. The Board is committed to staying informed on rapidly evolving sustainability and climate trends that are relevant to the investment management industry and receives regular updates from Addenda's Executive Committee and Sustainable Investing Lead on strategic developments and progress on climate and sustainable investing goals.

Figure 1: Sustainable investing governance structure



Management oversight

The Executive Committee oversees the firm's strategic direction, as well as its sustainability and climate change ambitions. The Sustainable Investing Committee (SIC) supports this oversight by providing strategic recommendations to the Executive Committee. It comprises members of Addenda's senior management team and is also responsible for overseeing the advancement of Addenda's sustainable investing activities.

The SIC oversees our stewardship, proxy voting, and controversial weapons policies, as well as other important internal guidelines related to sustainable investing and sustainability-themed strategies. It regularly reviews and approves changes to these policies. Additionally, the Committee monitors our public sustainability and net-zero commitments, including collaborative initiatives, evolution of our impact themes and processes, and government and industry submissions. The Committee meets quarterly to discuss sustainability and climate-related matters and set priorities.

Implementation and support

Sustainable Investing Team
The Sustainable Investing (SI) Team works closely with the SIC to share insights and provide guidance on policy positions and other initiatives. It also leads Addenda's sustainability and climate engagement and stewardship efforts in close collaboration with the investment management teams. In addition, they support the implementation of Addenda's sustainable investing and climate policies within our proxy voting guidelines.

The Sustainable Investing Team conducts analysis and makes decisions related to Addenda's sustainability-oriented strategies, including qualifying securities as impact or climate transition-aligned. They also provide strategic recommendations to various other teams and committees across the organization.

Sustainable Investing Champions is a working group where members from the investment management, client partnership, operations and compliance teams share their latest findings and updates on improving ESG and climate analytics. The SI Team hosts this meeting and also shares the latest news and best practices.

Investment teams
Responsibility for ESG integration into investment decision-making rests with each investment team, aligned with their respective asset class responsibilities. Each team identifies material ESG factors and incorporates them into their investment process, and when relevant, into corporate engagement activities. Teams are also accountable for overall portfolio performance and the ongoing assessment of sustainability- and climate-related risks and opportunities within existing portfolios, with support from the SI Team.

Remuneration
We incorporate sustainability criteria into executive and employee compensation structures. This initiative was introduced for the CEO in 2019, expanded to include the entire Executive Committee in 2021, and extended to all employees by 2023. Today, sustainability performance is integrated into compensation structures across the firm, including measures such as progress on PRI ratings and the growth of sustainable investing assets under management.

3

Sustainable Investing

Approach to Sustainable Investing

We define sustainable investing as an approach that integrates ESG considerations into investment and stewardship activities to support long-term investment performance for our clients

Grounded in evidence-based research, our approach includes the development of innovative investment products and solutions related to climate change, impact, and the United Nations Sustainable Development Goals (SDGs). In addition to our sustainable investing solutions, we work with clients with segregated accounts to design portfolios that incorporate sustainable investments aligned with their needs and objectives.

Stewardship is a core component of our approach to supporting long-term investment performance and positive sustainability outcomes. We actively work with public policy and standard setters to promote sustainable financial markets, engage with investee entities and exercise proxy voting rights. These efforts are integrated to promote long-term performance and the sustainability of the economy and society.

Please refer to the Stewardship section for more details.

Sustainable wealth creation in partnership with our clients for a better future

Since 2011, Addenda has been embracing sustainable investing by promoting sustainable financial markets, integrating ESG considerations into investment decision-making, and exercising active stewardship through proxy voting and engagement. Our long-standing and purposeful approach reflects our commitment to supporting clients as they pursue their sustainability and climate objectives, including net-zero emissions targets.

Figure 2: Addenda Capital's approach to sustainable investing

We work with our parent company, Co-operators, to support the achievement of its ambitious impact and climate commitments through our sustainable investing solutions. These commitments include investing 50% of its invested assets in impact or climate transition investments by 2026 and increasing that proportion to 60% by 2030. Addenda is a signatory to the Net-Zero Asset Managers (NZAM) initiative and supports Co-operators in its role as a member of the Net-Zero Asset Owner Alliance (NZAOA), positioning us at the forefront of global climate-transition best practices.

Through our segregated account portfolios and sustainable investing solutions—such as the Climate Transition Equity Pooled Funds, Impact Fixed Income Pooled Fund, Eco-Social Commercial Mortgages Pooled Fund, and Fossil Fuel-Free Global Equity Pooled Fund—along with other strategies and asset-owner partnerships, we provide clients with meaningful opportunities to advance their sustainability objectives.

Principles

We embrace our Canadian roots, including the diverse languages, peoples, and voices. We acknowledge that continued economic success depends on operating within planetary boundaries where climate, biodiversity and natural systems remain stable and resilient. Addenda is therefore committed to being at the forefront of providing innovative, sustainable investing solutions to help build a more sustainable, healthy, and prosperous future.

Exclusion policies

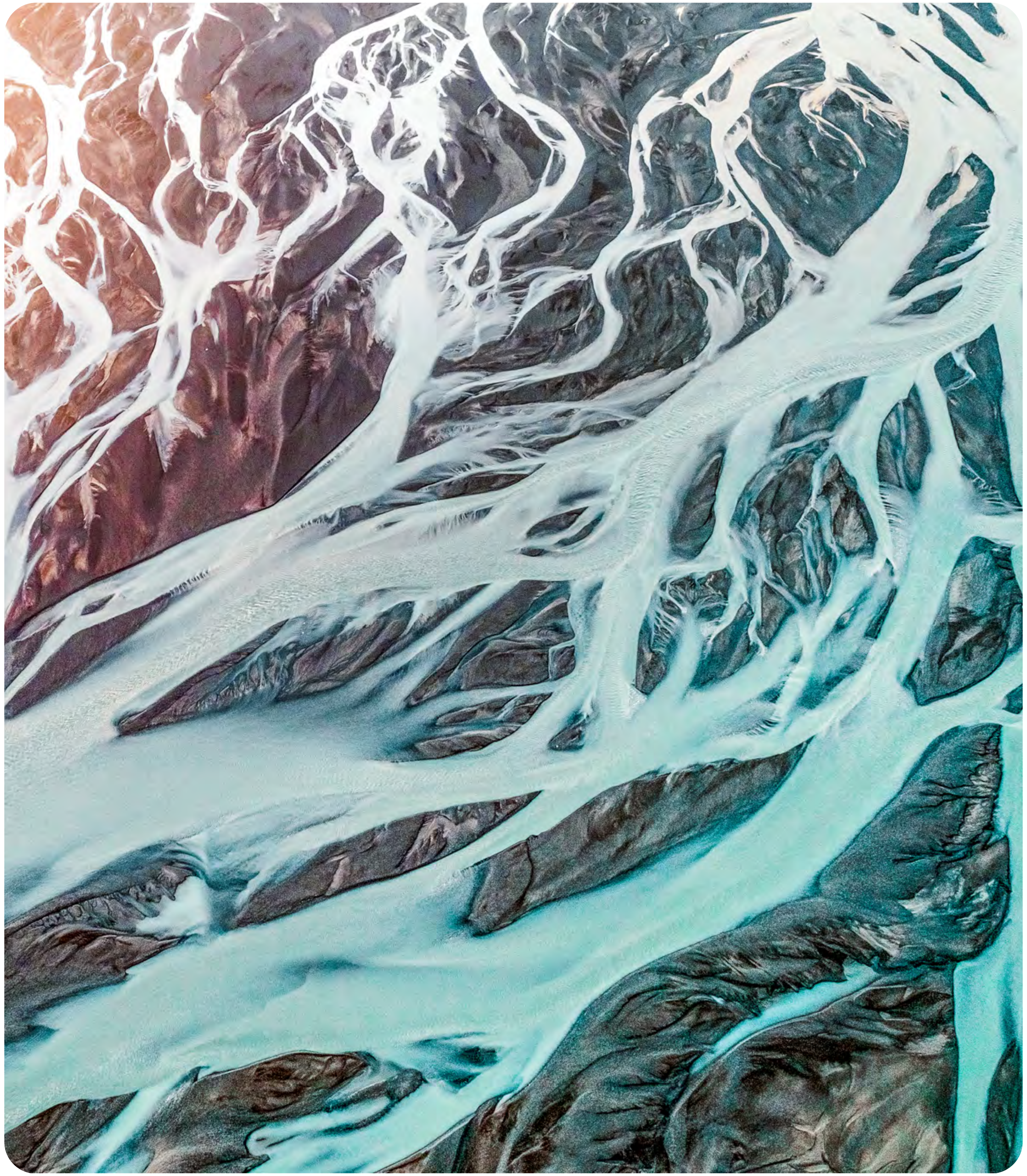
Our investments are subject to our Controversial Weapons Policy, which states that Addenda will not knowingly invest in securities issued by entities that manufacture controversial weapons. Clients investing through separately managed accounts may also work with Addenda to include additional screens. Our Climate Transition and Impact strategies also apply Do No Significant Harm (DNSH) principles, as part of enhanced oversight and due diligence.

Policy

Our updated Sustainable Investing Policy sets the tone for Addenda's commitment to sustainable investing and provides a framework for applying our principles to investment decision-making, strategy development, and stewardship practices.

Where consistent with our fiduciary responsibilities, and based on the principles established by the PRI, we commit to the following:

- Identify the ESG issues that could have a material impact on investment performance and incorporate these considerations into investment analysis and decision-making. Part of these considerations includes recognizing the systemic nature of the transition and physical risks and opportunities related to climate change.
- Monitor our investee entity ESG practices and update our research or views in cases where ESG practices materially change. Part of monitoring will also include, for example, cases with risks of extreme and potentially widespread violations of human rights and global norms.
- Exercise voting rights and engage in a dialogue with our investee entities in accordance with our Stewardship Policy and Proxy Voting Policy.
- Promote acceptance and implementation of sustainable investing, including the actions required for the transition to net-zero greenhouse gas emissions and support for enabling policies and standard-setting initiatives.
- Collaborate with other investors to promote and enhance sustainable investing.
- Support and partner with those clients that have sustainability goals including those related to climate, net-zero, Sustainable Development Goals (SDGs), and impact, among others, through the development of investment solutions that aim to deliver market returns and positive sustainability outcomes.



ESG integration

Many of our investment strategies integrate ESG factors into the investment process. Consistent with the CFA Institute's definition of "ESG integration," we incorporate ESG factors based on the belief that they can affect risk and return and may not always be fully reflected in asset prices. As part of this process, we undertake research to identify and analyze financially material ESG factors and incorporate the resulting insights into investment decisions. This involves seeking out ESG information, assessing its materiality, and integrating material information into investment analysis and decision-making.

We assess ESG materiality using a combination of tools, climate risk assessments and professional judgment. We draw on a broad range of data sources, such as ESG service providers, issuer websites, think tanks or academic research to identify ESG risks and opportunities. The implementation of ESG integration may vary depending on the materiality of the issue, the asset class, the quality of available information, and the specifics of the investment process.

Once material ESG factors have been identified, we assess an issuer's exposure to those factors and the extent to which the issuer is appropriately managing associated ESG risks and opportunities. Our ESG analysis is combined with other research to generate insights into whether an issuer can meet its financial obligations and insights about the overall risk profile.

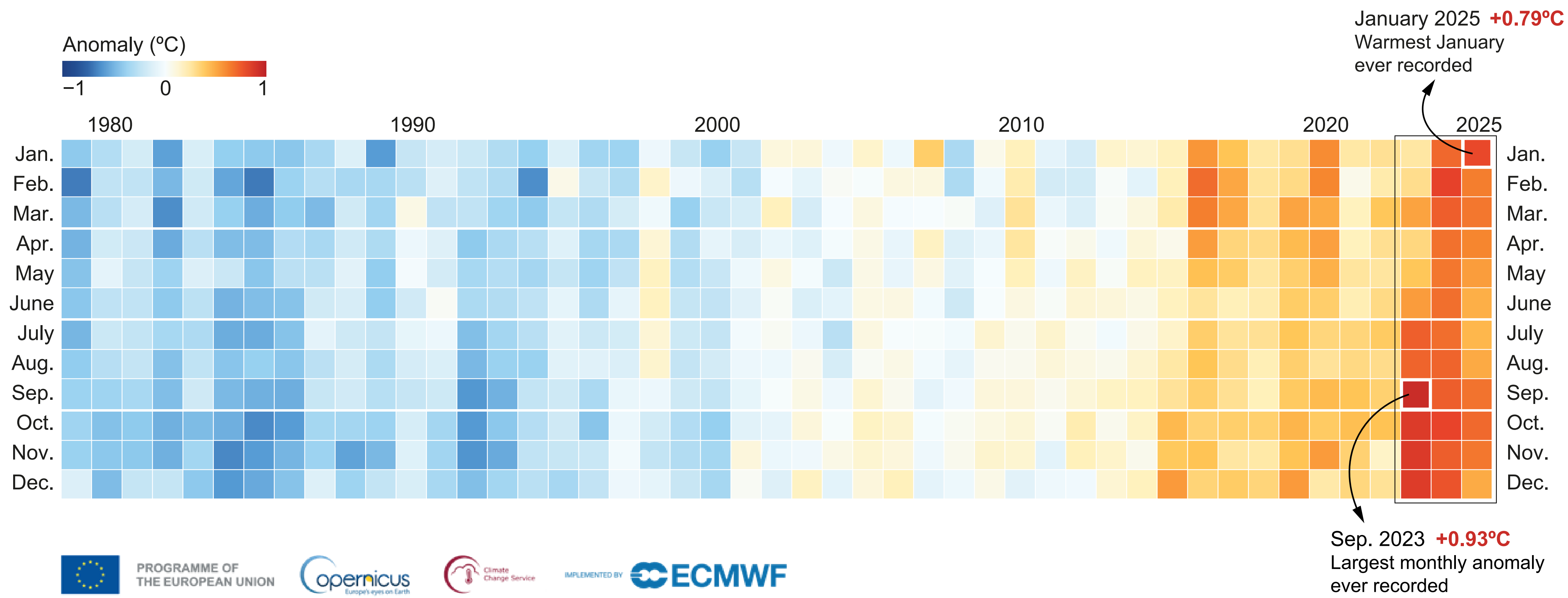
Ultimately, ESG analysis may influence buy, hold or sell decisions, decisions to avoid, underweight or overweight an investment, and decisions to increase or decrease monitoring, conduct additional research, or inform engagement plans. In all cases, the intent is to deepen our understanding of both risks and opportunities.

Climate Change and Net-Zero

According to the Intergovernmental Panel on Climate Change (IPCC), limiting global temperature rise to 1.5°C above pre-industrial levels is critical to avoiding the most catastrophic physical impacts of climate change. The magnitude of the climate impacts is significant, as evidenced by the increase in climate-related events in recent years.

The World Meteorological Organization (WMO) and Copernicus Climate Change Service confirmed that 2025 was among the three hottest years on record, with the first ever three-year period surpassing 1.5°C above pre-industrial levels (Figure 3).[3] It was also the second-worst wildfire year on record in Canada according to Environment and Climate Change Canada, with 8.9 million hectares burned (roughly 1.5 times the size of Nova Scotia) driven by prolonged dry, hot and windy conditions across multiple provinces. During the 2025 wildfire season, more than 75,000 people were evacuated from their homes in Canada. Of those people, at least three out of five were from First Nations communities.[4]

Figure 3: Monthly global surface air temperature anomalies



[3] Global Climate Highlights 2025, Copernicus
[4] Canada's top 10 weather stories of 2025, Canada.ca
Monthly global surface air temperature anomalies (°C) relative to 1991–2020 from January 1979 to December 2025, plotted as a heatmap.

Addenda and its parent company, Co-operators, an asset owner and general insurer, are aware of the urgent need to address climate change by transitioning to a net-zero economy. We recognize that we are operating in a context of increasing geopolitical and economic risks and instability, where climate transition and solutions are increasingly framed not only as a means to mitigate physical climate risks, but also as a way to drive energy diversification and enhance energy security. We believe that the transition toward net-zero, alongside greater energy diversification, including low-emission energy supplies, is more critical than ever.

A net-zero pathway illustrates how emissions must steadily decline through a combination of deep emission reductions, such as expanding renewable energy, improving energy efficiency, and shifting to low-carbon technologies, and carbon removal, including nature-based solutions and engineered systems that can absorb greenhouse gas emissions from the atmosphere.

As a steward of capital, we play a role in supporting the transition to a sustainable future and recognize our responsibility to manage assets with a long-term perspective. By integrating climate considerations into our investment decisions, engaging with companies to reduce their carbon footprint, and allocating capital towards low-carbon solutions, we aim to support the transition to a more resilient and energy-secure economy. We believe that these actions will not only mitigate climate-related risks but also unlock opportunities for sustainable growth and support more prosperous and resilient communities.

Our commitments

Our net-zero commitment is central to our strategy to advance our climate ambitions. In 2021, Addenda joined the Net-Zero Asset Managers (NZAM) initiative to support the objective of achieving net-zero greenhouse gas (GHG) emissions by 2050 or sooner through our investment activities.

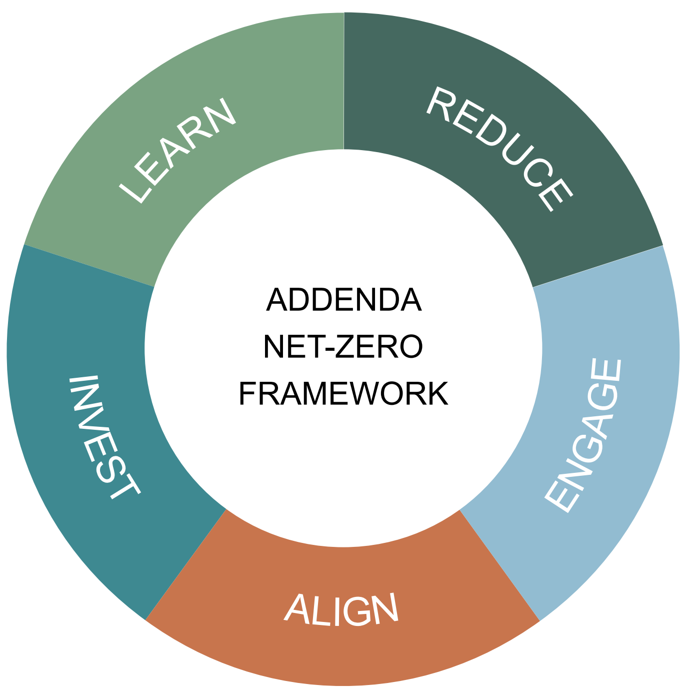
Following NZAM's relaunch in February 2026, we have focused our climate goals on areas where we have the most influence: portfolio decarbonization and climate solutions. We also continue to advocate for policy and industry changes needed for progress. We are committed to supporting clients with climate goals and continue to participate in NZAM, which encourages peer learning and best practices. Our climate action goes beyond participation in any network. We believe that identifying material sustainability issues, including climate change, strengthens our investment approach. Preparing for climate transition can also boost Canada's global competitiveness and strengthen communities across the country.

In alignment with the long-standing commitments of our parent company, Co-operators, through the Net-Zero Asset Owner Alliance, we remain steadfast in our climate focus and will continue public reporting through our Annual Sustainable Investing Report, following TCFD (now IFRS S2) guidelines. We publish our annual progress on climate commitments and the actions we take. Co-operators recognizes that climate change threatens its core purpose of providing financial security for Canadians and communities. We support Co-operators in advancing its investment climate strategies (see Co-operators[5]). Progress toward our portfolio climate goals also depends on real-economy changes, such as supportive policies and industry practices. That's why our stewardship includes engaging with companies, policymakers, and industry groups to help drive systemic change.

[5] Climate action and advocacy - Co-operators

Our Framework is established on five interconnected categories that drive our mission to accelerate the transition to a net-zero economy. These categories represent our ongoing commitment to action and transparent reporting:

Figure 4: Addenda's Net-Zero framework



REDUCE

Reducing emissions in client portfolios committed to net-zero.

ENGAGE

Strategic engagement with high-emitting issuers to encourage progress.

- Recognizing that real-economy emission reductions are essential, we strategically engage sectors and issuers with material climate impact. Our engagement aims to improve governance and oversight of sustainability, strengthen transition plans, and support credible pathways to net-zero alignment.

ALIGN

Transparent disclosure of assets managed for net-zero alignment.

- We will disclose the proportion of our assets that are explicitly managed in line with net-zero objectives while promoting transparency to all stakeholders.

INVEST

Catalyzing investment in climate solutions that accelerate decarbonization across the broader economy.

- We are devoted to allocating capital toward opportunities that enable emission reductions at scale, including clean technologies, low-carbon infrastructure, and other solutions expected to contribute meaningfully to a resilient net-zero future.

LEARN

Achieving net-zero is an ongoing learning process.

- We are committed to deepening our understanding of evolving science, policies, industry trends, and company actions necessary for a successful transition. Addenda will continually seek new opportunities to build capacity in this area.

Together, these categories shape our actions, investments, and engagements to contribute to the broad transformation required to achieve a net-zero economy.

Figure 5: Five core areas of climate commitments

	Commitments	Targets
REDUCE	Portfolio decarbonization performance*	50% Portfolio decarbonization performance by year-end 2030, from a 2019 baseline
ENGAGE	% of carbon-emitting investees we actively engage on climate change	Commitment to the work and report annually on progress
ALIGN	Assets under management with climate and net-zero goals	Commitment to report annually on progress
INVEST	Assets under management in climate solutions	US $3B in climate solution investments
LEARN	Training employees on climate-related issues	Commitment to train a majority of Addenda employees on climate-related issues

*Portfolio decarbonization is only applied to in-scope assets where clients must explicitly request a carbon emission reduction target.

REDUCE

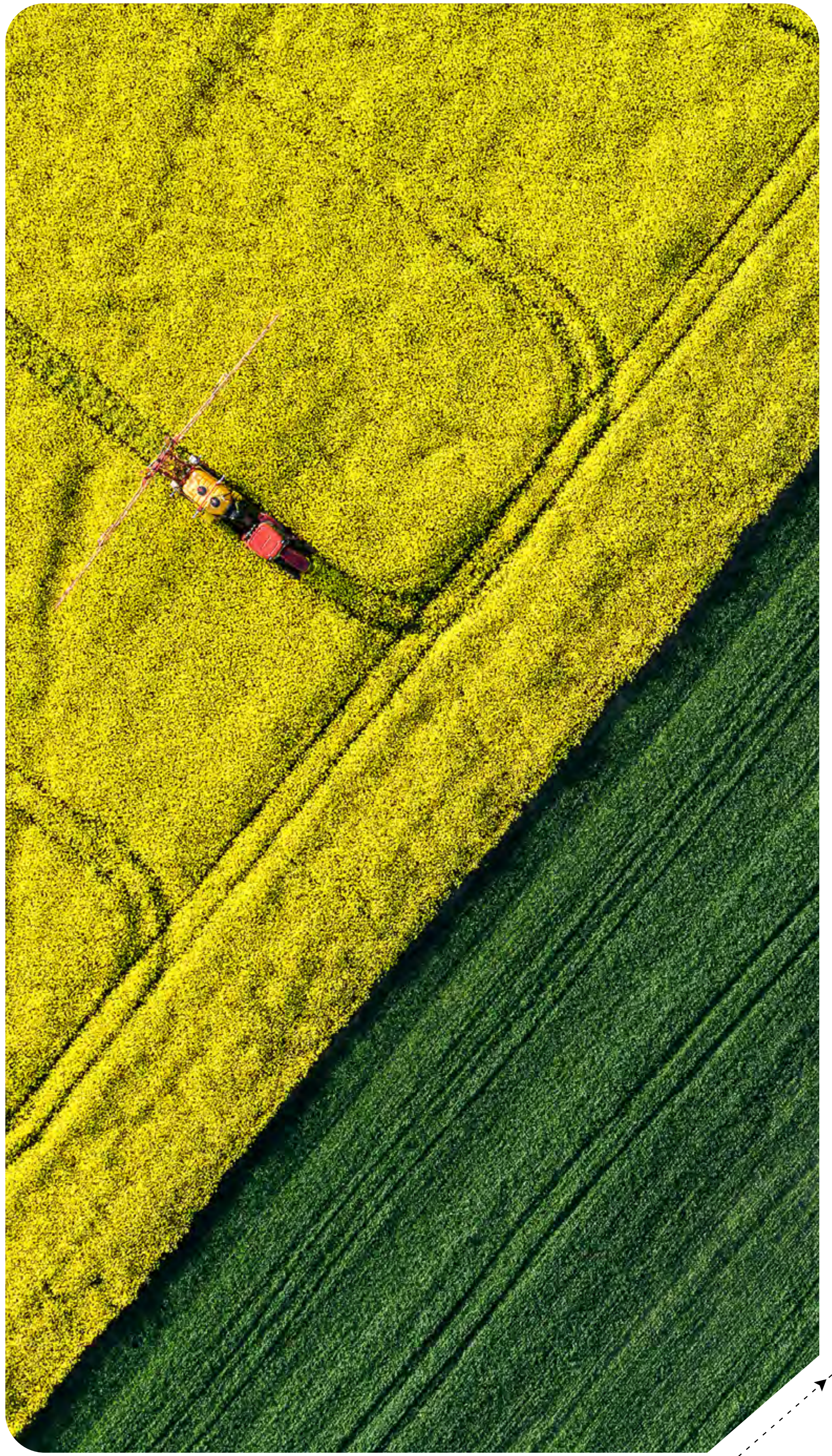
Addenda is committed to reducing emissions across our in-scope assets, including client assets committed to net-zero, as well as assets within our climate transition strategies. Through our climate transition equity funds and other investment solutions, we work with high-emitting companies to support their decarbonization journeys, with the aim of enabling real-economy emissions reductions.

Our commitment

Description	Emissions scope	Metric	2019 Baseline	2025 Performance	2030 Target
50% reduction by 2030 for client portfolios that have agreed to align their investments to net-zero	Scope 1 and 2*	tCO_2e per million USD invested	58.5	-33% (or 39.3)	-50% (or 29.3)

Our actions

- Measure the portfolio's carbon footprint (Scope 1, 2, and, where possible, material Scope 3 emissions) where data and methods allow.
- Phase in carbon footprint measurement for more asset classes as data and methodologies improve.
- Enhance client reporting on carbon emission and integrate climate transition data for investment teams and net-zero client reporting.
- Reduce portfolio emissions for in-scope assets.
- Deepen climate transition and physical risk analysis to guide investment decisions, including decarbonization for key sectors.
- Advance climate scenario analysis to assess future risks and opportunities.



*We intend to phase in Scope 3 emissions over time as disclosure and methodologies improve. Please see important disclosures on methods and data sources in the appendix.

ENGAGE

Addenda plays an active role in promoting sustainable financial markets by engaging standard setters, policymakers, and investee entities. We actively engage with our investee entities to help deliver on our net-zero commitments and support the broader economic transition to net-zero.

Our commitment

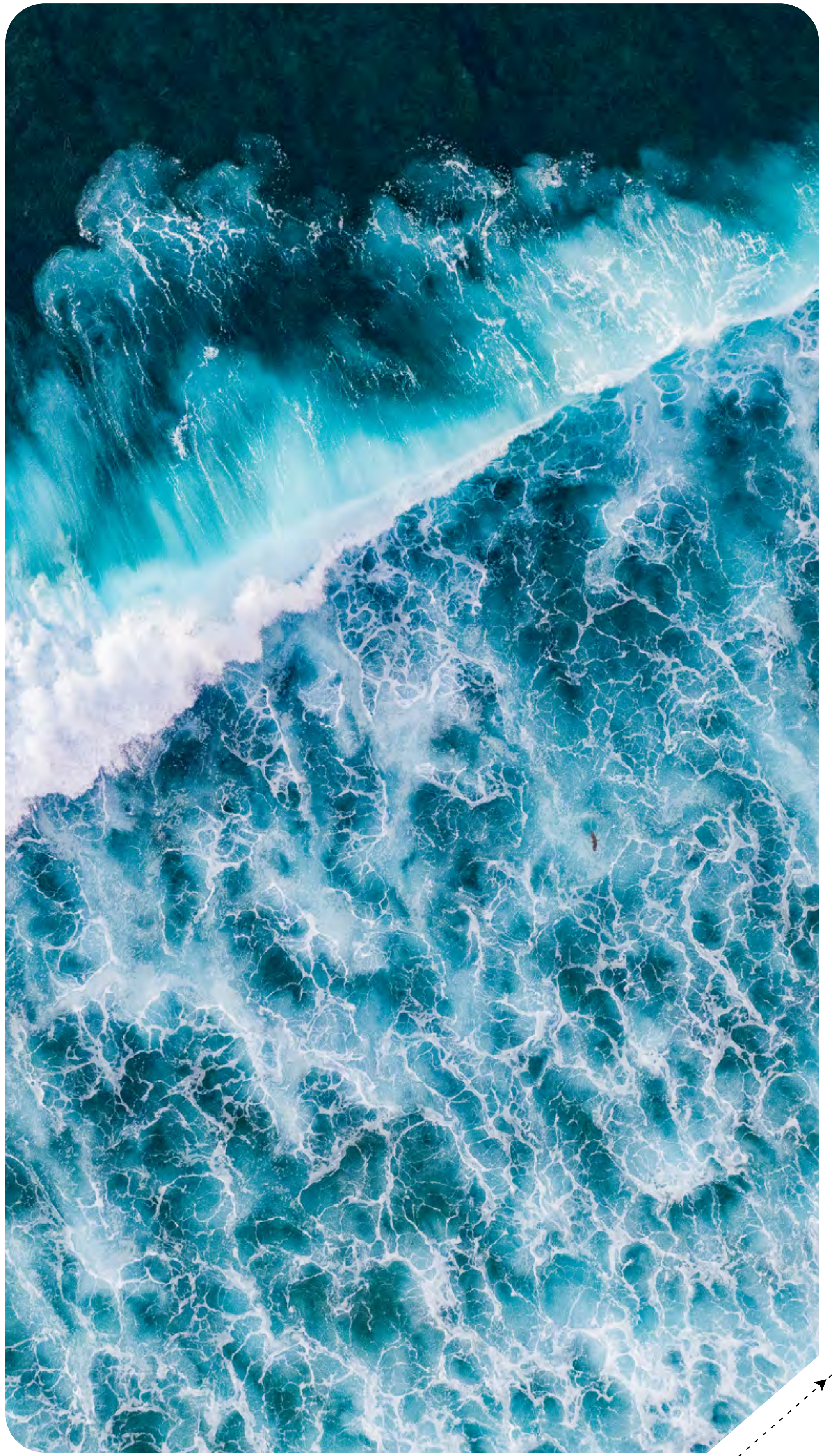
Description	Emissions scope	Metric	2025 Performance
Percentage of financed emissions from in-scope assets considered net-zero, “aligned”, or “aligning” with a net-zero pathway, or subject of direct or collaborative engagement and stewardship actions	In-scope AUM	% of financed emissions	64%

Engagement methodology

Our ability to track and meet targets depends on shifts in the economy, policy developments that encourage companies to transition to a low-carbon economy, evolving methods, and greater disclosure and quality of carbon emissions by our investee entities.

Addenda’s Climate Transition strategies focus on companies that are making net-zero commitments and demonstrating steps to align their governance, strategies, and businesses with a net-zero pathway. Our current climate transition eligibility criteria, which specify the minimum expectations for companies to be considered for inclusion within the funds, include many of the elements of the Net-Zero Investment Framework (NZIF), with definitions of climate transition defined as “Committed to aligning to net-zero,” “Aligning to a net-zero pathway,” “Aligned to a net-zero pathway”, or “achieving net-zero”. We determined the baseline threshold of companies that are at least “Committed to aligning” to net-zero by applying these criteria across the in-scope AUM included in our net-zero commitment. The figure reported in 2025 represents the total contribution to financed emissions for in-scope assets of our net-zero commitment that were qualified as at least “Committed to aligning” to net-zero or have been the subject of a direct or collaborative engagement during the reporting year.

We recognize that climate transition is a process. Our strategies focus on engaging with the companies we own to strengthen their progress on their climate transition maturity and goals. Addenda will phase in more stringent levels of climate-eligibility criteria over time and track and report on performance.



Our actions

- Understand and learn about their climate goals and establish clear expectations.
- Use our Climate Transition Maturity Criteria (Figure 6) as part of our Climate Transition Framework (Figure 4) to help them meet their net-zero commitments while balancing risk and return objectives.
- Provide information and analytics on climate transition indicators, showcasing alignment of investee entities with a net-zero trajectory.
- Measure and report on portfolio carbon footprints over time using the Partnership for Carbon Accounting Financials' Global GHG Accounting and Reporting Standard and best practices.
- Continue engagement efforts on climate-related topics for selected investee entities (e.g., set objectives and targets), including communicating Addenda's climate transition criteria for investee entities and at the system level with regulators and standard setters.
- Provide investee entity climate engagement summaries as part of our portfolio reporting to monitor the efficacy of engagements and track company progress over time.
- Continue collaborating with peers, investee entities, industry sectors, governments, and leading organizations to accelerate and support efforts to achieve net-zero by 2050.

ALIGN

Central to our NZAM commitment is our work to support clients who wish to set portfolio climate goals, including net-zero aspirations. We will continue to report annually on the proportion of our firm-wide assets managed intentionally with a goal of achieving net-zero emissions by 2050 or sooner and maintain transparency about how these assets are progressing.

Our commitment

Description	Metric	2025 Performance
Proportion of our total assets* managed in line with net-zero emissions by 2050 or sooner	% of assets	16%

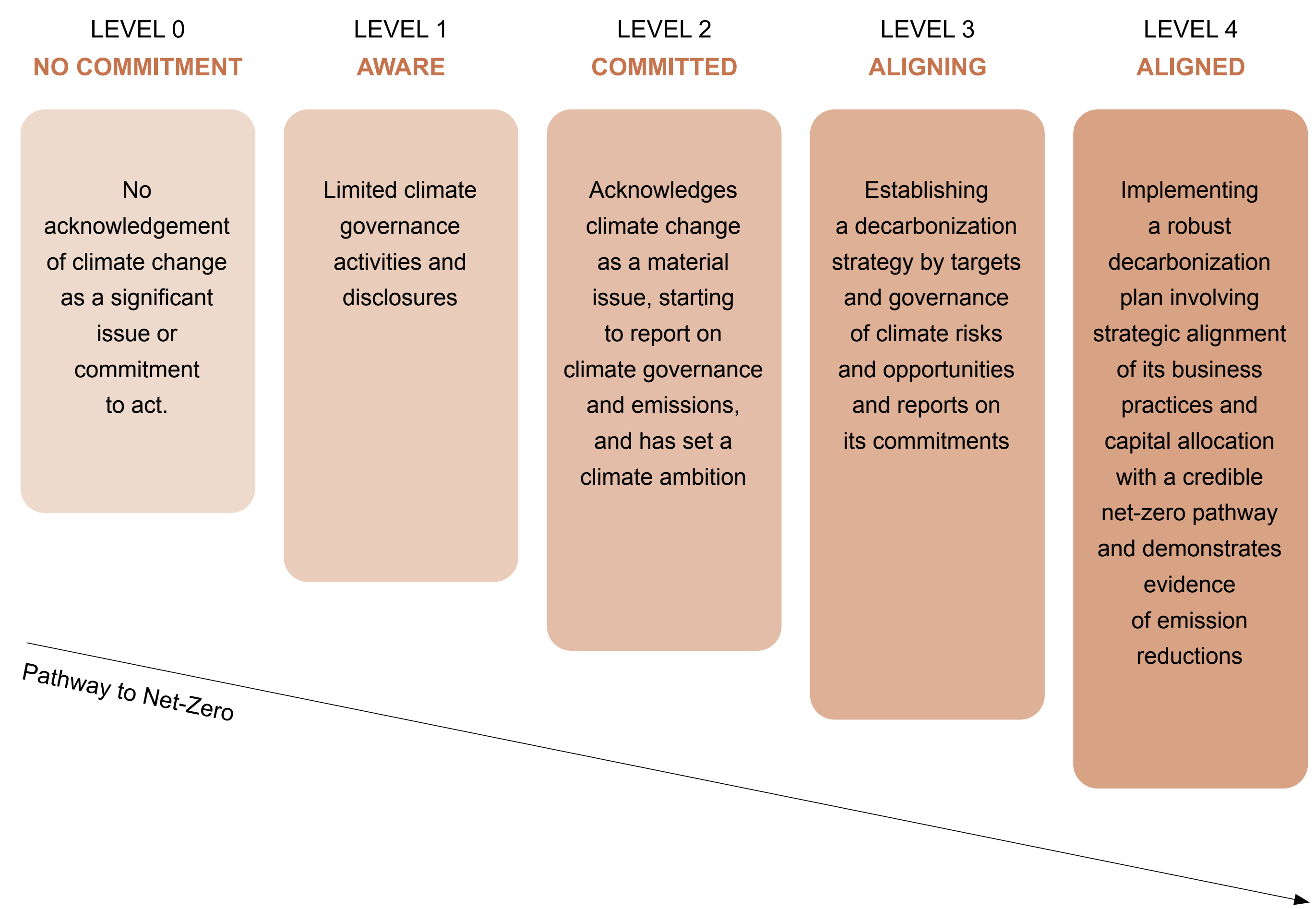
Our actions

- Use our Climate Transition Maturity Criteria (see Figure 6) and portfolio carbon footprints to help clients meet their net-zero commitments while balancing risk and return objectives.
- Provide information and analytics on climate transition indicators, showcasing alignment of investee entities with a net-zero trajectory.
- Measure and report on portfolio carbon footprints over time using carbon accounting best practices.

Addenda's climate transition criteria

We have developed Climate Transition Maturity Criteria to assess our current and future holdings against our climate transition expectations, helping us and our clients progress toward net-zero targets. This assessment helps our stewardship activities in leveraging the experience of those that are most mature and engaging with those that are the least mature.

Figure 6: Climate Transition Maturity Criteria



IIGCC TCFD CDP Transition Pathway Initiative

*The percentage of total AUM managed in line with net-zero includes the funds of our clients that have formally asked us to partner with them to manage their assets in line with a net-zero by 2050 goal. Many clients are considering formalizing net-zero goals, but we recognize that setting this ambition takes time and requires internal discussions.

INVEST

Addenda recognizes the need to allocate capital to activities and solutions that drive real-world decarbonization. According to the Institutional Investors Group on Climate Change (IIGCC), climate solutions are investments in economic activities that help mitigate or adapt to climate change, in line with recognized sustainability taxonomies and frameworks[6]. We may invest in these solutions across asset classes, and our definition of climate solutions will evolve as new standards and technologies emerge.

Our current climate solution investments include custom segregated accounts and thematic sustainable investing solutions, such as:

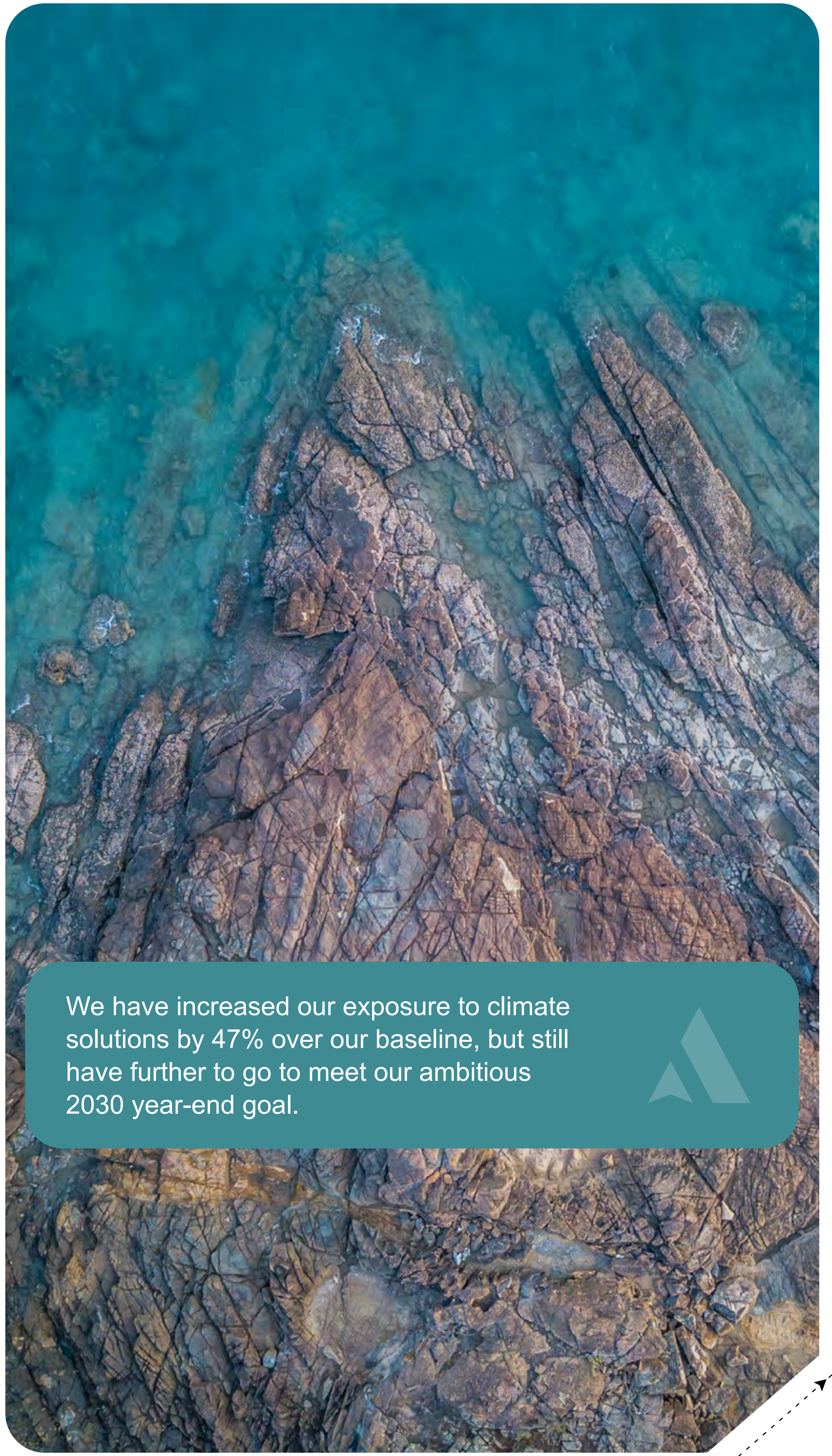
- Climate themes within our Impact Fixed Income Pooled Fund.
- Addenda's Climate Transition Equity Pooled Fund, which focuses on holdings committed to climate change and net-zero.
- Green building allocations in Addenda's Eco-Social Commercial Mortgages Pooled Fund.
- Allocations to climate solutions for our net-zero clients that may fall outside these funds.

Our commitment

Target	Metric	2022 Baseline	2025 Performance	2030 Target
Increase our allocation to climate solutions to $3 billion US by year-end 2030	$B U.S.	1.7	2.5	3.0

Our actions

- Add new clients to funds with climate solutions exposure through our Impact Fixed Income or Eco-Social Commercial mortgage pool fund.
- Work alongside key clients to grow their climate impact solutions to help achieve climate targets.
- Support Co-operators' net-zero goals by joining the NZAOA climate solutions working group with a mandate to improve definitions and understanding of the investment opportunity set.
- Refine our definition of eligible climate solution investments in line with credible third-party frameworks, standards and taxonomies.



[6] IIGCC 06 2025 Climate Solutions Guidance v4.pdf

LEARN

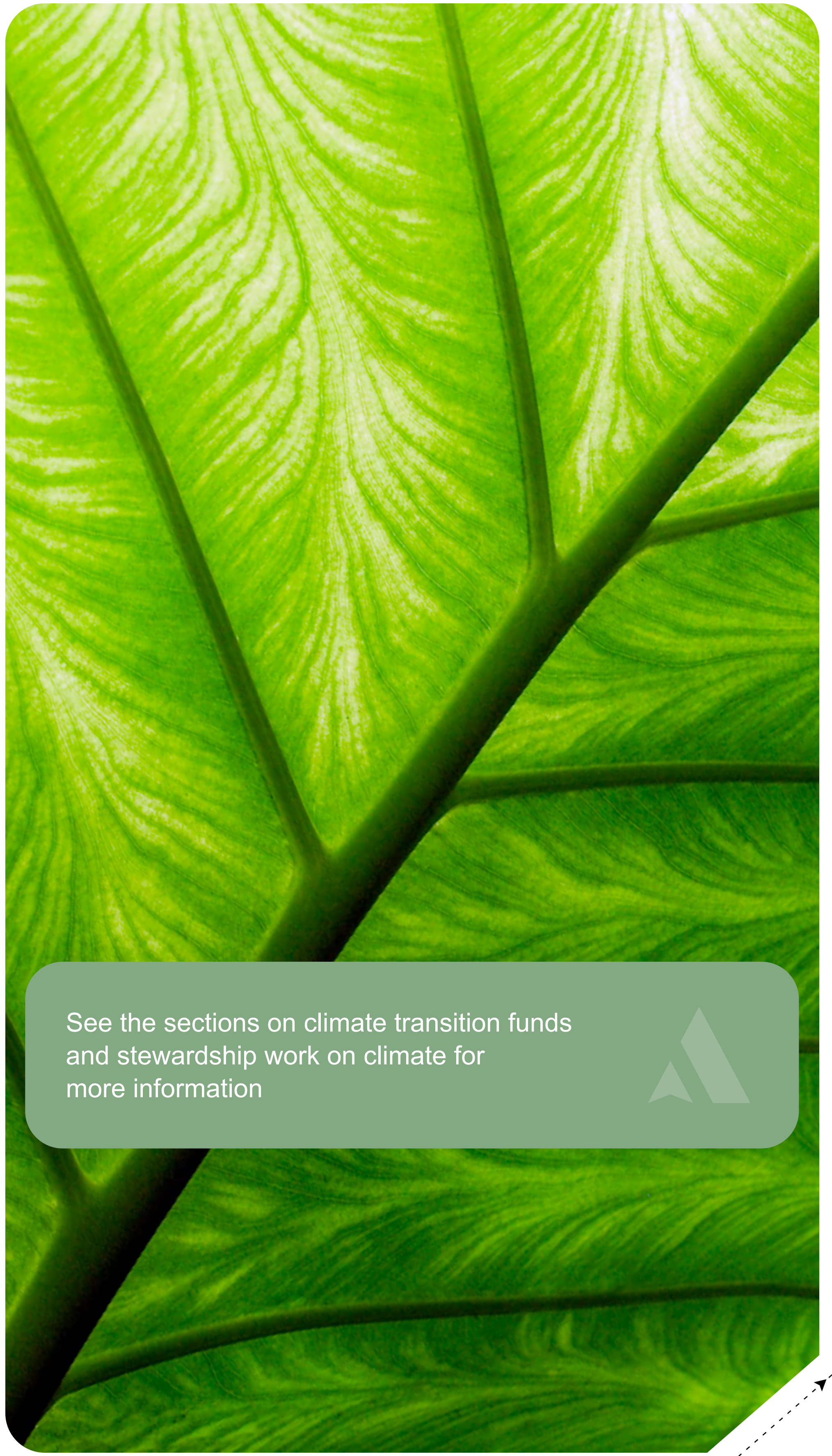
Navigating the transition to net-zero is an ongoing learning process. We will continually work to learn more about the science, policy, industry, and company actions that are needed to align to help us transition to net-zero. Addenda is committed to seeking ways to build capacity in this area.

Our commitment

Target	Metric	2019 Baseline	Status
A majority of Addenda employees complete training on climate-related issues	% of employees	30%	In progress*

Our actions

- Support thought leadership on climate change, sustainability issues and market developments.
- Continue to support research in these topics and host roundtables and events that support deeper understanding of sustainability and climate change issues.
- Focus on Indigenous economic reconciliation, including the importance of Indigenous partnerships in Canada's Climate Transition.



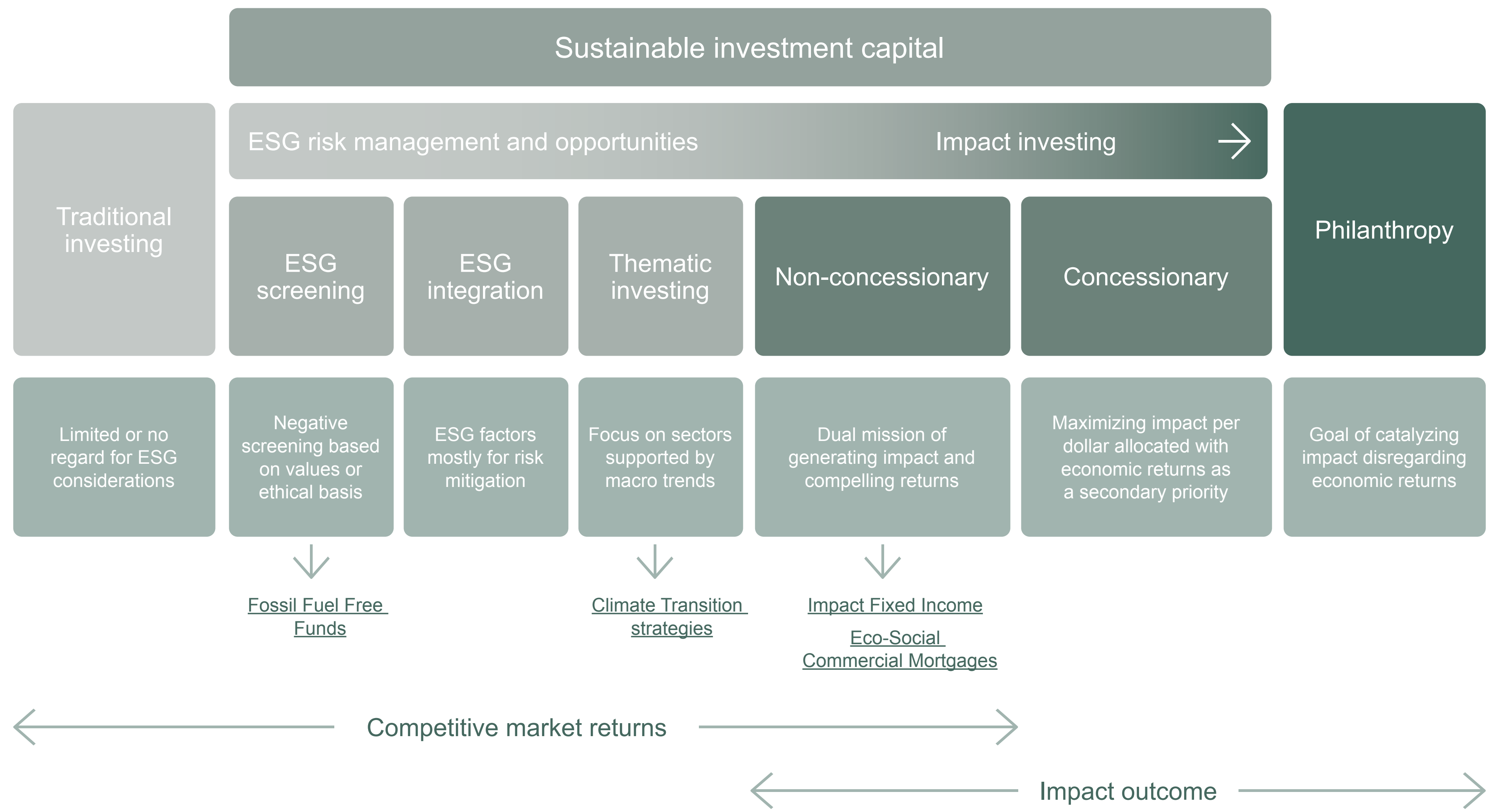
*For more information on our ESG and climate-related training, please see the section on building our capacity through education.

Sustainable Investment Solutions

Our Sustainable Investment Solutions support clients in meeting their financial and sustainability objectives related to climate change, impact, and the United Nations Sustainable Development Goals (SDGs). By combining clear research and practical tools, we help investors better understand sustainability-related risks and opportunities within their portfolios across a range of solutions.

- **Impact Fixed Income Pooled Fund**
- **Eco-Social Commercial Mortgages Pooled Fund**
- **Climate Transition Equity Pooled Funds**
- **Fossil Fuel Free Global Equity Pooled Fund**

Figure 7: Illustration of where sustainable and impact Investing strategies fall along the capital deployment spectrum



Impact Fixed Income Pooled Fund

In 2015, we embraced impact investing in response to growing client interest and in close collaboration with Co-operators. Our impact strategy seeks to generate both competitive financial returns and measurable, positive social and/or environmental outcomes by investing in and beyond green bonds in opportunities that drive meaningful real-world impact.

Since its launch in 2018, the Addenda Impact Fixed Income Pooled Fund has grown to $758 million in assets as of December 31, 2025.

In 2023, Addenda became the first portfolio manager worldwide to adopt the CFA Institute's Global ESG Disclosure Standard for Investment Products for an impact-driven strategy, demonstrating our commitment to strong disclosure practices[7].

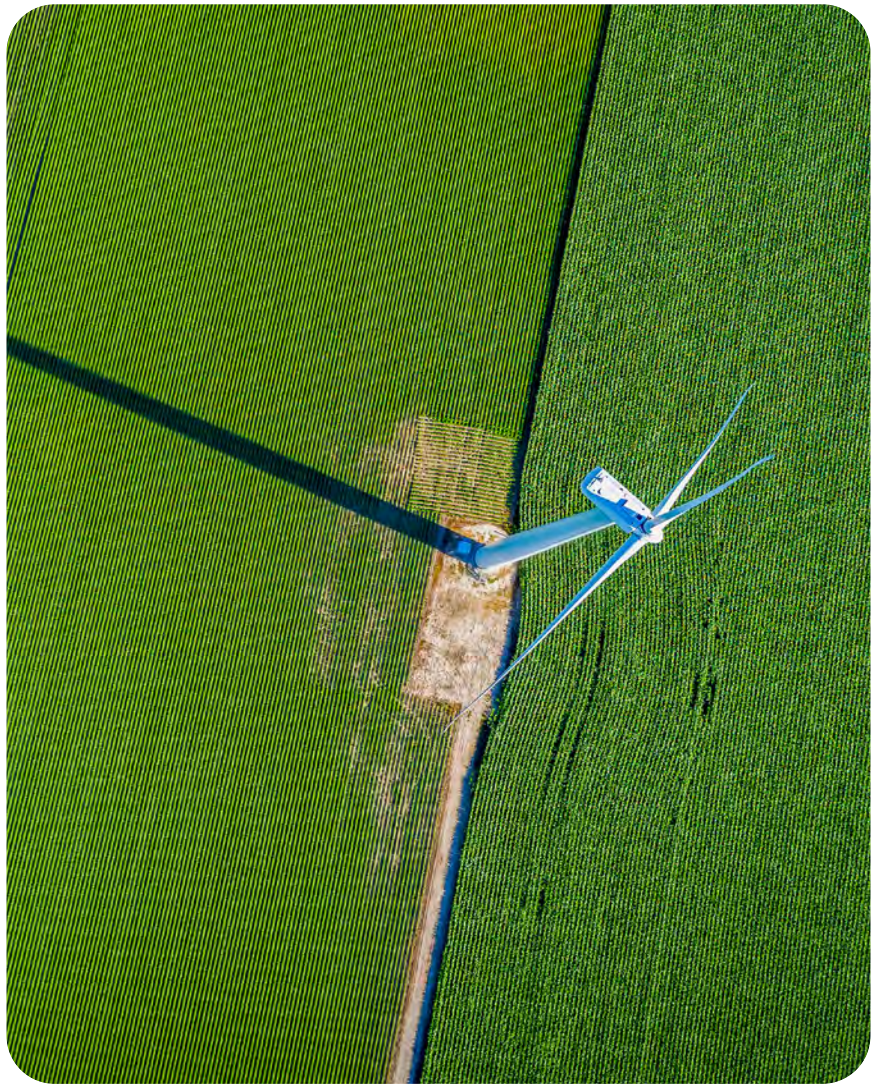
The year 2025 marked the fund's seventh anniversary, and we are proud to showcase its strong financial track record, beating the FTSE Canada Universe Bond Index by 68 basis points since inception.

Market and fund highlights

- In 2025, the Canadian labelled bond market (green, social and sustainable labelled bonds) continued to demonstrate depth and resilience, with total new issuance reaching $26 billion—marking the fourth consecutive year above the $25 billion threshold.
- Market activity remained well diversified across issuers and sectors, reinforcing the strength of impact-aligned investment opportunities.
- The Impact Fixed Income Pooled Fund surpassed $750M in AUM, reflecting continued investor confidence and growing demand for intentional and measurable impact investing.

New commitments and investor engagement

The fund secured a significant investment from the McConnell Foundation, further affirming its strong appeal among purpose-driven Canadian institutions. It completed its inaugural Community Bond investments through Groupe TAQ, advancing inclusive employment opportunities for individuals with functional limitations. The fund also committed to an Indigenous housing investment fund, deepening its role in Truth and Reconciliation-focused capital deployment.



Our Five Key Themes

Climate change | Community development | Education | Health and wellness | Water

[7]Available upon request to info@addendacapital.com

Addenda’s Impact framework

The Impact Fixed Income framework targets key sustainability challenges identified by the Sustainable Development Goals as requiring greater attention and investment, and where we see potential investable market opportunities.

Our framework is organized around five impact themes and 13 associated impact focus areas. For every potential investment, the Sustainable Investing Team evaluates alignment with at least one of these focus areas and ensures compliance with the Do No Significant Harm (DNSH) principles.

As at December 31, 2025, the fund’s investments were allocated across the following impact themes and focus areas (Figures 8 and 9). For example, an investment in a solar project would be associated with the climate change theme in the renewable energy focus area.

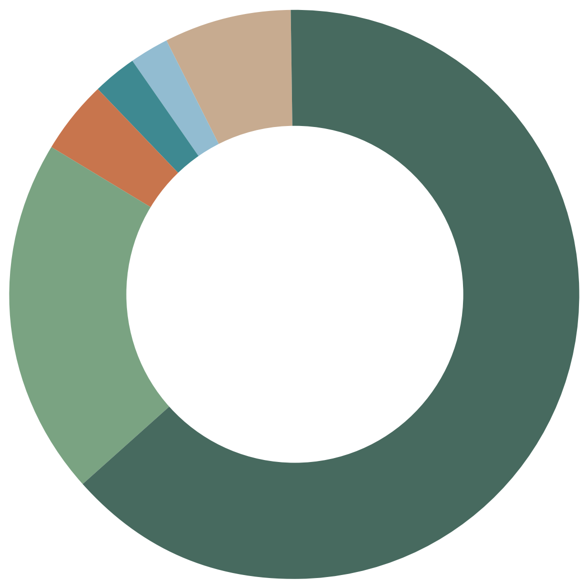
Each impact investing focus area is guided by proprietary qualifying criteria approved by our Sustainable Investing Committee. These criteria are informed by global standards and best practices, such as the ICMA Green Bond Principles and Climate Bond Initiative Taxonomy (CBI).

Figure 8: Impact fund themes and focus areas[8]

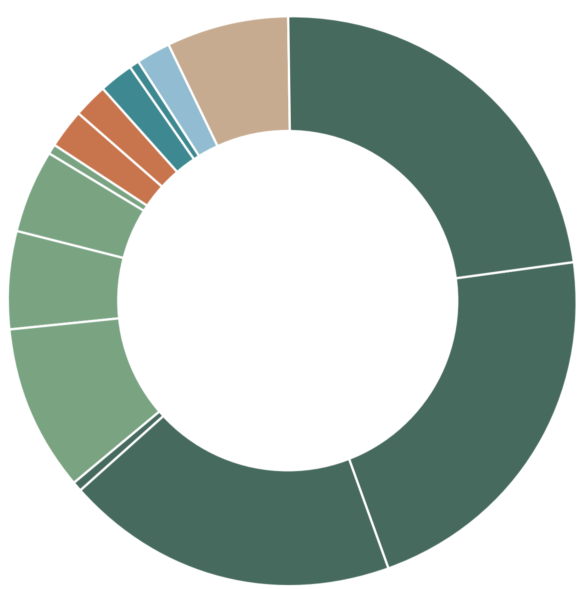
Impact themes	Impact focus areas		Related SUSTAINABLE DEVELOPMENT GOALS
Climate change	• Renewable energy • Low GHG emissions energy	• Clean transportation • Energy efficiency	7 Affordable and clean energy; 9 Industry, innovation and infrastructure; 11 Sustainable cities and communities; 13 Climate action
Community development	• Credit union • Development finance	• Affordable housing • Indigenous economic opportunities	1 No poverty; 8 Decent work and economic growth; 9 Industry, innovation and infrastructure; 11 Sustainable cities and communities
Education	• Higher education • School boards		4 Quality education; 8 Decent work and economic growth
Health and wellness	• Hospitals • Non-profit seniors housing and services		1 No poverty; 3 Good health and well-being; 11 Sustainable cities and communities
Water	• Freshwater		6 Clean water and sanitation

[8] United Nations

Figure 9: Investment allocation by themes and focus areas aggregated by AUM



Themes	(%)
Climate Change	63.9
Community Development	20.3
Education	4.1
Health and Wellness	2.6
Water	2.1
Non-Impact	7.1



Focus areas	(%)
Clean Transportation	23.1
Energy Efficiency	21.8
Renewable Energy	18.6
Low GHG Emissions Energy	0.4
Credit Unions	9.5
Indigenous Economy	5.6
Affordable Housing	4.8
Development Finance	0.4
Universities	2.2
School Boards	1.9
Hospitals	2.2
Non-profit Seniors Housing	0.4
Freshwater	2.1
Non-Impact	7.1

As at December 31, 2025
Source: Addenda Capital

Expanding diversification across the portfolio

The portfolio remained well-balanced across environmental and social priorities, supported by a range of impactful investments:

Health: Halifax Infirmary Expansion Project ($1B bond): Supporting major upgrades to the Queen Elizabeth II Sciences Centre.

Health: Trillium Health Partners ($1.5B bond): Funding the development of a new hospital in Ontario.

Climate change: Government of Canada ($1B long-term 30-year green bond): Advancing national climate and environmental priorities through long-dated capital.

Education: University bonds ($15M total): Strengthening infrastructure and research capacity across Canadian post-secondary institutions.

Community development—Indigenous: Bank of Montreal ($200M sustainability bond): Enhancing capital access for Indigenous Peoples and Indigenous-owned businesses.

Community development—Social inclusion: Groupe TAQ ($5M series of community bonds): Financing meaningful employment opportunities for individuals with functional limitations.

Addenda also served as a catalytic investor in Québec's largest community bond campaign, helping grow and professionalize this emerging sector. As Gabriel Tremblay, CEO of Groupe TAQ, stated:

> *"The investment is historic, both for Groupe TAQ, founded 45 years ago, and for the growth of community bonds as a vehicle for the economic development of Quebec's collective enterprises. Addenda Capital's substantial support will enable us to bring to fruition entrepreneurial projects that will change the lives of people with functional limitations and those close to them."*
>
> *– Gabriel Tremblay, CEO of Groupe TAQ*

Impact Case Studies

Groupe TAQ — Community Bond

Founded in 1979, Groupe TAQ is a Québec City-based not-for-profit social enterprise dedicated to creating meaningful and sustainable employment for people living with functional limitations. The company employs approximately 450 people, 73% of whom have functional limitations. By offering diversified outsourcing services to partners Groupe TAQ plays a role in advancing social and professional inclusion throughout the region.

In 2025, Groupe TAQ launched a $5 million community bonds campaign aimed at supporting the expansion of adapted employment opportunities for people living with disabilities. Addenda Capital invested $600,000, which marked one of the most significant institutional commitments to community bonds in Québec to date. Proceeds from this community bond issuance will contribute to a development and acquisition fund designed to preserve and create 50 quality jobs over the next three years. The bonds offered competitive, market-aligned returns and were issued at a scale appropriate for institutional investors, making this a rare community bond opportunity that blends financial performance with measurable social impact.

Inclusive employment and social integration

Through Groupe TAQ's partnership with companies like Faber Snowshoes, Chocolats Favoris, Biscuits Leclerc, Hitachi, Transcontinental, and Beneva, they offer subcontracting services that promote the social and professional integration of their workforce.

Impact Metrics

Employs about 450 people, with 73% of its workforce comprising individuals living with functional limitations.

TransAlta — Green Bond

TransAlta is one of Canada's largest publicly traded power generators, with a diversified portfolio of power plants in Canada, the United States, and Western Australia. Generation includes wind, solar, hydro, and natural gas. Once known for coal fired power, the company is phasing out coal and expanding lower carbon and renewable sources. Its strategy emphasizes decarbonization while maintaining grid reliability and affordability for customers.

We've supported TransAlta's Green Bond framework, which will accelerate the deployment of renewable energy and other environmentally beneficial projects, including large-scale, long-duration energy storage projects. As the company continues to decarbonize its operations and its customers' businesses, it remains committed to achieving carbon neutrality by 2050.

Investment projects

Horizon Hill Wind: Located in Logan County, Oklahoma, Horizon Hill Wind is the second-largest wind project in TransAlta's renewable energy development in the United States with a capacity of 202 MW. The project supports its objective of offering 100% renewable energy to clients from its global operations.

Potential impact metric

MWh of renewable energy produced and renewable energy generation capacity (MW)

Images: Groupe TAQ, TransAlta

Eco-Social Commercial Mortgages Pooled Fund

Canada faces a convergence of significant, long-term structural challenges: persistent housing affordability concerns, increasing healthcare and aging population demands, and climate transition and adaptation needs that are reshaping how buildings are financed, constructed, and operated. Simultaneously, communities across the country are experiencing a widening social infrastructure gap, meaning that essential spaces fostering wellbeing and social cohesion, such as cultural, community, and care facilities, often lack access to stable, long-term capital.

While many investors are interested in environmental and social issues, it remains difficult to find investment options that deliver measurable impact in Canada. This is especially true in commercial mortgages, where sustainable investment is still rare. We saw an opportunity to create transparent, outcomes-focused investment solutions for this sector.

The Eco-Social Commercial Mortgage Pooled Fund was established to allocate capital toward environmental and social themes which we believe are essential foundations of Canada's future economic resilience. This pooled fund is designed to meet the needs of asset owners who seek to align their capital more closely with their purpose of serving Canadian communities.

Positive outcome highlights

The Addenda Eco-Social Commercial Mortgages Fund has a strong track record of financial returns alongside positive environmental and social outcomes across themes including affordable housing, green buildings, health and education, cultural and community facilities along with supporting underrepresented borrowers. As of the end of 2025, the fund's investments helped deliver or maintain the following:

33
affordable housing units

48
co-operative housing units

679
units of seniors and supportive housing

128,635 sq ft
of designated heritage buildings
(in comparison a US football field is 57,600 sq ft)

137,988 sq ft
of hospitals, healthcare and social services facilities

789,702 sq ft
of LEED/BOMA BEST/Built Green buildings

7
borrowing entities with majority shareholders comprising of women or visible minorities

Market highlights

Across all property types, our Eco-Social Pooled Fund prioritizes financial resilience, selectivity, and impact-focused capital allocation. The office sector continues its gradual recovery, supported by the lowest new supply since 2019. Demand is rising for well-tenanted assets where efficiency and sustainability enhancements can create long-term value—features increasingly sought by occupiers.

Retail remains resilient, though we continue to focus selectively on community-serving centres anchored by essential services. In multifamily housing, demand remains strongest for attainable or socially inclusive housing. We support both established and new market-affordable assets that sustain low vacancies while advancing affordability, quality, and tenant security.

A key emerging opportunity lies in green building retrofits for small and medium-sized property owners, many of whom lack the resources or certifications, such as LEED or BOMA BEST, needed to pursue energy upgrades despite significant decarbonization potential of existing buildings. Our fund is well positioned to finance these improvements and support owners who may not have access to large institutional investors, helping bridge the gap between sustainability goals and access to capital while meeting growing demand for modern, environmentally responsible buildings.

GRESB[9] Lender Pilot (2025)

Score 62/100, ranking 4th out of 10 in North America, establishing a strong baseline in GRESB's inaugural lender benchmark

Participating in the inaugural GRESB Real Estate Lender Assessment provided a meaningful external assessment of our Eco-Social Commercial Mortgage Strategy. With a 4th-place ranking out of 10 North American peers, these results underscore the strength of our governance framework, ESG integration in underwriting, and comprehensive borrower and property sustainability due diligence.

The assessment demonstrates our leadership in embedding environmental and social considerations throughout the loan lifecycle, especially in impact-oriented lending and risk management. As it was a pilot year, the results establish a clear baseline and help us pinpoint priority areas for further improvement, such as data collection, target setting, and ongoing loan monitoring. Ultimately, the GRESB outcomes reflect our commitment to advancing positive environmental and social impacts through our real estate lending activities.

[9]For more information about GRESB's leadership work see gresb.com

Addenda's Eco-Social Investment framework

The framework is organized around five eco-social themes and 18 underlying focus areas. The Sustainable Investing (SI) Team and the Commercial Mortgage Team have built a highly collaborative vetting process to assess each loan's alignment with the fund's objectives, themes, focus areas and relevant UN SDG goals.

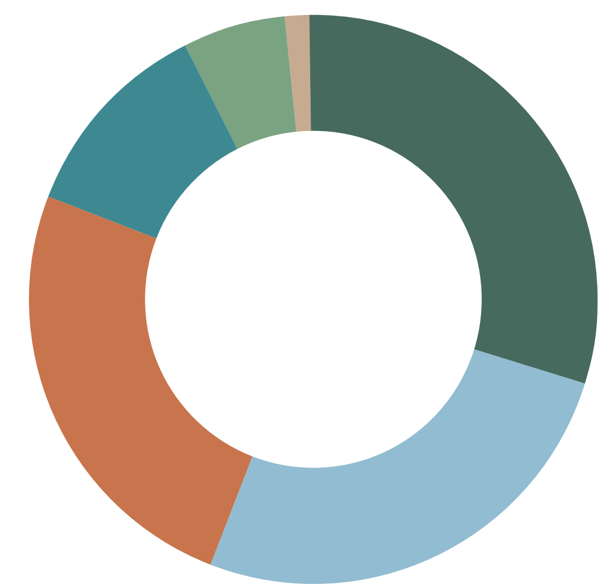
In addition, each investment must meet all financial minimum thresholds as well as the fund's core ESG integration requirements. The final ESG assessment may also influence the internal rating assigned to a commercial mortgage property. All qualifying mortgages undergo a "Do No Significant Harm" assessment to ensure they do not cause adverse environmental impacts, such as biodiversity loss or significant pollution, or negatively affect local communities.

As at December 31, 2025, the fund's investments were allocated across the following eco-social themes.

Figure 10: Eco-Social themes and focus areas[10]

Eco-social themes	Focus areas	Related SUSTAINABLE DEVELOPMENT GOALS
Affordable housing	• Affordable housing • Co-operative housing	1 NO POVERTY; 10 REDUCED INEQUALITIES; 11 SUSTAINABLE CITIES AND COMMUNITIES
Green buildings	• Energy efficiencies • Renewables • Advanced water and waste management	6 CLEAN WATER AND SANITATION; 7 AFFORDABLE AND CLEAN ENERGY; 11 SUSTAINABLE CITIES AND COMMUNITIES; 13 CLIMATE ACTION
Underrepresented groups	Borrower entity owned and controlled by: • Visible minorities • Women • Persons with disabilities • 2SLGBTQI+ • Indigenous Peoples	5 GENDER EQUALITY; 8 DECENT WORK AND ECONOMIC GROWTH; 10 REDUCED INEQUALITIES
Cultural and Community facilities	• Arts facilities and museums • Recreation facilities • Heritage buildings (verifiable heritage designation or equivalent) • Registered charities	1 NO POVERTY; 10 REDUCED INEQUALITIES; 11 SUSTAINABLE CITIES AND COMMUNITIES
Health and Education	• Hospitals, healthcare and social services facilities • Educational institutions • Senior and supportive housing • Student housing	1 NO POVERTY; 3 GOOD HEALTH AND WELL-BEING; 4 QUALITY EDUCATION

Figure 11: Investment allocation by themes



Themes	(%)	Loans
Green buildings	31.9	18
Underrepresented groups	27.4	10
Health and education	26.5	10
Cultural and community facilities	12.1	4
Non-impact	6.4	3
Affordable housing	1.2	2

[10] United Nations

Case Study: Vancouver Island Health Care Centres

Health Care and Social Services Facilities, British Columbia

Theme Impact Health & Education
Focus Areas Health Care Facilities and Social Services Facilities

Investment

$18.7 million mortgage to refinance debt on three newly built primary care centres in Nanaimo, Ucluelet, and Duncan, BC, leased to the Vancouver Island Health Authority until 2035.

The loan provides a 25-bp spread premium and a conservative 20-year amortization, enhancing our exposure to essential-service medical office assets and aligning with our impact-investing objectives.

Security includes full recourse to the borrowing group and a 20% limited personal guarantee. The sponsor has a strong track record in developing purpose-built medical facilities for the Health Authority, with net worth equivalent to 50—99% of the loan amount.

Impact Outcome

The centres will offer critical access to team-based primary care in growing and underserved communities and alleviate pressure on emergency care facilities in the region.

Potential Impact Metrics

The three facilities are expected to support over 142,000 patient visits annually in growing rural communities.

Investment Metrics

Coupon: 5.20% | Loan to value (LTV): 71% |
Debt service coverage ratio (DSCR): 1.29x | Maturity: January 1, 2036 |
Term: 10 years | Amortization: 20 years

Image: Vancouver Island Health Care Centres

Case Study: District Lupel

Energy Efficiency Installations and Upgrades/Retrofits in Trois-Rivières, Québec

Theme Impact Green Buildings
Focus Areas Energy Efficiency Installations and Upgrades/Retrofits

Image: District Lupel

Investment

The District Lupel project is a historical flagship industrial property for the city of Trois-Rivières, dating back to the pulp-and-paper era.

Phase 2 of the District Lupel redevelopment enhances the property's value and long-term viability. The project is transforming the former Cascades Lupel industrial complex into an agro-food accelerator, adding 125,000 square feet of new industrial space purpose-built for production, processing, storage and distribution by food and agri-processing companies.

The investment offers a strong floating-rate return with a floor, locked at an opportune time during a higher interest rate environment.

Impact Outcome

Retrofitting the abandoned industrial site with a high-performance solar wall and a mixed water loop—a single water system that circulates throughout the building, enabling efficient heating, cooling, and waste-heat recovery—reduces its ecological footprint.

Potential Impact Metrics

- 56.7% reduction in current energy consumption compared to baseline
- 1,270 tCO_2e/year reduction (representing 98.8% of GHG emissions)
- $162,350/year savings in energy costs

Investment Metrics

Coupon: 6.95% | LTV: <70% | DSCR: >1.30x | Maturity: October 10, 2028 | Term: 3-years

Case Study: Cambridge Manor

Seniors and supportive housing in Calgary, Alberta

Theme Impact Green Buildings | Health and Education
Focus Areas Energy Efficiency Installations and Upgrades/Retrofits
Seniors and supportive housing

Image: District Lupel

Investment

This facility, awarded Built Green Gold, offers Assisted Living and Long-Term Care for seniors backed by an established non-profit charitable foundation. Moreover, security offers exposure to strong credit fundamentals and low leverage.

The investment combines exposure to top tier loan metrics with positive social and environmental outcomes.

Impact Outcome

The investment delivers a meaningful social impact by expanding access to quality seniors' care while simultaneously lowering the ecological footprint of an energy-intensive property shown by its Built Green Gold certification.

Potential Impact Metrics

- 32.4% energy performance improvement against industry standard
- 158 long-term-care beds with 60 beds dedicated to memory care 56 private assisted living beds and 26 private pay beds

Investment Metrics

Coupon on $28.4m: 3.67% | Coupon on $10m: 3.77% | LTV: <50% | DSCR: >2.00x | Maturity: May 1, 2051 | Term: 30 years

Climate Transition Equity Pooled Funds

To help our clients meet their net-zero goals, we developed two Climate Transition Equity Funds, one Canadian and one international. As a Canadian asset manager, we recognize that achieving Canada's net-zero goals will require a cross-sector approach.

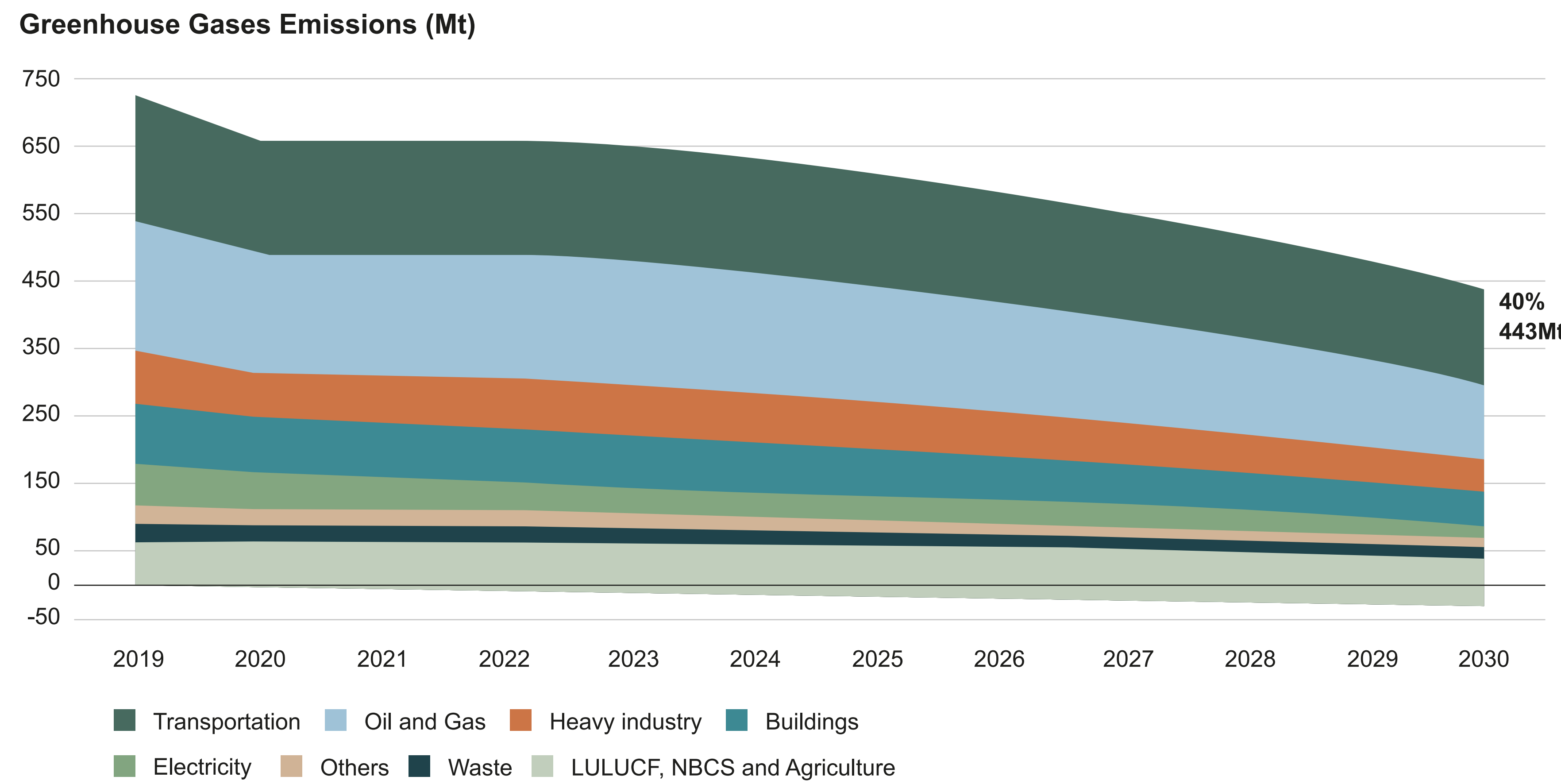
Figure 12 highlights the pathway for Canada to reach its 2030 emissions reduction target, categorized by sector.

Our Climate Transition Equity Funds are designed to support decarbonization across all major economic sectors through strategic investment decisions, our proprietary framework and proactive engagement. We conduct rigorous analysis and due diligence to assess companies' climate transition commitments and monitor their progress. Our active engagement focuses on high-emitting sectors such as oil and gas, heavy industry, transportation, consumer goods, and agriculture, encouraging companies to decarbonize their operations and respond to climate-transition opportunities, while adapting to associated risks.

Companies in the Canadian and International Climate Transition Equity Pooled Funds have demonstrated greater climate-transition maturity than their respective benchmarks, the S&P/TSX Composite Index and MSCI EAFE (see Figure 13).

Progress has not been linear, however. In recent years, some companies have stalled or reversed earlier climate transition commitments in response to geopolitical, economic, and regulatory headwinds, particularly in North America. For example, in early 2025, several of Canada's largest financial institutions withdrew from the net-zero Banking Alliance, signaling a broader retrenchment in corporate climate action.

Figure 12: Canada's pathway to 2030



Government of Canada 2030 Emissions Reduction Plan

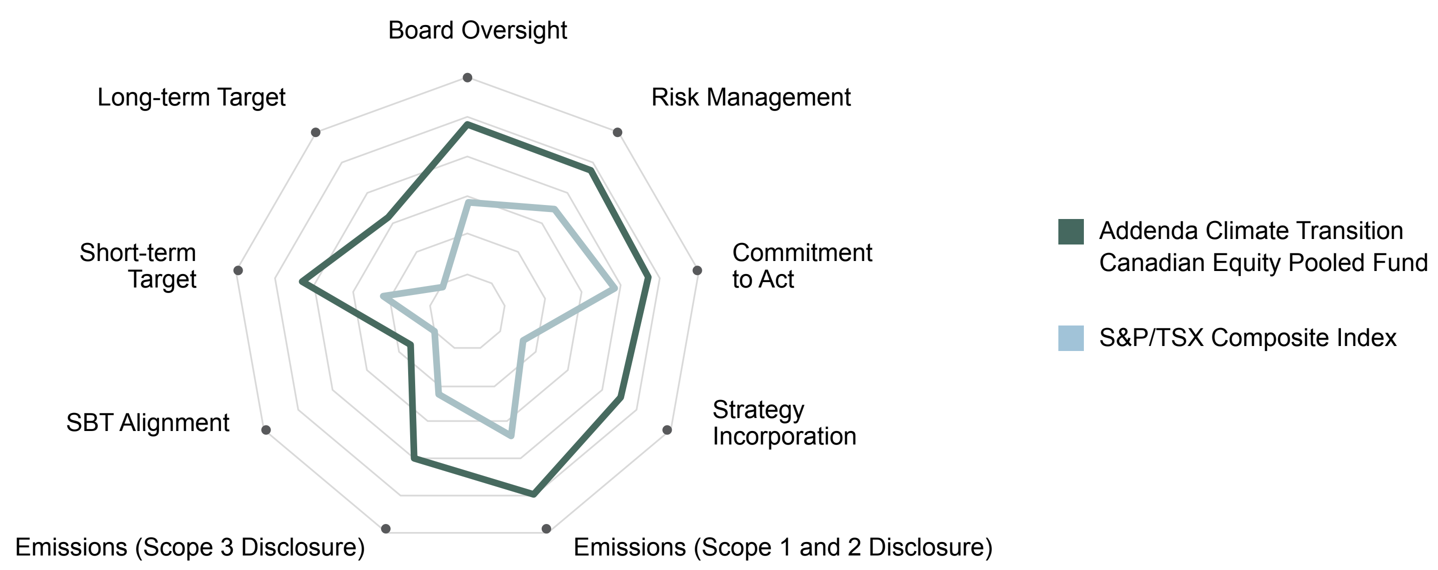
Political shifts, including debates over industrial carbon pricing and the introduction of anti-greenwashing laws in Canada, have created uncertainty about the path forward for many sectors.[11] A supportive policy environment is essential to signal that long-term decarbonization remains a priority and that sustained investment in the transition offers a competitive advantage. With conflict affecting many regions globally, energy security has become an increasingly important consideration. Diversifying local renewable energy generation, which can often be deployed more quickly than fossil fuel or nuclear energy systems, will be an increasingly important factor.

Engagement is a cornerstone of our Climate Transition Equity Funds. We regularly meet with investee companies to encourage ambitious climate commitments and share best practices, even amid ongoing headwinds. As of December 31, 2025, we held 28 strategic engagement meetings with international and Canadian companies, discussing topics such as climate transition plans, scenario analysis, capital expenditure programs, climate-misaligned lobbying activities, and compensation alignment with climate goals.

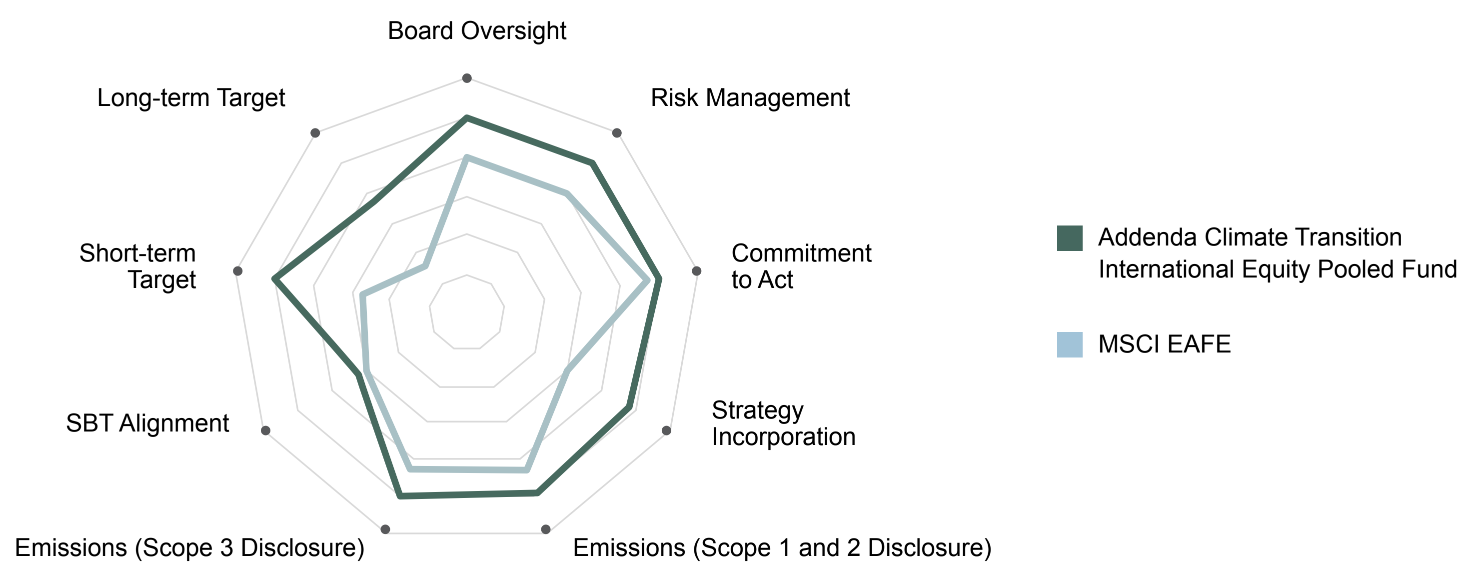
For information on the funds' carbon emissions reduction performance, please see the Appendix.

Figure 13: Climate Transition Maturity of the Climate Transition Equity Pooled Funds as at December 31, 2025 versus benchmarks*

Canadian Climate Transition Fund



International Climate Transition Fund



[11] 4 of Canada's biggest banks leave Mark Carney-led climate initiative — CBC News
*The axis represents the percentage of companies in the portfolio or benchmark that align with each climate transition metric. The farther from the center, the higher the value.

Climate Transition Case Studies

Wheaton Precious Metals
Canadian Equity Pooled Fund

Wheaton Precious Metals is a Canadian multinational precious metals streaming company. Wheaton represents a strong climate transition investment, with a portfolio that includes metals critical to clean technologies such as silver for solar panels and cobalt and platinum group metals (PGMs), including platinum and palladium, for batteries and hydrogen applications. While most of Wheaton's emissions are attributed to its mining partners, the company has meaningfully influenced decarbonization across its value chain—86% of its 2023 Scope 3 financed emissions are now linked to science-aligned reduction targets.[12] Wheaton also pairs this influence with financial support for its partners' onsite decarbonization, guided by its dedicated Climate Solutions Committee.

In a direct engagement with Wheaton's Board, Addenda confirmed that strong governance is a key enabler of this continued progress. Directors highlighted that active board encouragement and incentives for management are essential to driving climate action across Wheaton's streaming network. With its Science-based Targets Initiative (SBTi) validated targets, transparent reporting, and an aspirational net-zero goal, Wheaton's influence across the mining value chain and focus on critical minerals position the company as a meaningful enabler of lower-carbon mining and a contributor to the broader energy transition.

Taiwan Semiconductor Manufacturing Company
International Equity Pooled Fund

TSMC is the world's largest dedicated semiconductor foundry, serving major tech firms like Apple, AMD, and NVIDIA. Despite geopolitical and tariff-related challenges, TSMC keeps its most advanced operations in Taiwan while expanding globally to reduce risk. Growth is supported by trends such as AI, digitalization, and the onshoring of tech supply chains, supporting strong long-term demand for advanced chips.

TSMC's competitive moat is built on decades of technical expertise, high customer switching costs, specialized supply chain management, and a unique position as the leading pure-play foundry for advanced nodes, making it exceptionally difficult for new entrants to displace the company.

TSMC has articulated clear climate transition commitments. It has pledged to achieve Net-Zero emissions by 2050 through sustained investment in green initiatives and the deployment of energy saving and carbon-reducing technologies. By 2030, the company aims to source 60% of its electricity from renewable energy across all operations while catalyzing a low carbon supply chain among its partners and suppliers. TSMC is also advancing low carbon product innovation, including the research and development of ultra-low power (ULP) chips that can reduce lifecycle emissions through improved energy efficiency in end use.

Key engagement priorities centre on integrating material Scope 3 emissions into the company's 2030 reduction target, accelerating progress in domestic renewable energy sourcing to support steady decarbonization, and thoughtfully balancing the emissions profile of operations with the rapid growth in AI chip demand. These focus areas are intended to help ensure that TSMC's decarbonization pathway remains credible, aligned with business realities, and responsive to the broader system-wide transition underway across the semiconductor value chain.

[12] Wheaton Precious Metals 2024 Climate Report

Images: Wheaton Precious Metals, Taiwan Semiconductor Manufacturing Company

Fossil Fuel Free Global Equity Pooled Fund

Our Fossil Fuel Free Global Equity Pooled Fund offers diversified access to global equities while intentionally excluding companies whose business models remain significantly tied to the fossil fuel sector. The fund is an effective tool for investors seeking global equity exposure with an intent to reduce their exposure to fossil fuels.

By eliminating exposure to fossil-dependent business models, the fund reduces the portfolio's sensitivity to transition risks such as tightening climate regulations and carbon pricing. Based on our screening criteria, the fund excludes issuers deriving more than 10% of their revenue from activities such as extracting, producing, refining, or transporting fossil fuels; supplying equipment and services to those industries; or generating electricity using fossil fuels.

4

Stewardship

Policy and Standards Advocacy

Stewardship is a core component of our approach to enhancing long-term investment performance and advancing positive sustainability and climate outcomes for our clients. We define stewardship as active engagement with public policymakers and standard setters to promote sustainable financial markets and support the real-economy transition. It also includes direct engagement with investee entities and the exercise of proxy voting rights.

We believe that engagement can help drive change across entire industries and sectors by improving disclosure, transparency and performance. These improvements enable investors to better integrate critical issues, including climate change and human rights, into their decision-making.

Addenda is committed to proactively advancing climate policies, promoting sustainable financial markets, and supporting the integration of climate and sustainability considerations into standard setting, disclosure, and transparency efforts. We advocate for improved, standardized sustainability and climate-related reporting and risk management practices, and we continue to collaborate with investors and issuers to drive progress in these areas.

Over the past year, our systems-level stewardship focused on and continues to focus on the following priority areas:

- Identify and promote standards, policies, and regulatory frameworks that support the development and adoption of sustainable finance best practices.
- Advocate for clear and consistent industrial carbon pricing by engaging with the federal government, including co-signing a letter with Co-operators to the Canadian Prime Minister highlighting the importance of industrial carbon pricing to provide regulatory certainty and support investment in carbon emissions reduction projects in Canada.
- Through engagements with the Transition Accelerator, New Economy Canada, and the Canadian Climate Law Initiative, we help shape sustainable finance frameworks and transition finance guidelines for a low-carbon future.
- Provide feedback and support for initiatives to cap methane emissions, recognizing methane as a particularly potent greenhouse-gas emission source.
- Participate in key industry policy groups, such as the Responsible Investing Association (RIA) Policy Group and Canada Climate Law Initiative (CCLI) advisory committee, to shape positions on sustainable finance, disclosure, and market transparency.
- Offer detailed feedback to the Canadian Sustainability Standards Board (CSSB) as part of its consultation process on Canadian Sustainability Disclosure Standards CSDS 1 and CSDS 2.
- Champion climate action and impact investing by supporting major investor network initiatives, including Climate Engagement Canada and Climate Action 100+, co-authoring public policy advocacy on carbon pricing, contributing to national impact investing research through the Canadian Impact Investing Working Group (CIIWG)
- Submit input on transition planning to the Taskforce on Nature-related Financial Disclosures (TNFD), emphasizing the need to integrate nature, climate, and social considerations into comprehensive transition plans.
- Deepen our commitment to Just Transition and Indigenous Peoples' rights by incorporating these priorities into our public policy advocacy and investor collaborations. This included co-hosting a national roundtable to explore an Indigenous Sustainable Finance Framework with the First Nations Major Projects Coalition (FNMPC) and First Nations Financial Management Board (FMB).
- Through the above collaboration we published findings and recommendations on developing an Indigenous Sustainable Bond Framework to increase access to affordable financing and help address the Indigenous infrastructure investment gap.

In 2025, we enhanced our collaborative efforts across multiple complementary initiatives, including the CDP Non-Disclosure Campaign, the Canadian Impact Investing Working Group, SHARE coordinated engagements on workers' rights and Indigenous reconciliation, and cross-sector coalitions such as Electrifying Canada and New Economy Canada. Through these initiatives, we continue to partner with leading investors to drive progressive corporate action on climate change, nature loss, water risks, equity, and the transition to a low-carbon, inclusive economy.

Development of Canada's Green and Transition Taxonomy with Business Future Pathways

Addenda is actively engaged in the Business Future Pathways' collaboration to develop Canada's Green and Transition Taxonomy. This initiative is vital to build the economy of the future: a credible, science-aligned taxonomy offers the clarity, consistency, and market confidence needed to direct capital toward activities that truly advance Canada's transition to a net-zero economy. By reducing the risk of greenwashing, enhancing the comparability of disclosures, and enabling investors, regulators, and companies to align financing decisions with national climate commitments and global best practices, a well-designed taxonomy serves as a cornerstone for effective progress.

As Canada moves toward implementation, the next few years will be critical. This period will require ongoing consultation, application testing, and sector-specific guidance, alongside efforts to harmonize the taxonomy with international frameworks for greater interoperability. Addenda remains committed to providing expertise and leadership as the framework evolves, supporting the development of practical, credible tools for financial institutions, issuers, and stakeholders across the real economy.

Corporate and Investee Engagement

Approach

We engage investee entities, including both companies as issuers of shares or bonds including governments and development banks, in focused dialogue on key issues, informed by research and an understanding of their operating environment. This informs our direct engagements and proxy voting decisions, as well as our collaborative initiatives. We engage with company management on issues where we seek a deeper understanding of their approach, or if we have specific concerns about a company's strategy, governance, compensation, and risk management, performance or disclosures. We perform our investment-related engagements through our internal due diligence and asset management processes, and by participating in strategic external collaborative engagement initiatives.

Assessing sustainability practices, performance and outcomes in the real economy and promoting sustainability practices will help us protect and enhance the value of our clients' investments. Sound business practices include respecting the rights and perspectives of Indigenous Peoples, as well as monitoring and engaging on any potential violations of global human rights and standards, including labour rights. Figure 14 presents our recent core engagement themes. For additional details on our engagement activities, including our escalation approach, please refer to our latest Stewardship Policy.

Figure 14: Addenda's engagement themes and criteria

- Climate change
- Nature
- Human rights and Indigenous reconciliation
- Governance

Collaborative engagement

Collaboration is central to our stewardship approach. We work with other investors and industry groups to engage investee companies on shared priorities and drive measurable outcomes. Since 2018, we have participated in many investor-led initiatives such as Climate Action 100+ engaging directly with some of the world's largest corporate greenhouse gas emitters.

In 2021, we were one of the founding participants of Climate Engagement Canada (CEC), an investor-led engagement initiative that facilitates structured dialogue between the financial sector and industry to promote a just transition to a net-zero economy. Through strategic advisory roles with the Responsible Investment Association (RIA), our CEO supported the RIA and the Shareholder Association for Research and Education (SHARE) in establishing a joint secretariat for CEC. We co-lead CEC engagement teams for ATCO, Enbridge and Loblaw.

We expanded our collaborative efforts in 2023 by joining Nature Action 100 and Ceres Valuing Water Finance Initiative, working alongside other investors to engage investee entities to take progressive action on climate change, nature, biodiversity and water stewardship.

In 2025, Addenda's CEO Roger Beauchemin actively participated on two advisory bodies dedicated to sustainable transition and responsible finance. He serves on the Advisory Council of the Transition Accelerator, an organization advancing systemic solutions toward a net-zero economy, and on the Advisory Board of the Institute for Sustainable Finance (ISF) as an external advisor, where he supports research and the promotion of best practices in sustainable finance across Canada.

In 2025, our Sustainable Investing team conducted 34 strategic engagements with 28 companies. Of these engagements, 43% focused on environmental topics, with climate transition a key priority. We also engaged on Indigenous Truth and Reconciliation, nature and biodiversity, as well as public policy and governance issues.

Figure 16 highlights that in 2025, our stewardship efforts were primarily focused on climate transition and Indigenous rights along with a number of other critical issues such as biodiversity, lobbying, water, reporting, transparency, board composition, compensation, and cybersecurity.

In addition to the activities in Figure 16, we also supported engagement efforts led by SHARE, which is not reflected in the graph. In addition to our direct strategic engagements, our partnership with SHARE resulted in engagement with 147 companies on climate, Indigenous Reconciliation, decent work and inequality, social impacts, and resilience. SHARE also filed 11 shareholder proposals. Of the 147 companies engaged through SHARE, we hold positions in 140.

Addenda voted in favour of hybrid AGMs on several recent shareholder resolutions where majority support was obtained, including at Air Canada, Bank of Montreal and Royal Bank of Canada.

Climate Action 100+

Nature Action 100

Ceres

CLIMATE ENGAGEMENT CANADA

Valuing Water Initiative

Stewardship in an evolving disclosure landscape

The year 2025 was marked by significant headwinds for ESG disclosure in Canada. The Canadian Securities Administrators (CSA) paused work on its climate disclosure project, prompting us to encourage issuers to maintain transparency using widely recognized standards and to clearly communicate any changes in disclosure timing. The passage of Bill C-59, which amended the Competition Act to introduce explicit anti-greenwashing provisions, increased scrutiny of corporate disclosures by requiring companies to substantiate product claims with “adequate and proper testing”[13] and to meet higher standards for environmental assertions. As a result, many issuers became more cautious with their public sustainability disclosures and reporting. This shift was reflected in increased greenhushing[14]; for example, Pathways Alliance-member companies[15] removed sustainability-related content from their websites[16]. Analyses also showed a modest retrenchment among some S&P/TSX companies, primarily through the addition of disclaimers or the editing or withdrawal of select environmental disclosures by late 2024 and into 2025[17].

We responded to this heightened scrutiny of sustainability disclosure standards by implementing a pilot engagement initiative on board oversight of climate risks across a group of companies. This pilot concentrated on boardroom mechanisms most indicative of credible climate practices:

1. Clarifying committee mandates for climate oversight;
2. Defining and disclosing climate expertise of board members in the skills matrix;
3. Publishing a board education log with third-party involvement; and
4. Explicitly incorporating climate metrics into short and long-term management compensation plans.

We also intensified our advocacy for boards to include directors with demonstrated climate and sustainability expertise to fulfill their fiduciary obligations. Leaner public reporting under C-59 does not signal inactivity; rather, it underscores the need for investors to press for robust governance capabilities that demonstrate tangible progress and support credible sustainability programs as disclosure norms and reporting frameworks continue to evolve.

Figure 15: 2025 Engagement topic distribution (out of 82 total topics)

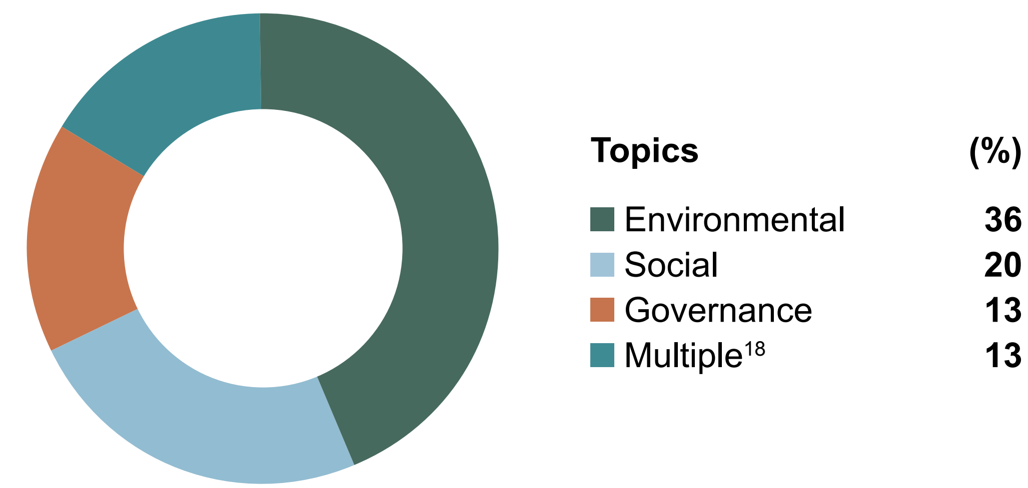
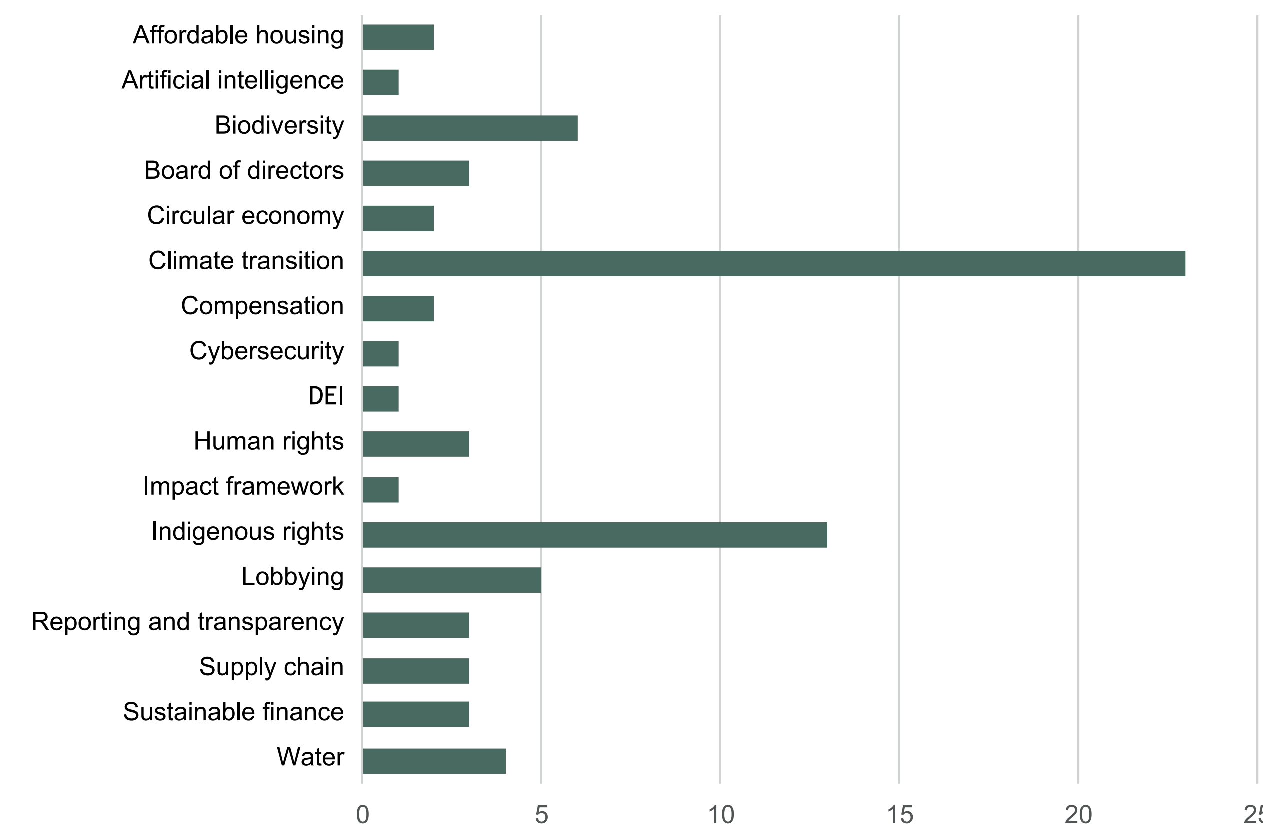


Figure 16: 2025 Strategic direct sustainability engagements by topic



[13]Competition Act, RSC 1985, c C 34, s 74.01(1)(b.1), as amended by Bill C 59, S.C. 2024
[14]“Greenhushing” can be define by an organization that intentionally downplay or avoid public communication about their climate/ESG targets and progress—often to reduce legal, political, or reputational risk—even if they continue the work internally (https://doi.org/10.1016/j.igd.2025.100222)
[15]Is a consortium of five major Canadian oil sands producers, Suncor, Cenovus, Imperial Oil, Canadian Natural Resources, ConocoPhillips, recently rebranded as the Oil Sands Alliance—collaborating on emissions-reduction projects such as a proposed carbon capture and storage network, with a stated goal of reaching net-zero by 2050.
[16]*Canadian oil industry group pulls climate messages over anti-greenwashing rules* | Reuters
[17]*Unpacking Big Oil’s fierce pushback against new truth-in-advertising rules* | Canada’s National Observer: Climate News
[18]“Multiple” refers to topics that may concern several ESG topics at the same time (e.g., “Reporting and Transparency”).

Stewardship Case Studies

TD Bank

Annual General Meeting (AGM)

At TD's Annual General Meeting, Addenda pursued two key stewardship objectives: addressing TD's persistent anti-money laundering (AML) challenges amid substantial board changes and reaffirming our commitment to shareholder rights by backing hybrid annual meetings that offer both in-person and virtual participation.

Addenda also engaged in-person with TD board members during a period of significant change, as several directors retired amid ongoing AML-related challenges. Attendance allowed us to ask questions directly, observe board dynamics first-hand, and hold informal discussions with directors and management. We met two newly appointed directors and one continuing director, all with strong climate and sustainability expertise. These discussions clarified our expectations regarding board oversight of AML remediation, as well as broader governance and sustainability priorities. This engagement established a basis for ongoing dialogue with TD on AML progress and the integration of climate and ESG risks into board and management oversight.

Addenda also signaled our support of AGMs that allow both in-person and virtual participation to ensure meaningful shareholder engagement. This work builds on our previous initiative with 34 investors, collectively managing approximately $1.7 trillion in assets, who signed a letter to all TSX 60 companies advocating for hybrid AGMs to protect shareholder rights. TD has confirmed its commitment to a hybrid format, maintaining an in-person meeting while also allowing virtual participation. We view this approach as essential for expanding access, preserving in-person accountability, and ensuring shareholders have equitable opportunities to ask questions, follow-up, and hold boards to account.

Symrise

Climate, Nature, and People in a Circular Economy

Symrise, headquartered in Germany, is a global supplier of flavours, fragrances, and cosmetic ingredients that shape the taste, scent, and performance of everyday products. Partnering with major brands, Symrise works collaboratively to develop both natural and synthetic solutions, with a public commitment to biodiversity and environmental stewardship. Nature is core to their business: Symrise's vast, primarily nature-based supply chain spans roughly 10,000 materials (about 85% sourced directly from nature) and nearly 200 notable natural supply chains. This was our first engagement with Symrise, during which we met with the Chief Sustainability Officer to discuss the connection between biodiversity and their operations. The company is in the process of developing a Nature Transition Plan as it shifts from a project-based approach to a broader, large-scale application of its impacts on nature.

Lessons from European engagements directly inform and strengthen our work with Canadian and other North American companies, allowing us to provide practical examples for better managing sustainability risks and opportunities. We also examined how its supply chain supports and amplifies these efforts. We were encouraged to see that Symrise continues to partner with reputable initiatives, such as the Union for Ethical BioTrade[19].

Symrise recently reviewed its 20 highest carbon-emitting materials and has started developing business cases to achieve rapid emission reductions. We recommended making the R&D pathway more transparent and clearly demonstrating how suppliers beyond Tier 1[20] contribute to Scope 3 reductions and biodiversity outcomes.

As Symrise prepares to communicate its updated program, we will look for a concise, investor-focused dashboard and clear evidence of delivery. Key indicators include:

- A credible Scope 3 emissions reduction pathway supported by supplier initiatives.
- Broader application of decent-work standards across the supply chain.
- Ongoing progress in scaling regenerative agriculture in priority supply chains.

[19]The Union for Ethical BioTrade (UEBT) is a non-profit association that promotes the ethical sourcing of ingredients from biodiversity, emphasizing biodiversity conservation, sustainable use of natural resources, and fair and equitable benefit-sharing across supply chains. (About UEBT — UEBT)
[20]«Beyond Tier 1» suppliers encompass all upstream partners that support your direct supplier (Tier 1)—including Tier 2, Tier 3, and further. These participants operate deeper within the supply chain, delivering raw materials, components, or services to your Tier 1 suppliers. Typically, organizations have limited direct engagement with these upstream actors, yet they are critical to supply chain resilience and responsible sourcing. — Images: TD Bank, Symrise

Proxy Voting

Approach

Our proxy voting approach promotes the long-term performance and sustainable success of companies for shareholders and other stakeholders. We consider each ballot item, with the help of Institutional Shareholder Services (ISS), and determine how to vote in a manner consistent with the guidelines outlined in our Proxy Voting Policy. This policy includes guidelines on multiple sustainability issues, such as climate change, oversight of environmental and social risks and opportunities, diversity, equity and inclusion, Indigenous Reconciliation and human rights. In the past several years, we also observed a rise in proposals tied to the use of artificial intelligence.

Results

During the 2024–2025 proxy season, we used our voting influence to encourage issuers to enhance disclosure and performance across key sustainability themes while encouraging strong governance and labour practices. Our proxy voting decisions reflect our ongoing commitment to promote greater transparency and stronger performance on sustainability, climate-related practices, and emerging topics such as Generative Artificial Intelligence (GenAI).

Support levels varied by topic. We demonstrated particularly strong support for climate-related proposals, voting in favour of 87% of such resolutions. Our support was similarly high for artificial intelligence—related proposals, at 88%. Our favourable votes on AI proposals were primarily driven by concerns around data acquisition practices and privacy risk management.

In contrast, our aggregate support for DEI and human rights proposals was lower. This was largely due to the 2025 proxy landscape, which featured many proposals seeking to roll back or restrict existing DEI and ESG-related practices. Consistent with our stewardship priorities, we generally voted against proposals that would weaken established DEI frameworks or undermine responsible governance. Notably, when anti-ESG proposals are excluded, our support for DEI and human rights-related resolutions increases materially, underscoring our continued commitment to inclusive workplaces, respect for human rights, and strong governance. Lower support for human rights proposals mainly arises from concerns about proposal quality and redundancy with current company practices, not from disagreement with human rights principles.

Abstentions or votes against can occur when we agree with the spirit but not the specifics of a proposal.

For more detail, see our Proxy Voting Dashboard.

Figure 17: Proxy voting snapshot[21]

	Votes in favour shareholder resolutions	Total number of shareholder resolutions voted on
Climate	87%	31
Diversity, Equity and Inclusion (DEI)	29% (90% excluding anti-ESG proposals)	34
Human rights	36% (42% excluding anti-ESG proposals)	14
Artificial intelligence	88%	17

[21]Between July 2024 and June 2025

Advocacy and Industry Collaboration

Joining forces with other like-minded investors and stakeholders significantly enhances our effectiveness in the promotion of sustainable financial markets. We participate in investor initiatives, working groups, consultations, and conferences to leverage internal resources, contribute our expertise, share tools, pool resources, and gain access to enhanced sustainability-related data and insight.

Figure 18: Advocacy and industry collaboration

Industry group	Addenda Capital involvement
Business Future Pathways	• Both Co-operators and Addenda participating through different committees to support development of Canada's Sustainable and Climate taxonomy. • Co-authored a letter with Co-operators in support of carbon pricing, aligning policy engagement, strategic investment, and operational decision-making to advance credible climate-transition planning, decarbonization, and resilience.[22]
Canada Climate Law Initiative / L'Initiative canadienne de droit climatique	• Participated on CCLI's advisory committee and engaged in its work on sustainable finance policy, including sustainability disclosure and related issues.
Government of Canada / Gouvernement du Canada	• Co-signed a letter with Co-operators to Prime Minister Carney expressing strong support for Canada's industrial carbon pricing mechanism as a foundation for economic competitiveness and decarbonization[23].
Canadian Sustainability Standards Board (CSSB)	• Submitted feedback to the CSSB supporting alignment with global sustainability standards and advocating for mandatory disclosures under CSDS 1 and CSDS 2 • Emphasized stronger Indigenous inclusion aligned with UNDRIP and FPIC, and encouraged the CSSB to play a more active role in supporting adoption of the standards and engaging Canadians in ISSB biodiversity initiatives.
IFRS	• Submitted input to the consultation on Climate-related and Other Uncertainties in the Financial Statements.
New Economy Canada.	• Participated as a member of a national collaboration of 60 organizations across 10 sectors, delivering a unified message to governments calling for faster and more ambitious action to: - Advance economic reconciliation with Indigenous Nations and Peoples; - Increase the supply of clean energy and related infrastructure; - Accelerate investment in skills training; and support clean innovation to maintain competitiveness across industrial sectors. • Participated in Federal Advocacy Day, the NEC Summit, and the New Economy Canada's Ontario Lobby Day in support of ongoing advocacy efforts.
TNFD Taskforce on Nature-related Financial Disclosures	• Engaged with TNFD to support better integration of nature, climate, and social factors into business planning, and to encourage clearer, more practical guidance and templates for credible nature transition plans.

[22] Let's Focus on Solutions – Climate Value Creation for Business and Communities
[23] Co-signed a letter with Co-operators to Prime Minister Carney

Figure 19: Collective engagement and industry collaboration

Industry group	Addenda Capital involvement
Climate Action 100+	• Member of this investor-led initiative working collaboratively to advance the clean energy transition in line with the goals of the Paris Agreement. • The initiative supports coordinated engagement with more than 160 of the world's most systemically important corporate greenhouse gas emitters to drive climate action.
Climate Engagement Canada	• Founding member of Climate Engagement Canada (CEC) and participant on its Steering Committee. • CEC supports engagement with Canada's largest corporate greenhouse gas emitters and publishes an annual net-zero assessment. • Currently leading three CEC company engagements and participating in seven collaborative CEC engagements.
Ceres; Valuing Water Initiative	• Member of the Ceres Investor network, which provides regular communications on US and global climate change and sustainability issues relevant to investors. • Active participation includes several working groups and a strategic advisory role in the Ceres Valuing Water Finance Initiative, which engages highly water-dependent companies on water stewardship practices.
Nature Action 100	• Member of Nature Action 100, a global investor engagement initiative focused on driving greater corporate action to reverse nature and biodiversity loss.

Figure 20: Industry partnerships

Industry group	Addenda Capital involvement
Canadian Bond Investors' Association / Association canadienne des investisseurs obligataires	• Membership allows for opportunities to provide input on position statements regarding developments in the Canadian fixed-income market. • Represented on the Association's ESG Working Committee and Carl Pelland serving as Vice Chair of the CBIA.
Canadian Impact Investing Working Group (CIIWG)	• Contributed to the release of the report "Scaling Impact Investing in Canada Through Mobilizing Asset Owners".
ELECTRIFYING CANADA — AN INITIATIVE OF THE TRANSITION ACCELERATOR	• Participates in this Transition Accelerator initiative focused on widespread electrification to support an affordable, resilient, and clean energy system for Canada's economic development. • Roger Beauchemin, Addenda's CEO, serves on the board of directors of the Transition Accelerator, a national organization advancing transformational system change to address societal challenges and support pathways to net-zero greenhouse gas emissions by 2050. • Active member of the Transition Accelerator's multi-stakeholder Electrifying Canada initiative which is focused on developing solutions to accelerate electrification of the economy and the buildout of the low-carbon electricity system. • Provides expert analysis and research, convening for identifying challenges and developing solutions that are relevant regionally.
FIRST NATIONS MAJOR PROJECTS COALITION / NATOA	• Partnered with the FNMPC (First Nations Major Projects Coalition) and the FMB (First Nations Financial Management Board) to publish a white paper catalyzing the development of an Indigenous Sustainable Finance framework, aimed at attracting more financing to First Nation, Metis and Inuit communities in Canada by drawing on lessons learned from the success of the USD 5 trillion green and sustainable bond market[24].
Institute for Sustainable Finance	• Member of the Institute for Sustainable Finance (ISF), a multi-disciplinary network that brings together academia, the private sector and government to shape Canada's innovations in sustainable finance. • Participates on the advisory board of the ISF and is actively involved in participating in research and professional development initiatives.
The Net Zero Asset Managers initiative	• Is a member of NZAM, which aims to align capital with the objective of reaching net-zero emissions by 2050 or sooner, in line with efforts to limit global warming to 1.5 degrees Celsius. • Sets an interim target for the proportion of assets to be managed in line with net-zero objectives, with interim targets reviewed at least every five years. • Provides asset owners with information and analytics on net-zero investing, as well as TCFD-aligned disclosures.
RIA Responsible Investment Association	• Has been a Sustaining member of the Responsible Investment Association (RIA) since 2015, promoting the practice of sustainable investing in Canada. • Contributed to the RIA Policy Group by helping shape its submission to the Competition Bureau on Bill C-59, providing perspectives on how the proposed legislation could affect sustainable finance, market transparency and the ability of investors to access credible ESG information. • Representation also includes leadership involvement at the RIA, with the CEO serving as a member and former Chair.
SHARE	• Has a formal partnership with SHARE, focused on corporate engagement and training on human rights, labour, and Indigenous reconciliation, as well as selective collaboration on climate-related public policy issues. Recent examples include: - Participated with SHARE and TMX in a market opening to mark the United Nations International Day for the Elimination of Racial Discrimination, reinforcing our commitment to equity and inclusion. - Supported an investor letter to Amazon addressing freedom of association issues, specifically highlighting the shutdown of unionized warehouse operations in Québec. - Completed SHARE-led Indigenous training across the full investment team.
Québec Financial Centre for Sustainable Finance	• Joined other signatories in supporting a Finance Montréal–led initiative to strengthen the financial ecosystem, embed sustainable finance as a core pillar of Québec's financial sector, and position the province among leading international centres for sustainable finance.

[24] Success of the USD 5 trillion green and sustainable bond market

Thought Leadership

Addenda publishes thought leadership pieces regularly as a commitment to transparency and sharing knowledge with others. Below is a selection of 2025 insights related to sustainable investing strategy. For more, please visit our website.

Article

Let's Focus on Solutions – Climate Value Creation for Business and Communities.

Webinar posted on: June 4, 2025

Driving Positive Change through Impact Fixed Income.

A strategy that delivers sustainable outcomes without compromising on performance. This webinar also debunked common myths about impact investing.

Published on: May 12, 2025

Creating an Indigenous Sustainable Bond Framework: From Vision to Action.

(article 3 of 3 in the series)

Published on: May 6, 2025

Lessons Learned from the US$5 trillion Green Bond Market:

A Blueprint for Increasing Indigenous Finance.

(article 2 of 3 in the series)

Published on: April 29, 2025

The $500 billion gap: Understanding Indigenous Finance Challenges in Canada.

(article 1 of 3 in the series)

Published on: April 4, 2025

Addenda Capital Invests $500,000 in Groupe TAQ Community Bonds.

Appendix

Acronym List

2SLGBTQI+	Two-Spirit, Lesbian, Gay, Bisexual, Transgender, Queer/Questioning, Intersex
AI	Artificial Intelligence
AUM	Assets Under Management
BOMA	Building Owners and Managers Association
CCLI	Canada Climate Law Initiative
CCIB	Canadian Council for Indigenous Business
CDP	Carbon Disclosure Project
CEC	Climate Engagement Canada
CEO	Chief Executive Officer
CFA	Chartered Financial Analyst
CIIWG	Canadian Impact Investing Working Group
CO_2e	Carbon Dioxide Equivalent
CSDS	Canadian Sustainability Disclosure Standards
CSO	Chief Sustainability Officer
CSSB	Canadian Sustainability Standards Board
DEI	Diversity, Equity and Inclusion
DNSH	Do No Significant Harm
ESA	Environmental Site Assessment
ESG	Environmental, Social and Governance
EU	European Union
EVIC	Enterprise Value Including Cash
FMB	First Nations Financial Management Board
FNMPC	First Nations Major Projects Coalition
GHG	Greenhouse Gas
ICMA	International Capital Market Association
IFRS	International Financial Reporting Standards
IIPWG	Investors and Indigenous Peoples Working Group
IPCC	Intergovernmental Panel on Climate Change
ISF	Institute for Sustainable Finance
ISS	Institutional Shareholder Services
ISSB	International Sustainability Standards Board
IT	Information Technology
LEED	Leadership in Energy and Environmental Design
LSEG	London Stock Exchange Group
NA100	Nature Action 100
NZAM	Net-Zero Asset Managers
NZAOA	Net-Zero Asset Owner Alliance
NZIF	Net-Zero Investment Framework
PAIR	Partnership Accreditation in Indigenous Relations
PCAF	Partnership for Carbon Accounting Financials
PRI	Principles for Responsible Investment
RAPs	Reconciliation Action Plans
RIA	Responsible Investment Association
RRI	Reconciliation and Responsible Investment Initiative/Institute
SBTi	Science-Based Targets initiative
SDG	Sustainable Development Goals
SHARE	Shareholder Association for Research & Education
SIC	Sustainable Investing Committee
TCFD	Task Force on Climate-related Financial Disclosures
TNFD	Taskforce on Nature-related Financial Disclosures
TSX	Toronto Stock Exchange
UNDRIP	United Nations Declaration on the Rights of Indigenous Peoples
USD	United States Dollar
WACI	Weighted Average Carbon Intensity

Carbon Footprint

Portfolios

We measure our portfolios' carbon footprint to gain insight into the direct and indirect climate impacts of our investment activities and the operations of our investee entities. We have been measuring the carbon footprint of our equity portfolios since 2015, as part of our commitment as a signatory of the Montreal Carbon Pledge (Figure 21).

Figure 21: Emissions performance of select Addenda funds

	Financed Emissions Intensity (tCO_2e/$M Invested)			Weighted Average Carbon Intensity (tCO_2e/$M Revenue)			Total Financed Emissions (tCO_2e)	
	2024	2025	vs Benchmark 2025	2024	2025	vs Benchmark 2025	2024	2025
Canadian Equity Pooled Fund	56.6	42.2	-29%	200.2	184.1	-8%	27,986	21,837
Climate Transition Canadian Equity Pooled Fund	46.5	34.6	-39%	196.6	187.7	-4%	3,621	3,284
S&P TSX Composite Index	77.1	56.0		243.7	219.5			
International Equity Pooled Fund	25.9	19.1	-30%	76.7	61.7	-21%	4,053	3,203
Climate Transition International Equity Pooled Fund	28.1	19.6	-35%	80.7	62.6	-25%	1,419	1,066
MSCI EAFE Index	62.0	50.6		87.3	117.8			
U.S. Equity Pooled Fund	7.5	6.5	-14%	39.9	39.0	-2%	2,311	2,019
S&P 500 Index	24.4	20.6		87.8	78.0			
Global Equity Pooled Fund	14.8	9.2	-47%	54.9	43.5	-23%	927	638
Fossil Fuel Free Global Equity Fund	14.8	9.2	-47%	54.9	43.5	-23%	324	218
MSCI World Index	33.6	28.1		89.8	90.8			
Impact Fixed Income Pooled Fund	51.3	63.0	-13%	204.5	254.6	17%	11,797	15,775
FTSE Canada Universe Bond Index	69.3	72.7		215.3	208.3			

Portfolio Carbon Footprint Metrics

Figure 22: Portfolio financed emissions and carbon intensity calculations

Portfolio Financed Emissions: Tons CO_2e/USD M Invested

Utility of the Metric	What is my portfolio's normalized carbon footprint per million dollars invested?
Calculation	$\frac{\sum_n^i \left(\frac{\text{Market value of investment (CAD)}_i}{\text{issuer's EVIC (USD)}_i} \right) \cdot \text{issuer's operational GHG emissions}_i}{\text{current portfolio value (millions of CAD)}}$
In-scope Asset Types	Equity and Corporate Fixed Income
Out-of-Scope Asset Types	Government bonds, Commercial Mortgages, Warrants, Derivative financial instruments, Cash and Money market

Weighted Average Carbon Intensity (WACI): Tons CO_2e/USD M Revenue

Utility of the Metric	What is my portfolio's exposure to carbon-intensive companies?
Calculation	$\sum_n^i \left(\frac{\text{Market value of investment (CAD)}_i}{\text{current portfolio value (CAD)}} \cdot \frac{\text{issuer's operational GHG emissions}_i}{\text{issuer's revenue (millions of USD)}_i} \right)$
In-scope Asset Types	Equity and Corporate Fixed Income
Out-of-Scope Asset Types	Government bonds, Commercial Mortgages, Warrants, Derivative financial instruments, Cash and Money market

Sources and quality of data: Corporate and investment portfolio reporting and accounting for carbon emissions is primarily voluntary and unregulated. Addenda's approach is guided by The Global GHG Accounting and Reporting Standard for the Financial Industry developed by the Partnership for Carbon Accounting Financials (PCAF) an industry-led partnership to facilitate transparency and accountability of the financial industry to the Paris Agreement. The PCAF Standard includes a data quality scale from 5 (lowest certainty/lowest score) to 1 (highest certainty/best score) to indicate the quality of data used in the calculation, which is represented in the Carbon Emissions Data Quality chart. Carbon emissions data is sourced from MSCI and Bloomberg, based on data availability. We use the most recent data available from the vendor each quarter which may result in aggregating underlying information from different reporting periods. Addenda will on occasion adjust the emissions data provided by these sources if we believe an error has occurred or more accurate and timely data is available or can be estimated. As such, it is possible that updates to the data are applied retroactively to results shared at an earlier date. Enterprise Value Including Cash (EVIC) and Revenue data are sourced from Bloomberg. Our carbon intensity metrics are calculated using USD for more global cross comparisons.

1

Scope of emissions

Our carbon metrics reflect Scope 1 and 2 emissions which are currently the most complete and robust available. Scope 1 refers to direct GHG emissions from an entity's owned and controlled sources. Scope 2 refers to indirect emissions from generation of energy. Scope 1 and Scope 2 greenhouse gas emissions are converted into equivalent tons of CO_2 as defined by the GHG protocol. We currently do not include Scope 3 emissions that occur in other areas upstream and downstream of the value chain as reporting and data quality is not yet sufficient. However, we do think this will improve in the future and recognize that for some industries and companies Scope 3 emissions can be far larger than Scope 1 and 2. We will look to include this analysis when data quality improves.

2

Labelled bonds

Due to data limitation, green and sustainable bonds are included in portfolio carbon footprint calculations based on the issuer's total emissions profile, in line with recognized standards (e.g., PCAF). The use of proceeds for environmentally beneficial projects does not alter the attribution of financed emissions to the issuer. Any reported impact metrics (such as avoided emissions or renewable capacity financed) are disclosed separately and should not be interpreted as reducing the portfolio's carbon footprint. Given new PCAF Use of Proceeds guidance (December 2025), our methodology for green and sustainable bonds is currently under review and in the future will likely be adjusted toward attribution based on financed projects, using use-of-proceeds-level estimates of GHG emissions from the current approach of issuer-level GHG emissions approach.

3

Carbon accounting in evolution and limits

While our data and methods reflect some of the best currently available, it has limitations due to varying methods companies use to calculate GHG, incomplete reporting and evolution of global standards and methods. Carbon accounting is also a point-in-time approach which may not fully reflect current or future carbon emissions developments of the holdings and portfolio. We anticipate more standardized and regulated reporting and disclosure in the future expect our methods will evolve to reflect these changes. We also recognize that carbon emissions metrics are one indicator of climate transition risk, and that many other climate indicators and analysis are required to get a comprehensive understanding of climate risks and opportunities.

4

Carbon emissions and regulatory reporting

If utilizing Addenda carbon emissions metrics for regulatory reporting we recommend providing the above methods and caveats also. Clients can also explore working with other third parties to calculate portfolio emissions to compare or to conduct verification and auditing services. The use of the term "Carbon emissions" refers to equivalent tons of CO_2 as defined by the GHG protocol. The term should be understood as including the seven greenhouse gas covered by the Kyoto Protocol such as carbon dioxide (CO_2), methane (CH_4) and nitrous oxide (N_2O) and others.

Addenda Operational Carbon Footprint

Addenda is included in our parent Co-operators' net-zero operational commitment to reduce emissions by 45% by 2030 and achieve net-zero by 2040. This commitment supports our efforts to reduce environmental impact while transitioning alongside our clients and investee entities. Key initiatives include reimbursing a portion of employees' public transportation costs, making carbon credits available when purchasing flights, contributing to emissions reductions and employee well-being. The footprint includes the following sources of emissions:

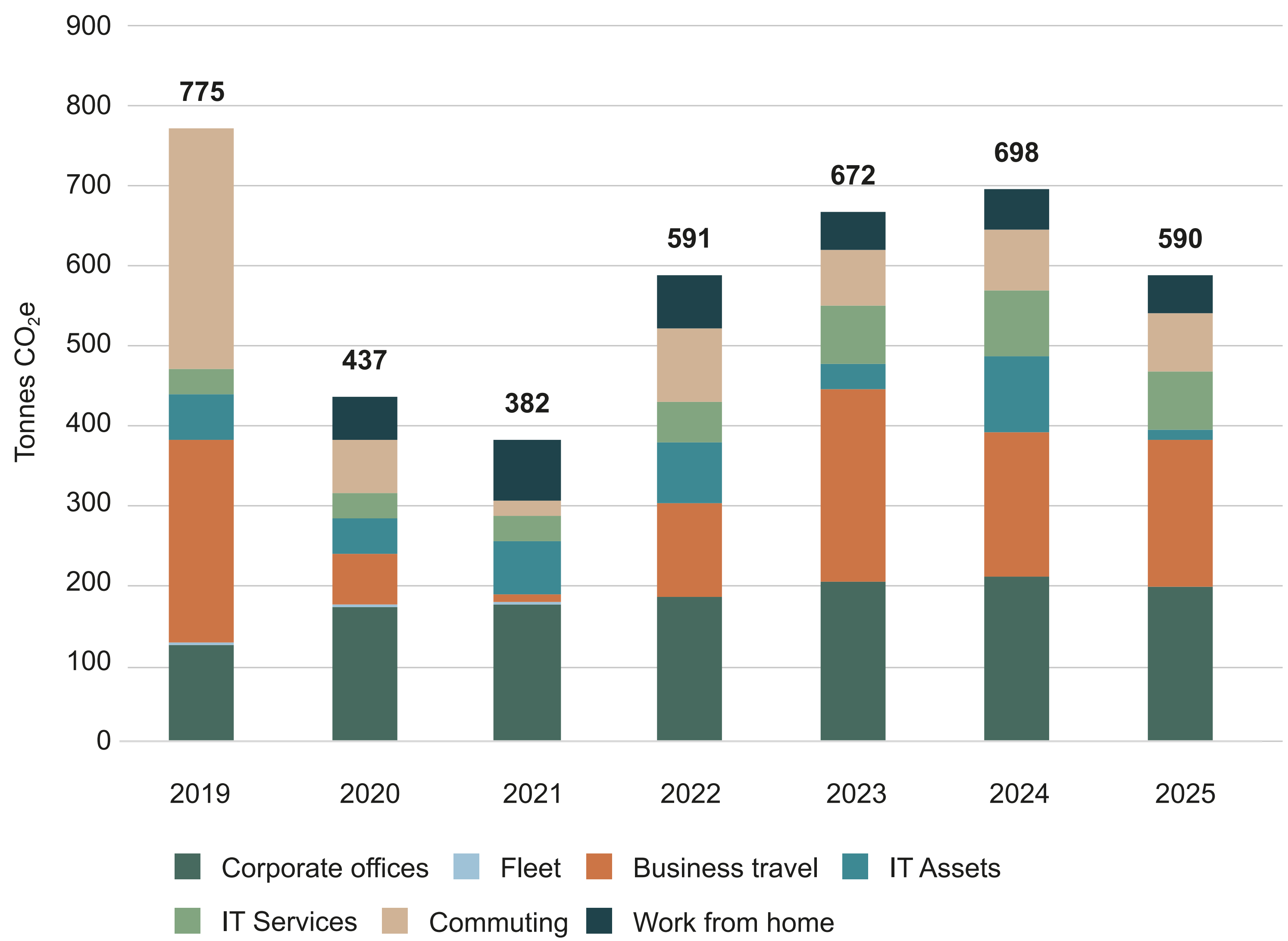
Scope 1
On-site natural gas, fleet

Scope 2
Off-site electricity and steam

Scope 3
Air travel, auto travel, Information Technology (IT) assets, IT services, employee commute, work-from-home electricity and natural gas

Figure 23 shows Addenda's 2025 operational footprint continues to decline from its pre-2020 baseline. After a pandemic-era drop in 2020 and a partial rebound as office use and travel normalized, 2025 shows a renewed downward trend, largely driven by efficiency gains in technology-related areas. Offices and commuting remain the main sources of emissions, while business travel remains limited. Fleet and work-from-home impacts are minimal. For more details on methodology, see Co-operators methodology here.

Figure 23: Our operational emissions by source



Climate Risk Management

Identifying, assessing and managing climate-related risks and opportunities

At Addenda, we continually try to improve our understanding of the various sustainability, physical and transition climate risks and opportunities relating to our investments. Although climate change can increase investment and economic risks, we believe it can also present significant opportunities. We are committed to evolving our practices and integrating these risks and opportunities into our portfolio construction, valuation and risk management practices, improving the resilience and performance of our investment portfolios over the long term. Our investment teams support this integration with each asset class developing a customized approach aligned with its specific investment processes where applicable.

The embedding of critical indicators such as carbon emissions metrics allows portfolio managers to optimize portfolio risk and return outcomes in line with carbon emissions goals. It also enables us to focus our engagement efforts on high-emitting issuers that have yet to establish credible transition plans, particularly where these holdings continue to play an important role in meeting liquidity, duration, or other portfolio management objectives. We are extending our carbon emissions reporting to newer asset classes such as commercial mortgage portfolios. We are also engaging on the need for clearer market practices related to carbon emissions related to green, sustainable and social bonds.

- Recognizing that understanding climate change and other portfolio sustainability characteristics is a journey we are committed to improving in the following areas: working with portfolio managers to deepen their understanding of climate transition to determine if they are eligible for our climate transition strategies and highlighting material climate risks or climate solutions investment opportunities.
- Driving engagement efforts with investee entities, with a focus on targeting those with potentially high sustainability and climate risks.

Risk management by asset class

Below, we summarize the risk management activities being conducted by our asset class teams to incorporate climate risks and opportunities. Aggregate and monitor individual property scores on a dashboard to identify, score and monitor property physical-risk intensity, level and portfolio impact.

Commercial mortgages

- Require borrowers to engage an environmental engineering firm to complete an environmental site assessment (ESA) to identify potential contamination issues for each property.
- Assess physical climate and natural hazard risk exposure across the entire portfolio.
- Consider green building certifications, such as LEED and BOMA BEST.
- Use London Stock Exchange Group (LSEG) World-Check to conduct due diligence, identify potential financial criminal activity and consider reputational risk.

Canadian equities

- Conduct risk assessments on a sector-by-sector basis and at the individual company level, including current portfolio holdings and potential investments.
- Facilitate meaningful engagement with investee entities to understand climate maturity and ambitions and help meet corresponding goals.
- Integrate identified risks and opportunities into the fundamental analysis for decision-making purposes.

Global equities

- Conduct a qualitative assessment of sector- and entity-specific material sustainability issues.
- Utilize key assessment metrics, including GHG emissions, science-based targets, energy use and emissions intensity.
- Collaborate with the Sustainable Investment team on engagement with investee entities to understand climate maturity.

Fixed income

- Conduct a qualitative assessment of sector- and entity-specific material sustainability issues.
- Complete green, social or sustainability bond assessments and risk summaries.
- Use a framework to understand and classify allocation of financing to green projects with criteria from best practice market frameworks, such as the EU Taxonomy, the Green Bond Principles and the Climate Bond Taxonomy.
- Produce topic-specific sustainability and climate-related research that is shared and presented internally to investment teams.

Uncertainty in sustainability and climate risk assessments

While we have made strides in identifying and assessing sustainability and climate-related issues, our teams recognize the need for more decision-useful, comparable sustainability and climate disclosures from investee entities and third-party data providers. We believe that the credibility, availability and quality of data will improve as disclosures become regulated and mandated. We believe that clear, comparable data reported by companies in Canada on carbon emissions and other climate indicators are critical for us as investors to more fully embed them into our investment decision-making and risk management.

IFRS S2 Index

Mapping our climate-related initiatives and practices to the TCFD recommendations, including supplemental guidance for asset managers (AM)

Governance

Governance body(s) or individual(s) responsible for oversight of climate-related risks and opportunities	Information can be found within the "Governance and Oversight" section on page 13 of the report
Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities	Information can be found within the "Governance and Oversight" section on page 13 of the report

Strategy

The climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects	Information can be found within the "Sustainable Investing" section beginning on page 16 of the report
The current and anticipated effects of those climate-related risks and opportunities on the entity's business model and value chain	Information can be found within the "Sustainable Investing" section beginning on page 16 of the report
The effects of those climate-related risks and opportunities on the entity's strategy and decision-making, including information about its climate-related transition plan	Information can be found within the "Sustainable Investing" section beginning on page 16 of the report
The effects of those climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, and their anticipated effects on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how those climate-related risks and opportunities have been factored into the entity's financial planning	Information is not disclosed at this time
The climate resilience of the entity's strategy and its business model to climate-related changes, developments and uncertainties, taking into consideration the entity's identified climate-related risks and opportunities	Information can be found within the "Sustainable Investing" section beginning on page 16 of the report

Risk Management

The processes and related policies the entity uses to identify, assess, prioritize and monitor climate-related risks	Information can be found within the "Risk Management" section starting on page 61 of the report
The processes the entity uses to identify, assess, prioritize and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities	Information can be found within the "Risk Management" section starting on page 61 of the report
The extent to which, and how, the processes for identifying, assessing, prioritizing and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process	Information can be found within the "Risk Management" section starting on page 61 of the report

Metrics and targets

Information relevant to the cross-industry metric categories	Information can be found within the "Performance" section beginning on page 57 of the report
Industry-based metrics that are associated with particular business models, activities or other common features that characterize participation in an industry	Information can be found within the "Net-Zero" section beginning on page 19 of the report
Targets set by the entity, and any targets it is required to meet by law or regulation, to mitigate or adapt to climate-related risks or take advantage of climate-related opportunities, including metrics used by the governance body or management to measure progress towards these targets	Information can be found within the "Net-Zero" section beginning on page 19 of the report

Market Index Disclosures and Trademark Notices

Source MSCI
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)

Indices S&P Dow Jones LLC.
The S&P 500 Index, S&P/TSX Composite, S&P/TSX 60, S&P/TSX Capped REIT, and the Dow Jones Canada Select Dividend Index, ("INDICIES") are products of S&P Dow Jones Indicies LLC ("SPDJI"), and have been licensed for use by Addenda Capital Inc. ("Addenda") Standard & Poor's®, S&P® and S&P 500® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by Addenda. Addenda's Product(s) is not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, their respective affiliates, and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the indices.

FTSE Canada
London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). © LSE Group 2021. FTSE Russell is a trading name of certain of the LSE Group companies. "FTSE®", "Russell®" and "FTSE Russell®" are trade marks of the relevant LSE Group companies and are used by any other LSE Group company under license. All rights in the FTSE Russell indexes or data vest in the relevant LSE Group company which owns the index or the data. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. No further distribution of data from the LSE Group is permitted without the relevant LSE Group company's express written consent. The LSE Group does not promote, sponsor or endorse the content of this communication.

Addenda
CAPITAL

Offices

Montreal 800 René-Lévesque Blvd. West, Suite 2800, Montreal, QC H3B 1X9
Toronto 110 Yonge Street, Suite 1600, Toronto, ON M5C 1T4
Guelph 101 Cooper Drive, Suite 100, Guelph, ON N1C 0A4
Regina 1874 Scarth Street, Suite 1900, Regina, SK S4P 4B3

addendacapital.com