

SGA recognizes that greenhouse gas (GHG) emissions and other forms of environmental degradation present a broad array of investment risks and opportunities and we have a fiduciary duty to consider these factors into our investment analysis, as with all material factors that may impact a company's ability to generate long-term sustainable growth.

While our philosophy naturally directs investment of our clients' capital away from more traditional carbon-intensive industries such as oil & gas, mining, utilities and aviation, we acknowledge that all industries are exposed to the risks of future constraints on their businesses because of their energy intensity, GHG emissions, and the resulting environmental degradation and climate change. We believe businesses as well as governments, investors and individuals each have a responsibility to limit greenhouse gas emissions.

The physical risks of environmental degradation and transition risks of moving to a low-carbon economy are broad and inherently difficult to capture in traditional financial analysis, particularly in light of the largely opaque and incomplete data that is available to shareholders.

As active, long-term investors we engage with companies to foster dialogue and influence decisions on matters that have the potential to increase the durability and sustainability of growth to the benefit of all stakeholders. We are committed to increasing our engagement with companies on matters that specifically relate to environmental degradation, with the objective of encouraging companies to:

- Recognize and address the potential for climate change to impact their ability to generate long-term sustainable growth,
- Establish clear internal accountabilities and oversight, particularly at the Board level, for GHG emissions and environmental impact issues,
- Provide enhanced corporate disclosure and transparency into GHG emissions and climate related risks and opportunities, and;
- Establish greenhouse gas emission reduction targets to achieve net-zero emissions by 2050.

Lastly, we will make more informed voting decisions that are aligned to the above four objectives.