



2025

Responsible
Investing
Report

MAWER
Be Boring. Make Money.®

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A Message to Our Clients



Dear Clients,

As we share our 2025 Responsible Investing Report, we are reminded that enduring investment success is rarely the result of dramatic moves or bold predictions. Instead, it is built on a foundation of patience, discipline, and a willingness to focus on what truly matters—even when the world around us is noisy and uncertain.

The landscape for responsible investing continues to evolve, shaped by regulations, societal expectations, and rapid advances in technology. In this environment, our approach remains grounded in the belief that sustainable, long-term value is created by businesses that are adaptable, resilient, and guided by strong values. We continue to integrate material environmental, social, and governance (ESG) factors into our investment process—not as a separate exercise, but as an essential part of understanding risk and opportunity.

We see just how interconnected today's challenges and opportunities have become. Whether it's finding ways to reduce waste, using resources more efficiently, adapting to changes in

water availability, or the continued trend of electrification across industries, the issues shaping the future of business are increasingly complex. The rapid growth of digital technologies and artificial intelligence brings new questions around resource intensity, data ethics, and platform governance. At the same time, shifts in mobility, food systems, and global supply chains are reshaping the risks and opportunities companies face. For us, responsible investing means continually assessing how these evolving factors may influence long-term outcomes.

Stewardship, for us, is a process of ongoing dialogue. We engage with companies not to dictate outcomes, but to share perspectives, provide input, and support management teams as they address evolving ESG challenges.

Our primary objective remains unchanged: to maximize long-term, risk-adjusted returns for our clients. We believe that integrating ESG considerations—grounded in evidence, informed by dialogue, and guided by our core values—strengthens our ability to deliver on this commitment.

We know that responsible investing is not static. Our commitment is to continuous learning and improvement—refining our processes, expanding our knowledge, and remaining open to new ideas. Your feedback and partnership are essential to this journey, and we are grateful for the trust you place in us.

Sincerely,

A handwritten signature in black ink, appearing to read 'Vijay Viswanathan', written over a horizontal line.

Vijay Viswanathan, Director of Research



Responsible Investing Principles

Our approach to responsible investing is to incorporate material environmental, social, and governance (ESG) factors into our investment research process to better manage risk and generate sustainable, long-term returns.

Mawer's responsible investing decisions are guided by 5 key principles:

1. Our primary objective is to maximize long-term, risk-adjusted returns in the firm's strategies.
2. ESG factors can impact the sustainable competitive advantage and the risk/return profile of our investments.
3. Integrating ESG factors into our investment process increases the odds of investment success.
4. Engaged ownership is an important responsibility we fulfil on behalf of our clients.
5. Lead by example, whereby Mawer, strives to improve our own ESG practices.

2025 at a Glance

Firm

1974 Founded in Calgary **\$75B** Assets under management **100%** Independently owned by 103 owners

Investment Approach

1 Investment philosophy **1** Integrated ESG approach **+1,100** Management interviews **100%** Meetings in which we voted

All figures as of December 31, 2025.

Proxy Voting

	Meetings Voted		Against ISS*		Against Management	
	#	%	#	%	#	%
Mawer Canadian Equity	43	100	58	9.8	60	10.1
Mawer Canadian Small Cap	43	100	59	14.8	50	12.6
Mawer EAFE Large Cap	72	100	125	8.8	122	8.6
Mawer Emerging Markets Equity	77	100	29	5.0	59	10.2
Mawer Global Equity	50	100	94	11.3	72	8.6
Mawer Global Small Cap	41	100	58	8.0	20	2.8
Mawer International Equity	73	100	57	6.0	65	6.8
Mawer U.S. Equity	47	100	43	6.9	37	5.9
Mawer U.S. Mid Cap	37	100	39	10.7	40	10.9

For the period of January 1, 2025 to December 31, 2025. Proxy voting records are based on Mawer Canadian mutual funds and are presented for illustrative purposes only. Please see appendix for full disclaimers.

Proxies can be accessed at www.mawer.com/documents.

*We subscribe to Institutional Shareholder Services (ISS) to provide us with additional research and context, but ultimately, we use our own judgment in deciding how to vote.

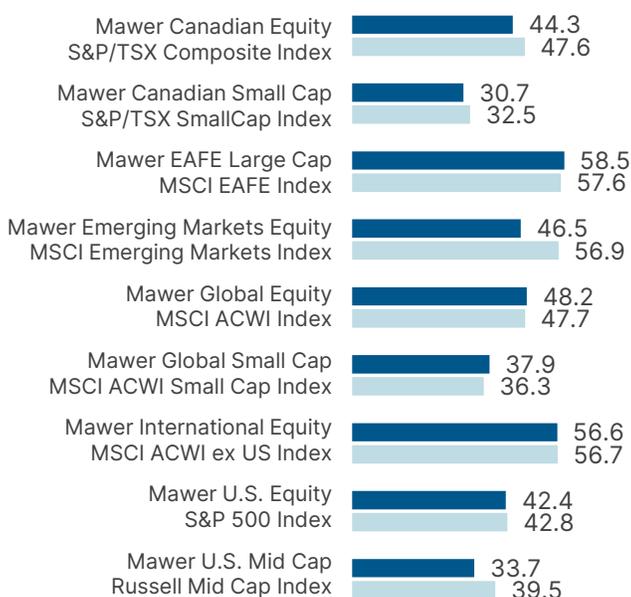
2025 at a Glance

Mawer Portfolio vs. Benchmark

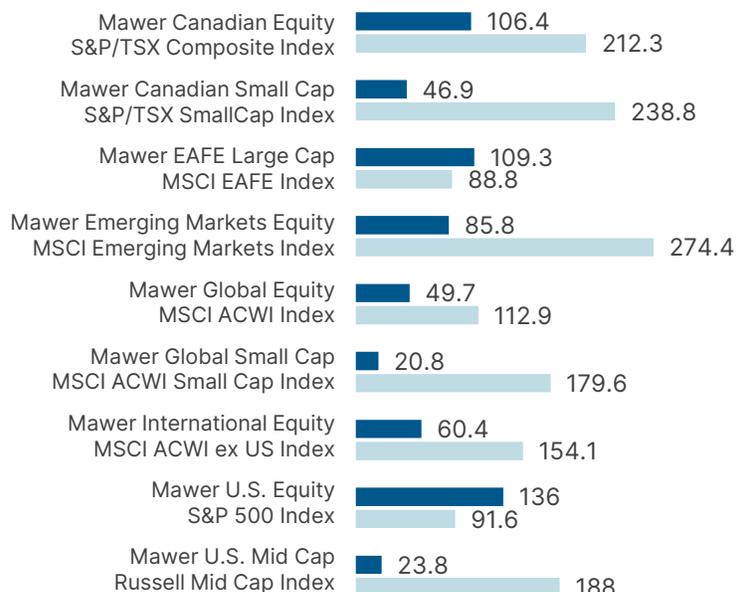
Mawer’s primary objective is to maximize long-term, risk-adjusted returns in the firm’s strategies, and we believe ESG factors can impact the sustainable competitive advantages of businesses and the risk/return profile of our investments. Our investment philosophy is to find wealth-creating businesses, led by excellent management teams, and strive to purchase them at prices we believe embed a margin of safety. In other words, we look for quality at a reasonable price.

Although our investment approach does not have an explicit ESG focus, ESG factors are considered as one of a number of inputs in assessing the quality of investments to enable sound decision making when constructing portfolios. As illustrated below, this focus on quality has often contributed to many of our portfolios ranking better than their respective benchmarks in terms of ESG score and carbon intensity.

ESG Score



WACI (TCO2e/\$M)



Source: S&P Global Sustainable1 as of December 31, 2025. Portfolio information is based on the strategy’s representative account.

Our strategies’ primary objective is to maximize long-term risk-adjusted returns for clients. S&P Global provides us with ESG scoring, metrics on carbon footprint as well as research reports to assist us with understanding our exposures and evaluating the impact of ESG factors on our portfolios and their respective benchmarks. While S&P Global is a resource, independent research, judgment, and decision-making related to incorporating material ESG factors is at our discretion.

ESG Score is a relative score that compares a company’s performance in managing ESG risks, opportunities, and impacts to its peers within the same industry classification.

Weighted Average Carbon Intensity measures a portfolio’s carbon intensity relative to its revenue, expressed in tonnes of carbon dioxide equivalent per million dollars of revenue (tCO2e/\$M). It is a relative metric used to compare company emissions across industries.

Our Approach

Integration

As bottom-up, long-term investors, our investment philosophy is centered on looking for wealth-creating companies run by excellent management teams that trade at a discount to their intrinsic value. All investment decisions—along with an evaluation of associated material risks and opportunities which may include ESG factors—are made through this lens. Mawer views responsible investing as a framework that contributes to successful long-term investing.

Our approach to responsible investing is one of integration, whereby our long-term focus requires us to integrate how, and to what extent, varying factors that in our opinion impact, or have the potential to impact, our investments. ESG factors are considered as an input in assessing the quality of investments to enable sound decision-making when constructing portfolios.

While consideration of material ESG factors is a component of our investment research process, the assessment of the ESG factors alone often plays a limited role in the overall investment decision. Having said that, in some cases ESG considerations may lead to higher or lower security weights in the portfolio, or in rare instances, excluding a security altogether.



Active Stewardship

Engagement

We pursue engagements in the following three ways:

1. Fact finding and gathering information to assess the magnitude and probability of potential risks and opportunities;
2. Acting in an advisory capacity and providing input to decision making authorities (i.e., management teams), through engagements, and indirectly with voting and our ownership; or
3. Attempting to influence change where there is a reasonable chance an engagement could impact the desired outcome (e.g., being a large shareholder).

Acting in an advisory capacity is where we provide the most value and have the most success. This isn't surprising given our long-term relationships with management teams help build mutual trust enabling them the opportunity to seek our input on a wide variety of areas including ESG considerations.

Excellent management teams tend to strengthen a company's competitive advantages, allocate capital toward wealth-creating endeavors, treat stakeholders fairly, and manage risks and opportunities in their businesses effectively. Through this lens, excellent management teams often manage ESG matters effectively and support a sustainable perspective, and we've come to find that the need to engage and demand change is often limited.

Having said that, while we are not activist investors, we are active investors who will engage with companies when relevant as part of managing our clients' capital. We believe that engaging with management teams can help facilitate positive change in public entities. The investment analysis of entities may create insights that relate to ESG risk or opportunities. When such issues may have a material impact on the company, Mawer encourages research team members to engage with the management team and express their ideas and opinions.

Proxy Voting

Voting in a manner that is consistent with the long-term interests of a company's shareholders is one of Mawer's fiduciary responsibilities. Furthermore, shareholder voting is one of the most effective methods for promoting proper governance practices. Corporate governance includes taking into account environmental and social considerations. We believe that by assessing the relevance and materiality of environmental, social and governance factors as part of our investment process, we can better identify and evaluate the quality of sustainable business practices, which supports our focus on long-term responsible investing.

Active Stewardship

Proxy Voting cont'd

Our policy on proxy voting is to vote all proxies in the best interests of shareholders, our clients. As part of our integrated approach, we perform our own research to inform our proxy voting decisions. We subscribe to Institutional Shareholder Services (ISS) to provide us with additional research and context, but ultimately, we use our own judgment in deciding how to vote. As a rule, Mawer does not avoid investment in entities where the Asset Class Managers or analysts may not support a company's board or management actions. In our opinion, voting "against" can be consistent with the general investment support of the company, reflecting engaged ownership.

Engagement with company management may be a powerful agent for change and more effective than a mere vote against a motion recommended by a company's management/board and/or a vote in favour of a shareholder proposal. Subject to all relevant securities laws, research team members may engage a company's management or board to communicate the Asset Class Manager's rationale for voting in a certain manner, to explain the applicable principle or guideline, and to suggest more suitable alternatives.

Collaborative Partnerships

We are proud members of:



Member since 2021. Participate in their Metrics and Insights committee and their CEO Advisory Council.



Member since 2006. Participate in various committees such as compliance, industry regulation, and DEI, and co-chair the DEI networking group.



Member since 2019.



Signatory since 2019¹.



Signatory of the CFA Institute Inclusion Code since 2022.

¹ Mawer made its commitment to the PRI in its capacity as an investment fund manager rather than on behalf of any of the funds that Mawer manages. None of the funds managed by Mawer have an ESG focus.



Responsible Investing in Action

Watt's next? Navigating the energy shift upstream

Much like the characters in Samuel Beckett's *Waiting for Godot*, investors in the global energy sector often find themselves in a state of anticipation: eager, debating, and sometimes doubting how quickly energy transition will occur... especially as governments have grown less aligned in the last few years around decarbonization in a world of shifting geopolitics and concerns with respect to scarcity and affordability.

Yet, unlike Beckett's static protagonists, many companies are refusing to simply wait. Firms across both renewables and more traditional energy sources are taking pragmatic steps forward: investing in new technologies, improving efficiency, and adapting business models to shifting realities.

Brookfield operates at a scale that rivals national utilities, with more than 46 gigawatts of installed capacity spanning hydro, wind, solar, and storage assets across five continents, with plans to continue developing additional new clean energy capacity in the next few years. The company's disciplined, global approach allows it to secure long-term contracts with utilities and corporate buyers, providing both stability and decarbonization at scale. For clients, Brookfield's ability to aggregate, optimize, and deliver clean power—often in markets where renewables are still emerging—offers a path to lower emissions at competitive costs, a key part of our investment thesis.

Transition fuels play a pivotal role in bridging the gap between today's energy system and tomorrow's ambitions. **AltaGas**, for example, is expanding its natural gas infrastructure to support both domestic and export markets, positioning itself as a facilitator of lower-emission energy in North America and Asia.



Shell, meanwhile, is a global leader in liquefied natural gas (LNG) and its cost structure allows it to generate profits across a wide range of price environments. Both companies are betting that flexibility and optionality rather than a single “silver bullet” will define the winners in the next phase of the transition.

Canada's oil sands producers face a more complex path. **Suncor** and **Canadian Natural Resources (CNQ)** operate in a sector under intense scrutiny for its emissions profile and capital intensity. Yet both have made notable strides: Suncor is investing in carbon capture and renewable fuels, while CNQ is improving operational efficiency and reducing methane emissions. Both companies are investing significant capital to treat tailings (waste by-products) and reclaim their land. The reality is nuanced; progress is incremental and the pace is shaped as much by policy and technology as by market demand. For investors, we believe the key is to look beyond headlines and assess management's willingness to adapt, invest, and engage with stakeholders on the long road to decarbonization, something we feel both companies are doing at an appropriate pace.

Silicon's energy appetite: efficiency in focus

With cleaner power sources accelerating, the next question is how efficiently tomorrow's technologies will use it. The story of semiconductors is, at its core, a story of efficiency. Fifty years ago, a single calculation might have required a room-sized mainframe and enough electricity to power a small village. Today, thanks to exponential advances in chip design, the energy required to perform a given computation has dropped by a factor of over 100,000 since the 1970s. Yet, paradoxically, the world's total energy use for computing continues to climb, driven by the insatiable demand for data, AI, and connectivity.

TSMC, for example, is so integral to the world's supply of advanced chips that its electricity and water consumption have become matters of national importance. TSMC alone accounts for nearly 9% of Taiwan's total electricity use and a significant share of its industrial water demand, a reminder that the digital age is built on very tangible resources.

Companies like TSMC have responded by relentlessly pursuing higher yields and technological efficiency, squeezing more performance out of every watt. The Industrial Technology Research Institute (ITRI) estimates that improvements in TSMC's manufacturing efficiency, combined with the energy savings from products powered by TSMC chips, has resulted in a reduction of 141 billion kWh of electricity consumption globally. High yields and process innovation have allowed TSMC to remain the undisputed global leader, while its investments in renewable energy sourcing and water recycling are not just good citizenship, they are crucial to maintaining an edge in a world where both governments and customers are watching closely.

Efficiency is not just a manufacturing story. **Delta Electronics** has built its competitive advantage on energy-efficient power management solutions. As data centers and AI workloads drive up global electricity demand, Delta's power supply units help customers do more with less—reducing electricity consumption, down-time, and the associated costs. In an industry where every incremental gain in efficiency is prized, Delta has seen its market share jump from ~30% in traditional servers to ~70% in AI servers; in other words, reliability and efficiency are that much more important as the stakes get higher.

Elsewhere in the value chain, companies such as **King Yuan** specialize in testing, a critical but often overlooked step that ensures only the best-performing chips make it to market—minimizing waste and maximizing resource use. Meanwhile, firms such as **Hitachi** in Japan and **Schneider Electric** in Canada are developing the high-voltage transformers and other electrical grid equipment needed to manage not only the rising demand, but the increasing variability in power. Their innovations help stabilize grids and enable the broader electrification that underpins both digital growth and the energy transition.

Taken together, these examples illustrate a simple truth: the future of semiconductors will be shaped as much by resource stewardship as by raw computing power. As investors, we look for companies and management teams that acknowledge this reality.

Sustainable mobility: engines of change

Even the leanest microchips travel through supply chains that circle the globe, making transport efficiency the next essential lever for cutting emissions. The journey toward more sustainable mobility by air, land, and sea is not a single race; rather, each is shaped by unique technical, regulatory, and economic realities. Yet a common thread is emerging. Companies that can deliver innovation grounded in pragmatism and backed by competitive advantages should stand to benefit, with progress measured as much by incremental gains as by technological leaps.

If the world's merchant fleet were a country, it would rank among the top ten emitters of greenhouse gases. For decades, the international shipping sector's sheer scale and complexity made it a laggard in climate action. But this is changing. New international standards, rising fuel costs, and growing scrutiny from regulators and customers alike are forcing the industry to rethink how it moves the world's goods. **Hyundai Marine Solution**, an aftermarket parts and service provider for ship engines, stands to enable and to benefit from this transition. The company has seen a surge in demand for its dual-fuel marine engines, which can run on both traditional fuels and cleaner alternatives such as LNG. These engines are designed to meet tightening emissions standards, helping shipowners reduce their environmental footprint without sacrificing reliability. It's a pragmatic approach—one that balances the realities of global shipping with the imperative to decarbonize.

On land, rail remains one of the most efficient ways to move freight. **Canadian Pacific Kansas City** has made steady progress in reducing emissions intensity, investing in fuel-efficient locomotives, automation, and network optimization. Compared to trucking or air freight, rail offers a lower-carbon alternative at scale—a fact that is increasingly recognized by shippers and policymakers. The sector's incremental gains may not make headlines, but over time, they add up to meaningful reductions in transport emissions and inform forecasts with respect to future volumes.

Global fleet management and mobility provider, **Element Fleet**, has purchasing power and advanced analytics to help clients accelerate their shift to electric vehicles, optimize total cost of ownership, and navigate evolving regulatory requirements. By streamlining vehicle acquisition, charging infrastructure, and fleet lifecycle management, Element enables customers to reduce emissions and improve operational resilience—delivering practical, scalable solutions that translate directly into measurable progress.



Credit currents: financing the energy transition

The concept of “margin of safety” may be familiar to many readers. Originally coined by Benjamin Graham and David Dodd in their 1934 book *Security Analysis*, the term has become foundational in equity investing—popularized by the Oracle of Omaha (Warren Buffett, who worked with Graham). At its core, margin of safety refers to the buffer between the price paid for an asset and its intrinsic (or true) value, which provides protection against downside risk. This principle is equally relevant in credit investing. A key tenet of our fixed income team’s analysis is ensuring that each credit investment offers a sufficient margin of safety.



While the sources of this buffer vary by opportunity, the following examples illustrate how companies expanding into more sustainable business avenues can further strengthen their credit profiles.

NextEra Energy focuses on various energy sources, including renewable energy sources. In fact, they are currently the largest wind and solar generator in the United States. The company benefits from quality infrastructure and, given its size, a dominant market position. The company benefits from a stable cash flow which is a positive input to our investment thesis; however, as always there are some risks or negative flags to consider. The business is highly capital intensive and given a notable portion of assets in Florida, there is the risk of hurricane damage. Ultimately, the positive and negative considerations have been weighed by the team and factored into the margin of safety for our NextEra position.

Algoma Steel, Canadian-owned steel producer, has faced significant headwinds from tariffs and the ongoing trade war which have challenged its operations and led to layoffs. Despite these pressures, Algoma is transitioning from traditional blast furnace technology to a lower-emission Electric Arc Furnace (EAF), a move strongly supported by the federal government for its emissions reduction potential. This transition is expected to structurally improve Algoma’s cost profile and operational flexibility. From our fixed income team’s perspective, the shift in strategic focus and government support (where Algoma can benefit from increased infrastructure spending and the overall “Build Canada” initiative) enhances the margin of safety for the investment.

Capital at the crossroads: how banks channel—or choke—fossil fuel funding

Beyond individual issuers, entire banking systems influence the pace of change through the projects they choose to fund—or avoid.

The financial sector, specifically the banking sector, plays a significant role in financing the fossil fuel industry. The magnitude of this contribution can vary depending on the economy in which these financial institutions operate; some economies, like Canada, have a long-standing relationship with the energy sector.

We have seen a shift in ESG-related public commitments by banks in Canada and the U.S. regarding financing fossil fuel companies, particularly following the latest U.S. election. A case study illustrating this shift is the rise and fall of the Net Zero Banking Alliance (NZBA). The NZBA was formed in April 2021, with the goal of committing to net-zero emissions targets related to financial institutions' lending practices to the fossil fuel industry. Initially, the NZBA gained momentum quickly, with all big six banks in Canada jointly announcing plans to join in October 2021. Fast-forward to 2025, and several U.S.-based NZBA financial institutions, followed by Canadian members, began to leave the alliance. It is worth noting that most banks indicated that this does not mean net-zero targets are off the table; they can set their own targets and manage them in-house.

While many North American lenders have slowed or recalibrated their public pledges, Europe is moving the other way: new frameworks such as the EU Corporate Sustainability Reporting Directive (CSRD) and forthcoming European Banking Authority guidance are raising the bar for disclosure and capital allocation expectations.

Consider two Nordic-based banks: **DNB Bank** and **Handelsbanken**, Norway's and Sweden's leading retail and corporate banks, respectively. Nordic banks are in a similar position as Canadian financial institutions in that they both operate in economies historically entrenched in the energy sector and lending to fossil fuel-related companies. Handelsbanken has strict criteria for lending to high-emitting sectors such as oil, gas, and coal. Handelsbanken notes that it does not finance new coal mines, oil or gas extraction projects, or companies involved in fossil fuels. DNB Bank has set several targets for reducing financed emissions; specific to the oil and gas sector, DNB has committed to lowering their lending to these high-emitting sectors by 18% by 2030. In addition, DNB has continued to only lend to oil and gas customers that have a tangible plan in place for CO2 reduction and supporting the energy transition, and have historically exited loan positions when these criteria have not been met.

Against Europe's stepped-up push for transition finance, both banks have adopted pragmatic lending frameworks, tightening exposure to the highest-emitting projects while still backing credible transition assets. This balance supports the move to a lower-carbon economy and reinforces our positive view of management quality, a core pillar of our investment philosophy.

Responsible Investing in Action



Governance: the foundation beneath the surface

Governance is often the least celebrated pillar in sustainability reports, yet it remains the essential backbone of responsible investing. Just like plumbing, effective governance goes unnoticed when it works—but the stench is unmistakable when it doesn't. At Mawer, we believe that robust governance frameworks are not just a compliance exercise; they are a critical driver of long-term value creation and risk mitigation.

Advocating for strong alignment remains a core focus of our engagement and proxy voting efforts. In 2025, we had a chance to vote our proxies across 681 compensation-related proposals, voting against management on 153 of those items, i.e., 22% of the time. But beyond the composition of incentive programs, genuine alignment often comes by having management and board members hold significant positions in the company themselves, thereby creating a clear incentive for decision-makers to focus on the long-term interests of the company. Our management assessment framework specifically includes a dedicated evaluation of alignment.

Changes in governance can prompt investment action in different ways. Persistent concerns around board independence or capital allocation can lead us to step away, while a credible path to repair can warrant deeper engagement—reinforcing our conviction that sound governance can materially improve the odds of long-term wealth creation.

For example, we exited a Japanese drug store operator earlier in the year, largely due to growing dissatisfaction in capital allocation which we attribute in large part to a lack of board independence.

By contrast, when governance concerns intensified at **TD Bank**, we chose to deepen our work rather than step aside. In 2025, we revisited our investment after significant anti-money-laundering (AML) compliance failures in its U.S. operations led to regulatory scrutiny, a fine, and an asset cap on the U.S. business. Culture “creep,” management turnover, and a failed U.S. acquisition had already raised questions for us about oversight and risk management. In response, we engaged directly with board members and senior leaders—including the new CEO and Chief Risk Officer—to understand the root causes, the remediation plan, and the bank's strategic direction. As part of their plan, the board and management undertook a substantial refresh of key roles, both at the board level and within the organization. TD has committed significant resources to a multi-year AML remediation program focused on strengthening controls, upgrading technology, and building specialized compliance capabilities, while the new CEO is emphasizing simpler processes, faster execution, and fewer reporting layers. Taken together, these steps suggest a governance and cultural reset is under way—one that will take time to embed and will remain a focus of our assessment of management quality and alignment. They also influence how we think about portfolio positioning.

Code of conduct: responsible AI in the real world

In the digital age, effective governance must also extend to the data and algorithms that increasingly drive business models. Artificial intelligence (AI) continues to rapidly move from laboratories into daily use, expanding both opportunities and exposure. One of the most significant implications of rapid technological advancement is the need for robust governance—commonly referred to as “responsible AI.” This encompasses a range of issues, from data privacy and security to the risks of misinformation and algorithmic bias. For major AI players and portfolio holdings, how these challenges are managed has a direct impact on risk exposure (including regulatory scrutiny and reputational risk) as well as opportunities to build trust and strengthen brand value.

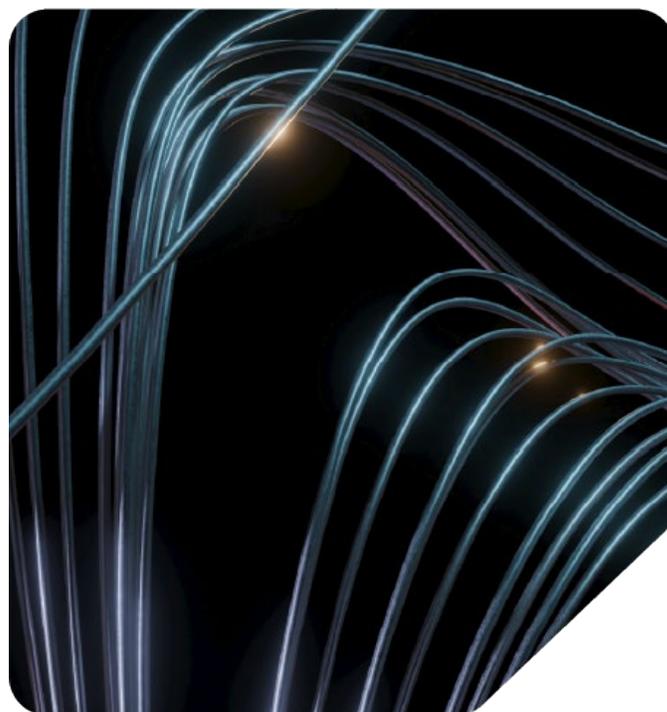
Among our portfolio holdings, **Microsoft** does not have the most advanced AI models today, but the company has shown commitment to responsible AI through anchoring product development and operational practices on six core principles: fairness, reliability and safety, privacy and security, inclusiveness, transparency, and accountability.

For example, AI has helped speed up hiring processes that would be hard to match by an individual human recruiter. However, such processes can potentially lead to systematic biases screening out candidates that may otherwise be worthy of consideration. Microsoft Azure AI Services integrates fairness assessment tools designed to detect and mitigate bias in hiring algorithms. If an AI model inadvertently screens out qualified candidates from certain demographic groups, the system flags this for review. Microsoft’s long operating

history and enterprise focus suggest it may have better controls than many peers, which in turn helps lower headline risk, a factor that influences our portfolio positioning.

Despite various responsible AI efforts by Microsoft and its peers, different limitations remain. For instance, human oversight is essential but can be difficult to scale, and the ethical use of AI depends on developers and end users. As AI’s influence expands, new risks and ethical considerations will continue to emerge, many of which may not yet be fully understood.

At Mawer, we recognize that responsible AI governance is an evolving area with potentially material implications for long-term value creation and risk management. We continue to monitor how portfolio companies address these challenges, engaging with management teams to encourage best practices and transparency.



Closing the loop: packaging that pays

Fast forward 700 years, our planet is covered in waste and our dear friend Wall-E (short for Waste Allocation Load Lifter: Earth-Class) has the sole purpose of collecting and compacting waste left behind by previous life forms (humans). Wall-E, despite being a wonderful Disney film, illustrates a bleak and lonely future for our planet if we do not manage our waste properly. A concept that helps address this is circularity, or the circular economy.

According to the Ellen MacArthur Foundation, the circular economy *“is a system where materials never become waste and nature is regenerated. In a circular economy, products and materials are kept in circulation through processes like maintenance, reuse, refurbishment, remanufacture, recycling, and composting. The circular economy tackles climate change and other global challenges, like biodiversity loss, waste, and pollution, by decoupling economic activity from the consumption of finite resources”*.

From an investment lens, we seek businesses with resilient free cash flows and durable competitive advantages; circular design—by lowering input costs, reducing regulatory risk, and strengthening customer loyalty—helps support these qualities.

Companies with exposure to the food sector, especially those with a global footprint, face regulatory hurdles and reputational risks related to excessive packaging. Addressing these issues therefore becomes not only an environmental obligation but a pathway to preserve pricing power and brand equity. Many companies are now redesigning or recycling packaging to protect future margins as environmental requirements and stakeholder expectations continue to rise.

To illustrate practical application of circularity, let’s look at two of our portfolio companies. Based in Canada, **CCL Industries Inc.**, is one of the largest printers of high-quality label solutions

for commercial use globally, and, with a large global customer base, the need for sustainable packaging is something becoming increasingly important as part of their business.

To meet the demands and needs of its customers, CCL Industries works directly with customers to create products focused on circularity. One example is its EcoFloat WHITE shrink sleeve—an alternative to traditional white HDPE (high density polyethylene) bottles. The concept pairs a transparent, widely recyclable PET (polyethylene terephthalate) bottle with an opaque polyolefin sleeve that floats off and separates easily during recycling, making the package far more “bottle-to-bottle” friendly. Designed for light-sensitive products—including dairy, vitamins, and supplements—this approach delivers the same product protection while substantially improving recyclability and reducing waste.

By integrating circular-economy initiatives, CCL Industries is not simply “doing the right thing,” it is also demonstrating the long-term orientation we look for in management teams—an approach we believe increases the odds of investment success.





Liquid lifelines: turning scarcity into strategy

Among all materials, none is perhaps more indispensable—or more strained—than fresh water. Water’s scarcity and necessity have a profound impact across many of the businesses in our portfolios and beyond. As the saying goes, “necessity is the mother of invention”—and our team has identified key opportunities where portfolio holdings have managed risk and created value by focusing on this essential, often overlooked, resource.

Agriculture is the largest consumer of freshwater globally accounting for roughly 70% of usage. Yet, it is also one of the leading causes of water pollution. A double whammy indeed! Nutrient runoff from excess fertilizers, along with pesticides and animal waste, can contaminate water bodies, undermining both water quality and availability. While agriculture is indispensable, its environmental footprint presents clear challenges that portfolio holding **Deere & Co.**, has helped address.

Deere & Co., a global leader in agricultural and construction equipment, has enhanced its value proposition through digital platforms and smart equipment that help farmers optimize irrigation, reduce runoff, and maintain crop yields. These innovations deliver a win-win: they save customers money while supporting environmental goals by conserving water and reducing pollution from agricultural runoff.

While Deere & Co. highlights water’s central role in industry, **Advanced Drainage Systems (ADS)** is fundamentally focused on water management. ADS is the leading manufacturer of plastic pipes and stormwater/wastewater solutions, providing infrastructure that directs water and sewage, prevents flooding, and, through its water storage and treatment products, helps filter water before it returns to the environment. ADS’s solutions are not only essential, they are also more cost-effective and less prone to leakage than traditional concrete or metal alternatives. With climate-driven flooding risks on the rise, ADS is well-positioned to benefit from growing demand for resilient water management infrastructure.

From the lens of a glass half-full, our portfolio companies prove that innovation flows best when necessity meets opportunity.

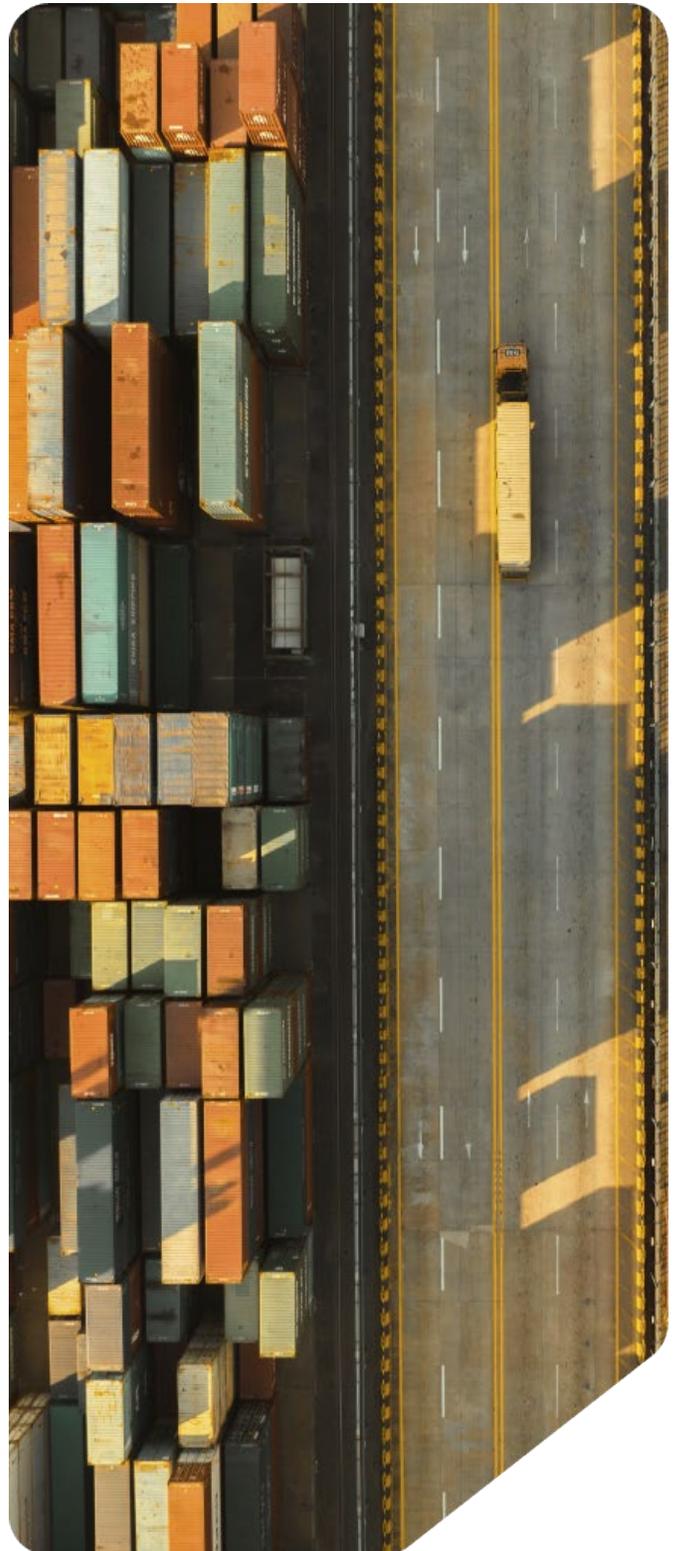
Chain reaction: accountability from source to store

Across all industries, the importance of oversight of parts of a company's supply chain is continually under the microscope—and rightfully so, as it is an important gauge of a company's risk management capabilities. The number of parts within a product's supply chain can vary widely by industry, exposing a company to many third parties under their purview.

Over the past few years, several global fashion brands and their suppliers have been under investigation for labor exploitation and poor working conditions. Recently, two labels (Dior and Loro Piana) owned by our holding company, **Louis Vuitton Moët Hennessy (LVMH)**, were investigated by Italian authorities for similar supply chain issues. The Dior case raised concerns for our team regarding the reputation and image of the brand which is critical to LVMH's competitive advantage, prompting us to engage with LVMH directly.

LVMH has made actionable investments to ensure better oversight of their supply chain: it has expanded audits of external suppliers for immediate risk control and it is pursuing a longer-term shift toward greater vertical integration—an approach not every company is able or willing to undertake.

Since first holding the company in 2015 and through many interactions with management, it is our view that LVMH responded promptly to the investigation by terminating a third-party supplier and launching corrective actions. Although certain measures will take time to bear fruit, we consider the response appropriate and will continue to monitor its implementation.





Lead by Example

Factoring ESG considerations into our own business activities fulfills not only our fifth responsible investment principle (lead by example) but is also a natural expression of living the firm values that serve as a compass for our actions. By walking the talk, we show our commitment through tangible actions.

The following principles lay the foundation for our culture:

- We are guided by our values:
 - Act with integrity
 - Put clients' interests first
 - Pursue excellence
 - Work as a team
 - Think long term
- We are consistent in our behaviors (candid, curious, accountable, appreciative)
- We strive to be the best place to work—anywhere
- We give back and help our communities thrive

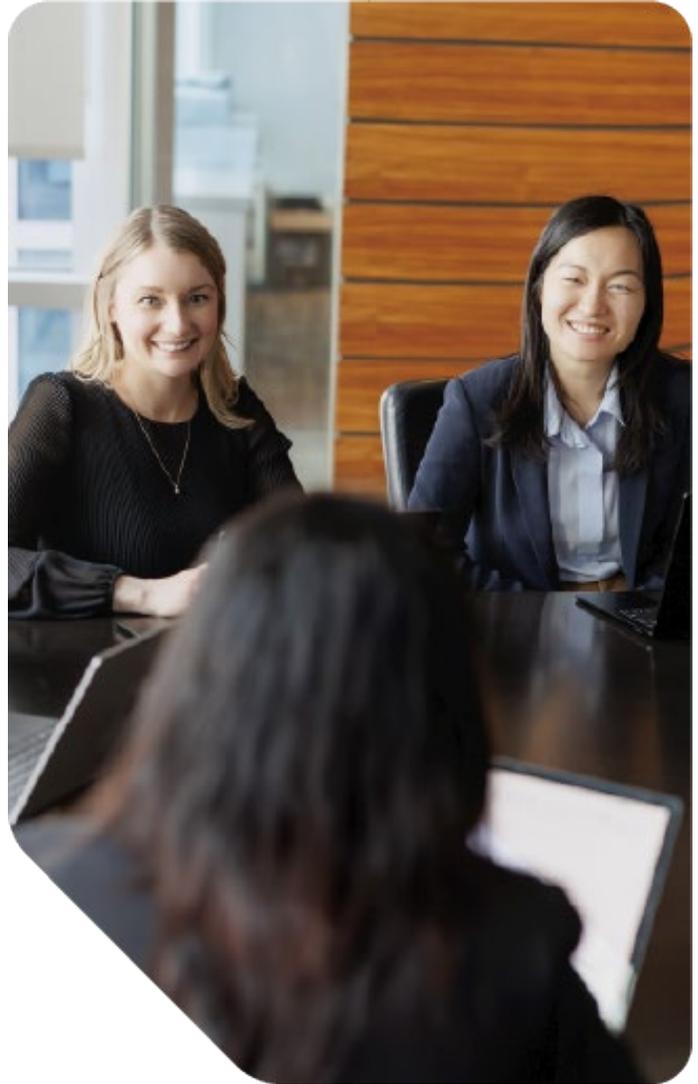
Lead by Example

Our Culture: A Foundation for Excellence

We believe that a strong culture is built on trust, respect, and open dialogue. We strive to create an environment where people feel included, where ideas are valued, and where collaboration leads to better outcomes. Our flexible work model supports both high performance and well-being, while a range of initiatives—professional development, mentorship, wellness programs, and opportunities for connection—help each person reach their potential.

We are intentional about maintaining what sets Mawer apart: a disciplined approach, a commitment to continuous learning, and an environment where every role is valued and every voice is heard. This approach has earned us recognition as one of Canada's Top Employers and Alberta's Top Employers, reflecting our ongoing commitment to forward-thinking workplace policies and exceptional programs.

Our reputation for professionalism and integrity is earned through the everyday actions of our people—how we serve clients, how we work together, and how we contribute to our communities. Above all, our culture is reflected in the way we do the right thing, even when it is not the easiest path. This shared commitment brings us together and enables us to deliver lasting value for our clients, our people, and our communities.



Governance and Risk Management

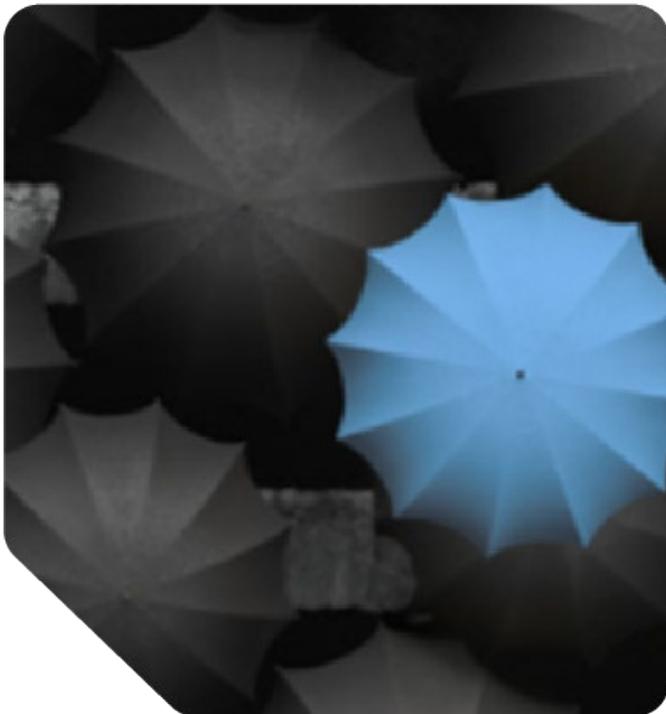
Strong governance and effective risk management are essential to our ability to deliver long-term value for clients. At Mawer, we believe that leadership begins with getting our own house in order. Our approach is grounded in clear accountability, disciplined oversight, and a commitment to continuous improvement.

Oversight of our responsible investing strategy is provided by the ESG Committee, which supports programs that advance ESG-related opportunities and mitigate risks across the firm. The committee reports to the Risk Management and Audit Committee of the Board, ensuring robust governance at the highest level. We maintain a comprehensive Enterprise Risk Management (ERM) framework to identify, assess, and manage risks that

could affect our strategy and objectives. This includes regular review of current and emerging risks, maintenance of internal controls, and integration of risk considerations into decision-making. Our risk assessment process considers financial, reputational, client, growth, and regulatory impacts, with controls in place to ensure risks remain within acceptable levels.

Our governance and risk management practices are supported by a range of established controls, which are regularly evaluated for effectiveness, and enhancements are made as needed. These include regular review and training on our Responsible Investing Policy, integration of ESG factors into investment analysis, documenting material ESG information as part of our investment analysis, exercising active ownership by engaging with management teams and voting proxies, and providing appropriate ESG disclosures in client and regulatory documents. We also leverage our ESG dashboard and third-party data and analytics tools to monitor and report on ESG metrics across our strategies. As part of our ongoing commitment to transparency and accountability, we have measured our own carbon footprint, further strengthening our understanding and management of environmental impacts within our governance framework.

While the risk landscape continues to evolve, our commitment to strong governance and effective risk management remains unchanged. We believe this foundation is critical to sustaining our clients' trust and supporting our long-term objectives.



Lead by Example

Diversity, Equity and Inclusion (DEI)

At Mawer, our commitment to diversity, equity, and inclusion is woven into the fabric of our culture and our pursuit of excellence. We believe diverse perspectives, equitable practices free from discrimination, and inclusive environments are essential to achieving our goal of being the best independent investment boutique—and the best managed firm—we can be.

We recognize that striving to be the best requires intentional efforts that are grounded in creating a strong, merit-based, high-performance culture, one that is built around fostering an environment that values and respects the unique contributions of every individual and where everyone has the opportunity to reach their highest potential.

Our DEI journey is ongoing. Each year brings new opportunities to listen, learn, and adapt. Over the past year, we deepened our focus on education by piloting an inclusive leadership program and continued to refine our talent strategies to support the growth of a diverse candidate pool.

We also strengthened our connections with collaborative partners to advance DEI across the industry. This included helping to develop the Diversity Project's [workplace culture toolkit](#) and collaborating with VersaFi on a number of programs focused on leadership and career development for students and emerging professionals. In addition, completing our CFA Institute Inclusion Code reporting remains an important part of our commitment to transparency and accountability.

We recognize that advancing DEI is not a destination, but a continuous process of reflection and improvement. Our efforts remain centered on supporting our employees, strengthening our industry, and contributing positively to the communities we serve. As we look ahead, we remain committed to learning from experience, embracing new ideas, and working together to ensure that Mawer is a place where all voices are heard, valued, and respected.



Lead by Example

Community Giving: Making People's Lives Better

We believe in contributing meaningfully to the vitality of our communities. Mawer's community giving strategy is focused on alleviating poverty in the places where we work and live, guided by three pillars: improving access to education (with an emphasis on financial literacy and empowerment), supporting health care (particularly mental health), and providing for basic needs such as food and shelter.

Through donations, fundraising, volunteering, and support from our careMAWER programs, our collective impact reaches a wide variety of local and national organizations spanning education, health, community outreach, poverty reduction, and more. We are proud to maintain our status as a certified Caring Company, reflecting our commitment to donating a minimum of 1% of pre-tax profits back into our communities each year.



A few 2025 highlights include:

Education/Financial Literacy:

- Supported a financial literacy organization offering an array of programs, including an educational series developed and delivered by Indigenous people for Indigenous people.
- Funded a Mawer Indigenous Student Bursary supporting approximately 17 post-secondary individuals each year, investing in the education of First Nations, Inuit, and Métis people.
- Supported organizations such as WoodGreen, West Neighbourhood House, Carya, Momentum, and Indspire.

Health Care/Mental Health:

- Contributed to organizations focused on providing mental health services, including funding a pilot program supporting Indigenous communities in sport.
- Supported organizations such as Calgary Counselling Centre, CASA Mental Health and Canadian Mental Health Association - Ontario.

Basic Needs/Food Security:

- Contributed to a culturally sensitive food hamper program supplying families with food, diaper supplies, and gift cards.
- Supported organizations such as Calgary Immigrant Women's Association, United Way Calgary & Area, Daily Bread Food Bank, and Moisson Montreal.

Lead by Example

careMAWER Programs

Employee Matching Program: Employees may receive up to \$3,000 in matched contributions annually for donations, fundraising, and/or volunteering to registered charities of their choice.

Choose Your Cause: Each month, employees nominate causes to receive a \$10,000 donation with the winner determined by employee votes.

Disaster Relief Efforts: Corporate donations and employee matching are provided for specific disaster relief initiatives. In 2025, Mawer provided support in response to Hurricane Melissa.

Jamboree: As the flagship sponsor of the annual Jamboree for Charity, we are proud that the annual event has raised over \$10 million in support of different community-based charities since its inception in 2013.

volunteerMAWER: Employees participated in a variety of volunteer initiatives with organizations such as Parachutes for Pets, BeHip, Dress for Success Calgary, Best Buddies, Covenant House and Allan Gardens.

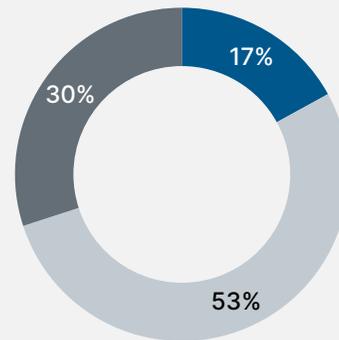
Giving Back to Institutional Clients: Mawer makes an annual donation equal to 10% of its management fee to qualifying institutional charitable organization clients.

Our Impact

>200 organizations supported

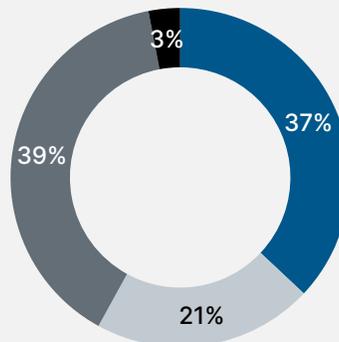
\$2.5M donated

>150K in matched employee contributions



- Employee Led
- Charitable Clients
- Community Support

Community Support Breakdown



- Financial Literacy / Education
- Mental Health
- Food Security/Basic Needs
- Other

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