



Responsible Investment Policy

Policy Owner: Chief Investment Officer

Effective: February 7, 2023

Purpose

The Responsible Investment Policy (the “Policy”) describes how AIMCo integrates consideration of environmental, social and governance (ESG) factors into our investment processes and active ownership practices, while satisfying AIMCo’s fiduciary obligations, provisions of the ‘The AIMCo Act’ and Investment Management Agreements with our clients. AIMCo’s Board of Directors reviews and approves the Policy.

Our Philosophy

AIMCo is focused on maximizing risk-adjusted investment returns for our clients, and as such, strives to uphold and exemplify our corporate values of excellence, transparency, humility, integrity, and collaboration in our business processes and to align our corporate strategy with the Policy.

AIMCo’s Responsible Investment philosophy is aligned with our investment mandate and applies across asset classes. AIMCo believes that investees’ ESG performance is fundamental to long-term investment performance. ESG factors can affect the performance of investment portfolios to varying degrees across companies, sectors, regions, asset classes and over time. Therefore, we believe that consideration of material ESG factors in our investment process aids in our goal of achieving superior risk-adjusted investment returns for our clients over the long term.

AIMCo recognizes its fiduciary responsibility to play an active role in managing material ESG risk factors that may positively or adversely affect our clients’ long-term investment objectives. By advocating for improved corporate ESG disclosure and performance, we play a role in shaping sustainable capital markets.

Principles for Responsible Investment

As a PRI signatory since 2010, AIMCo upholds the Principles for Responsible Investment (“the Principles”), which represent best practices in Responsible Investment.

The Principles are:

Principle 1: *“We will incorporate ESG issues into investment analysis and decision-making processes.”*

Principle 2: *“We will be active owners and incorporate ESG issues into our ownership policies and practices.”*

Principle 3: *“We will seek appropriate disclosure on ESG issues by the entities in which we invest.”*

Principle 4: *“We will promote acceptance and implementation of the Principles within the investment industry.”*

Principle 5: *“We will work together to enhance our effectiveness in implementing the Principles.”*

Principle 6: *“We will each report on our activities and progress towards implementing the Principles.”*

Integration of ESG Factors into Investment Analysis and Decision-Making Processes

AIMCo is committed to integrating consideration of ESG factors into our investment decision-making processes across asset classes, for both internally and externally managed investments.

Addressing material ESG factors such as climate risk and opportunity across the total fund is a corporate wide objective. Asset-class specific sustainability committees and cross-departmental working groups oversee ESG workstreams and related analytics. AIMCo benchmarks our sustainability performance against the PRI and GRESB (for real estate and infrastructure) which are globally accepted frameworks.

Exclusions and Exit

AIMCo prefers a policy of engagement over exclusions and divestitures, or ‘voice over exit.’ However, AIMCo may exclude or divest of certain investments for various reasons, which may include the following:

- Instances of contravention of law (e.g. the *Special Economic Measures Act* or the *United Nations Act*) regulations or government policy
- To comply with client investment policies agreed to by AIMCo
- Where we determine that the company and/or managers of the investment are acting with disregard for generally acceptable international business practices
- Consideration of our ability to effect positive change
- Where the costs associated with continued ownership outweigh the potential benefits
- Risk of reputational harm to AIMCo or our clients

From time to time, the Director, Responsible Investment or the AIMCo Investment Committee may make divestment recommendations to the AIMCo Executive Committee in accordance with the foregoing considerations.

Stewardship Practices

AIMCo encourages investee firms (“investees”) to adopt ESG policies and practices that contribute to long-term investment performance. We may, when deemed material and appropriate, engage with investees directly in order to encourage best ESG practices and address perceived gaps. AIMCo encourages all investees to practice good governance, protect against adverse environmental and community impacts, and to adopt best human capital management practices, including advancement of diverse groups and robust occupational health and safety procedures.

AIMCo engages with investees independently, or in collaboration with other investors. Engagement methods include e-mails, letters, telephone calls and face-to-face meetings with executives or board members. AIMCo endorses the Canadian Coalition of Good Governance’s Stewardship Principles (2017) intended to enhance value creation over the long term.

Proxy voting is an important component of active ownership. Recognizing the importance of good corporate governance in enhancing long-term shareholder value, AIMCo is committed to exercising proxy voting rights on behalf of our clients. AIMCo’s bespoke Proxy Voting Guidelines and Corporate Governance Principles describe AIMCo’s voting rationale and potential voting stance for interested stakeholders. AIMCo evaluates ballot proposals primarily based on our broad guidelines and

principles but takes unique and specific circumstances into account. We fully expect investees to comply with applicable laws and internationally determined standards of business behaviour and to disclose material ESG information.

In general, AIMCo expects investees to adopt the following practices:

ENVIRONMENT

- Strive to incorporate best industry practices to mitigate adverse environmental impacts
- Disclose climate-related business strategy and risk management across operations including the plan to reduce, manage and mitigate carbon emissions and build climate resilience
- Demonstrate transparency and accountability by adopting industry-specific or voluntary environmental reporting protocols, such as the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures

SOCIAL

- Protection of human rights in the workplace
- Enhance cyber security to protect data privacy
- Uphold freedom of association and the right to collective bargaining
- Implement robust supply chain management practices that respect international protocols
- Uphold best practice standards for occupational health and safety and regularly report on such matters
- Practice stakeholder engagement and/or community involvement

GOVERNANCE

- Adopt a high-quality, diverse and independent board
- Maintain a reasonable number of board members
- Refrain from director slates or board interlocks
- Prohibit overboarding
- Align executive compensation with performance
- Prohibit bribery and corruption

Collaboration for the Advancement of Principles for Responsible Investment

AIMCo supports the principle of collaborative engagement with institutional investor peers as an effective way to encourage transparency and improved ESG performance across AIMCo's portfolio. AIMCo participates in working groups and various forums with institutional investor peers in order to advance the evolving field of Responsible Investment. AIMCo is a signatory member of several organizations and collaborative initiatives committed to Responsible Investment/Sustainable Finance.

Policymakers and regulators actively seek the institutional investor perspective on ESG matters to inform the development of new laws and regulations. In responding, investors have an opportunity to protect shareholder rights and contribute to a more robust regulatory environment.

Reporting

AIMCo is committed to timely and accurate disclosure of our ESG performance including climate-

related disclosures, stewardship activities, and our proxy voting record. We report on our governance, strategy, and implementation of Responsible Investment related activities through globally recognized reporting frameworks such as the annual PRI and GRESB surveys, as well as through the AIMCo annual report, AIMCo website, and regular ESG updates to clients.

Recognizing the rapidly evolving ESG and climate-related regulatory environment, AIMCo is supportive of the International Sustainability Standards Board's (ISSB) efforts to streamline sustainability reporting standards and encourages investors and investees alike to disclose high quality, reliable and comparable ESG reporting for investors' use.

Responsibility for Policy

AIMCo's Board approves this Responsible Investment Policy. The Chief Investment Officer or the Director, Responsible Investment will report to the AIMCo Executive Committee regarding compliance with this Policy not less frequently than annually and will cause this Policy to be reviewed at least every two years, and such review, including any recommended changes to the RI Policy, shall be presented to the AIMCo Board for approval. The Chief Investment Officer or the Director, Responsible Investment shall present this Policy to Executive Committee for approval before it is submitted to the Board.

Approval

Presented to the AIMCo Board of Directors and approved on February 7, 2023.