

## SRA ENGAGEMENT ACTIVITY Q4 2024

Engagement Type	Q4 2024	LTM
Environmental	3	8
Social	2	6
Governance	6	27
TOTAL	11	41

Stock	Date	Issue	Engagement
RCI.B	10/28/2024	Meeting with IR to discuss sale of their Network Backhaul	<ul style="list-style-type: none"> <li>Market has reacted negatively to deal and is worried they swapped cheap for expensive debt: <ul style="list-style-type: none"> <li>Deal was attractive financially – retain control of a fully depreciated asset and bring leverage down to 3.6X, also improving ROE's.</li> <li>Should see debt rating improvement; each notch better = 0.25% to 0.30% cost.</li> <li>Gives room to make moves on MLSE (3 leading sports franchises in Toronto).</li> </ul> </li> <li>Overall business is going well with margin improvements, right sizing of investments/capex, despite hyper competitive wireless pricing.</li> <li>President and CFO (backed by Chair) have been doing a good job with the business.</li> </ul>
MX	11/8/2024	Meeting with CEO, Director of Sustainability, IR	<ul style="list-style-type: none"> <li>Climate Engagement Canada (CEC) meeting with objectives to encourage MX to set a long term GHG emissions reduction target, adopt a credible decarbonization strategy, and disclose details of its public policy engagement on climate.</li> <li>MX shared its progress towards achieving its 2030 GHG emissions reduction target but highlighted the lack of a supportive policy environment as a key barrier to setting a long-term emissions reduction target.</li> <li>Regarding its decarbonization strategy, MX provided updates on its ongoing Carbon Capture project at Medicine Hat facility, expansion of its Low Carbon Solutions team, and outlined several low carbon methanol production opportunities.</li> <li>On public policy, MX highlighted some of the recent initiatives conducted by its trade associations, including the Methanol Institute and Chemistry Industry Association of Canada (CIAC). The group encouraged MX to disclose additional details regarding its trade associations and lobbying efforts.</li> <li>Good to see progress being made on many fronts – ongoing engagement planned in 2025.</li> </ul>

## SRA ENGAGEMENT ACTIVITY Q4 2024(CONT'D)

Stock	Date	Issue	Engagement
CN	11/15/2024	Meeting with CEO, IR	<ul style="list-style-type: none"> <li>First year with new CEO in the seat; multiple challenges: <ul style="list-style-type: none"> <li>Higher fuel prices.</li> <li>Despite strike (impacted 11 days) and Alberta fires, saw Operating Ratio of 63.</li> <li>Post COVID, harder to get workers back, thus more sensitive to not running so tight on the labour front.</li> <li>October saw smooth running – Op Ratio improved that month.</li> </ul> </li> <li>soybean business development initiatives: <ul style="list-style-type: none"> <li>Shipping frac sand to Montney and Western Canada.</li> <li>Iowa soybean crush facility, lithium transport from Northern Quebec to Tesla, Altagas export terminals.</li> <li>Growth will help offset lower volumes from decline in GDP, especially from lower forest products volumes.</li> </ul> </li> <li>Regarding U.S., 50% of revenue touches the U.S. while 1/3<sup>rd</sup> of traffic crosses border.</li> <li>Doing more bio-diesel blending which reduces emissions.</li> <li>Aim to get Op Ratio down below 60, which could happen with strong demand and no issues.</li> </ul>
GIB.A	12/5/2024	Meeting with IR regarding feedback on ESG topics	<ul style="list-style-type: none"> <li>On Environmental: CGI shows strong environmental disclosure and practices, such as committing to set science-based targets, achieving 100% of data centers powered by renewable electricity and development of cleantech products. Could set target to use renewable electricity in all offices. Could set targets to increase investment in cleantech.</li> <li>On Social: Performs strongly on human capital development, DE&amp;I and Responsible AI, but remains exposed to data privacy and security risks and could do more in some areas.</li> <li>On Governance: Good policies on ethics and corruption. Concerns with unequal voting structure and implications for shareholder rights are somewhat mitigated by good board committee independence and controls. Would encourage adoption of a Say-on-Pay vote rather than through annual survey.</li> <li>Further on Executive compensation; currently tied to revenue growth and profit margin – would also like to see a ROIC target and/or per share targets.</li> </ul>

## SRA ENGAGEMENT ACTIVITY Q4 2024(CONT'D)

Stock	Date	Issue	Engagement
TOY	12/5/2024	Meeting with CEO	<ul style="list-style-type: none"> <li>Q4 activity good: <ul style="list-style-type: none"> <li>Melissa &amp; Doug has much stronger volumes in the 2H of 2024.</li> <li>Company has dropship capability in order to react should Amazon and Walmart run out of product.</li> <li>Digital games doing well with new feature being released 2<sup>nd</sup> week of December.</li> <li>Miss Rachel toys doing better than expected.</li> </ul> </li> <li>Aim to deliver 50% of results from their core brands from which they build brand value.</li> <li>Exposed to tariff threat as toys largely manufactured in China.</li> <li>Digital approach is improving as better manage and retain subscribers, and iOS app is very good while Android app could be better.</li> <li>First year post COVID when R&amp; D team have been developing toys together in person (previously on Zoom).</li> <li>Comfortable with leverage at 1X; will only go to under 3X debt if good acquisition.</li> </ul>
SAP	12/6/2024	Meeting CEO	<ul style="list-style-type: none"> <li>Dairy becoming a growing shopping category with convenience more important and price.</li> <li>To offset playing the spread game (ie. buying cheaper), provide branded products in retail brands with more innovation. In addition, opportunities in the Whey space provide for higher margins given protein benefits for which customers will pay.</li> <li>Capex investments in the U.S. market should pay off, with aim to get more volumes and gain domestic market share; SAP is confident that that they will get the value from investments.</li> <li>Will see price increases come through in milk products in the U.S., UK and Canada.</li> <li>Before doing M&amp;A, will ask the question if they can do it themselves first, and then determine if what they are buying would be assets / brands / commercial knowledge.</li> <li>Expect to see growth in EBITDA from the new capacity that has been installed.</li> <li>Management is cognizant that ROIC's are not at the right level and that is a big focus.</li> </ul>

## SRA ENGAGEMENT ACTIVITY Q4 2024(CONT'D)

Stock	Date	Issue	Engagement
PET	12/10/2024	Meeting with COO on Distribution Centre Tour	<ul style="list-style-type: none"> <li>• Consolidating 9 facilities into 3 by 2025 in Toronto, Vancouver and Calgary to cover 1200 stores, as well as e-commerce fulfillment.</li> <li>• Automation has achieved a few advantages: <ul style="list-style-type: none"> <li>• Productivity is twice the level as before (system is not fully utilized yet) and “Pick” accuracy is 99%.</li> <li>• New Distribution Centre has better employee experience and amenities, making it more attractive to work and better daily experiences.</li> </ul> </li> <li>• During COVID, sales increased dramatically with pet ownership increasing, but PET didn’t see operating leverage because delivery and fulfillment was not well organized; now expect platform to support growth as still have room to expand by 30% with better operating leverage (and hence margins).</li> <li>• Very encouraged by thoughtful approach to investing in the Distribution Centre, and the benefits for shareholders and employees.</li> </ul>