



 **ADVANTAGE**
CAPITAL STRATEGIES

Responsible Investing Report

**20
25**



Our guiding principle at Advantage Capital Strategies Group (ACS Group) is that responsible investing is not a trade-off between sustainability and financial return; rather, investing responsibly should enhance financial return and create sustainability outcomes. We invest on behalf of Canadian clients in public markets and are entirely focused on responsible investing. This report outlines the 2025 responsible investing process, outcomes, and focus areas for ACS Group.

Contents

Message from the Board of Directors	3	05. Investment Stewardship	18
Our 2025 Responsible Investing Highlights	4	5.1 2025 Stewardship in Numbers.	18
01. The ACS Approach to Responsible Investing:		5.2 Our Proxy Voting Philosophy.	19
Why are we committed to Responsible Investing?.	5	5.3 Our Stewardship in Practice: Voting in Favour of Disclosing Energy Supply Ratio.	19
How We Invest Responsibly at ACS Group.	6	06. Advantage Capital Strategies: Advancing Responsible Business Practices	20
02. Divestment at ACS Group.	7	6.1 Amending Articles of Incorporation to Operate as a Benefit Corporation	20
2.1 2025 Divestment in Numbers at ACS Group.	7	6.2 SVX x Canada Mortgage Housing Corporation (CMHC) Solutions Lab Founding Member	21
2.2 The Reason for Divestment.	8	6.3 Offsetting our Carbon Footprint with Carbon Credits	21
2.3 Spotlight on Divestment Decisions at ACS Group.	9	6.4 Building Envelope Footprint of BOMA Gold / LEED Gold	22
03. Thematic Investing at Advantage Capital Strategies Group.	10	6.5 Signatories to the Trottier Foundation's Open Letter to Canadian Banks	22
3.1 2025 Thematic Investing in Numbers at ACS	10	6.6 Signatories to the Principles for Responsible Investing.	23
3.2 The Reason for Thematic Investing	10	6.7 Partnering with Peace Advocacy Group - Project Ploughshares	23
3.3 Portfolio Company Spotlights	12	Appendix A	24
04. Positive Screening	15	Divestment/Screening Thresholds	25
4.1 Our Proprietary ESG Screening Checklist	15		
4.2 Our Approach	16		
4.3 Highlights of Positive Screening.	17		

Message from the Board of Directors



Sam Broadbent
Board Director

We are pleased to introduce our 2025 Responsible Investing Report. Although the firm has been around since 2021, this is our first, and long overdue, report where we outline our detailed investment approach to a wider audience. We want to show how responsible investment practices are a fundamental and motivating factor in our work, and not simply a secondary motivation to earning financial returns or chasing a fad.



Matt Broadbent
Board Director

We started Advantage Capital Strategies Group because we wanted to build an investment management company where investing responsibly was the sole focus of the firm. As part of our approach, we unpack not only investment ideas, but also debate whether the business's practices are ones that we want to support and profit from. In any given week, we pivot between a range of topics, from the ills/merits of social media, the use of tritium tubes in weapons or policy proposals affecting land use in our cities. We do this alongside an analysis of the financial performance of a firm, and this broader perspective helps us form a more holistic view of a business's impact and potential.

It is often said that you are the company you keep. To that end, we share office space with a range of other organizations, almost all of them in the non-profit or charitable sector. We regularly engage with colleagues who are working on poverty and housing policy, human rights in sport or anti-corruption reporting. This helps us create a big picture view of how capital can, and should, be directed in a manner that is positive for people and planet.

"...we unpack not only investment ideas, but also debate whether the business's practices are ones that we want to support and profit from."

We want to thank all our stakeholders, from clients, to business partners, to investee companies for their interest and engagement in our work. Above all, we want to thank the staff at Advantage Capital Strategies Group for their continual dedication to treating "responsible" with the very same rigour that they treat "investing". This is a rare and meaningful trait.

Thank you and we hope you find our 2025 Responsible Investing Report interesting,

Sam Broadbent

Sam Broadbent
Board Director

Matt Broadbent

Matt Broadbent
Board Director

Our 2025 Responsible Investing Highlights



Up to
60% lower
carbon footprint
vs benchmarks

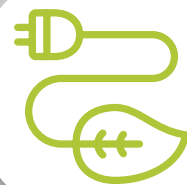
Divestment

We divested from 175 companies across our ACS Responsible Beta™ Funds. Using revenue thresholds as our guide, we conduct proprietary research to avoid companies operating in fossil fuels, weapons, tobacco, alcohol, gambling and particularly bad corporate actors.



Lower Carbon Footprint

Our funds have a materially lower carbon footprint than their benchmark indices—upwards of 60% lower in our ACS Responsible Beta™ Canadian Equity Fund.



Support for Weapons Divestment & Peace Advocacy

Throughout 2025, we engaged with Project Ploughshares, a peace advocacy group based in Waterloo, Ontario, to help refine our weapons divestment policy and contribute to their peace advocacy work.



Stewardship

In 2025, we voted against management's recommendation at least once at 51% of the companies shareholder meetings for which we submitted proxies. The most common instances where we voted against management recommendations were:

- Against proposals to adopt multi-year board terms; and
- In support of shareholder proposals calling for an independent board chair.



Invested in a Publicly Listed Benefits Corporation

In our ACS Sustainable Future Fund, we took a position in Veeva Systems, a healthcare technology company that provides software for the life sciences industry. The company is structured as a Public benefit corporation, meaning it strives to create benefit for society and the environment, not only shareholders.



01

The ACS Approach to Responsible Investing: Why are we committed to responsible investing?

We invest the way we do because we see capital as a powerful tool. When allocated thoughtfully, it can generate strong long-term returns while also shaping a healthier, more sustainable world. Every investment strategy we manage is built around sustainability, ensuring that our values are reflected consistently across our entire lineup.

The approach of “do no harm” is an underlying premise of everything we do. While avoiding harmful industries and companies is foundational to smart investing, we view this as only part of the picture. There are economic activities that cause significant environmental and social damage, such as fossil fuel extraction, weapons

“Every investment strategy we manage is built around sustainability...”

of war, and smoking. These are activities that we simply don’t want to profit from. Above all, we don’t want to put our clients in a position where they have

to justify their involvement with the worst offenders to the health of people and planet.

We also have strategies that take a step further and actively seek companies and industries that “do good” for people and planet. We look for companies and industries that are advancing clean energy, creating strong urban infrastructure and leading developments in health and wellbeing.

Above all, we see our role as long-term stewards who invest with intention and advocate for better corporate practices. These decisions reflect our belief that markets can be a catalyst for positive outcomes. Our goal is to build portfolios that reflect our values and our clients’ values, deliver strong financial results, and contribute to a more sustainable future for everyone.

Responsible Investing

ACS FUNDS



Traditional Investing



ESG Scoring



Negative Screening



Positive Screening



Thematic Investing



Impact Investing



Philanthropy




Financial Focus Only

Impact Focus Only





How We Invest Responsibly at ACS Group

Responsible investment is foundational to our work at ACS Group and encompasses everything we do. The responsible investment approaches we use at ACS Group are:





Divestment
Divesting from industries and companies that are harmful to people and the planet (and potentially with unpriced externalities)

Thematic Investing
Investing in long-term sustainability trends (e.g. fighting climate change)



Positive Screening
Using Environmental, Social, and Governance data in our decision-making

Stewardship
Voting proxies and engaging in dialogue with companies to urge improvement on ESG issues



Being Good Corporate Citizens
Partnering with non-profit organizations, joining industry coalitions advocating for change, and offsetting our carbon footprint

02

Divestment at ACS Group

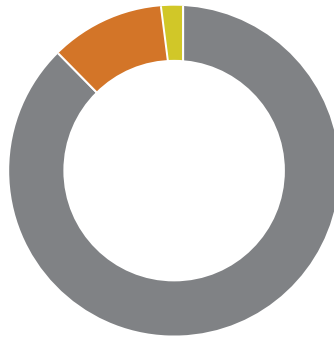
2.1 2025 Divestment in Numbers at ACS Group

Divestment is an integral part of our responsible investing approach at Advantage Capital Strategies Group. As of the end of 2025, we were divested in the following ways across our ACS Responsible Beta™ Funds:

ACS Responsible Beta™ Canadian Equity Fund:

Long:
65 companies

Divested:
17 companies



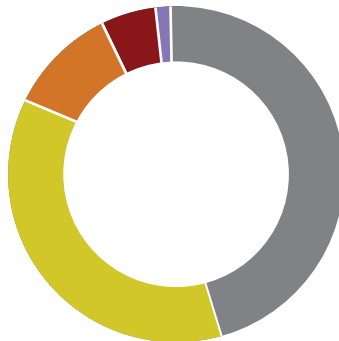
Divesting breakdown by total market capitalization

- Fossil fuels (87.5%)
- Severe controversies (10.5%)
- Weapons (2.0%)

ACS Responsible Beta™ US Equity Fund:

Long:
418 companies

Divested:
88 companies



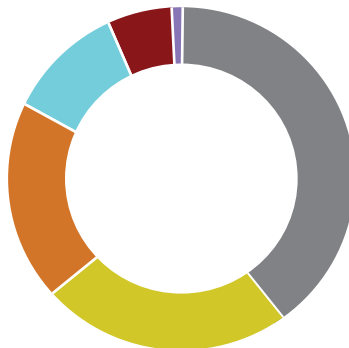
Divesting breakdown by total market capitalization

- Fossil fuels (47.7%)
- Severe controversies (10.0%)
- Weapons (35.1%)
- Tobacco (5.4%)
- Gambling (1.8%)

ACS Responsible Beta™ International Equity Fund:

Long:
291 companies

Divested:
70 companies

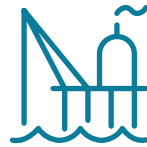


Divesting breakdown by total market capitalization

- Fossil fuels (40.5%)
- Severe controversies (18.5%)
- Weapons (23.5%)
- Tobacco (5.5%)
- Gambling (1.0%)
- Alcohol (11.0%)

2.2 The Reason for Divestment

We divest from companies based on involvement in overtly damaging industries and for involvement in severe business controversies.



We divest from oil and gas (downstream, midstream, and upstream), thermal coal, natural gas, tobacco, weapons, gambling, alcohol and cannabis.



We also divest from companies for involvement in controversial practices, including severe impact on biodiversity, indigenous rights, business fraud and forced labor.

We look primarily at revenue derived by business activity, while also having the latitude to consider other factors, such as investment in subsidiaries or announced plans for future business activities. We have different revenue thresholds based on business activity, which in our view is reflective of how easily a company can transition away from negative business activities. For example, we are much stricter on oil and gas extraction companies than we may be for consultants who have a portion of their business consulting on oil and gas.

We have been reviewing and screening potential investments in our proprietary database, some going back to 2017. We don't outsource this work to a third party service provider.

Please see [Appendix A](#) for more details on our screening thresholds and process.

2.3 Spotlight on Divestment Decisions at ACS Group

Alimentation Couche-Tard

Alimentation Couche-Tard is a well-known Canadian corner store retailer with a global footprint. However, they are exposed to three screened revenue sources: gasoline, tobacco, and alcohol. Fuel sales account for 75% of Couche-Tard's revenue and nicotine products contribute 9%. This is well in excess of our acceptable thresholds to consider ownership, so we have been divested since the inception of our funds.



Fujitsu

Fujitsu is a major Japanese IT company and they developed the Horizon accounting system used by the UK Post Office starting in 1999. Software defects caused false accounting shortfalls, leading to roughly 1,000 sub-postmasters being wrongly prosecuted for theft, fraud, or false accounting. Fujitsu staff who presented as impartial "witnesses of fact" were later found to have given misleading evidence in court, obscuring the company's culpability and contributing to the wrongful prosecutions.

The first inquiry report was released in 2025, with a second volume due in 2026 to address individual accountability. The initial report identified 13 suicides potentially linked to the wrongful prosecutions. Fujitsu is screened out of our ACS Responsible Beta International Equity Fund for severe controversies but remains on the watchlist and will be re-evaluated once the full report is published.



03

Thematic Investing at Advantage Capital Strategies Group

3.1 2025 Thematic Investing in Numbers at ACS

Beyond “do no harm”, we also look to “do good”. We do this by investing in three major themes that we believe have major benefit for people and planet, while also offering strong return potential. The ACS Sustainable Future Fund invests in:

 **Energy Transition**
8 companies
as at end of 2025

 **Sustainable Cities**
7 companies
as at end of 2025

 **Health and Wellbeing**
10 companies
as at end of 2025

Within these themes, we target companies that have a purposeful and identifiable positive impact on society.

3.2 The Reason for Thematic Investing

3.2.1 Energy Transition

The Energy Transition theme captures one of the most powerful global structural shifts underway: the move from fossil-fuel-based energy systems to cleaner, renewable alternatives. There are a multitude of reasons for this shift, including the climate impact of carbon in the atmosphere and the ongoing improvements of economic competitiveness of clean energy.

The global shift from fossil fuels to renewable energy is creating opportunities for companies that help reduce emissions and build a sustainable energy ecosystem, offering affordable, reliable power that improves quality

of life, especially in underserved regions. Solar has rapidly gained cost advantages, providing communities worldwide with predictable, low-cost power that reduces reliance on volatile fossil-fuel markets.

Our focus in the ACS Sustainable Future Fund for 2025 has been on grid modernization, renewable energy utilities, and component inputs to the clean energy ecosystem (e.g. providing sun-tracking technology for solar farms).



3.2.2 Sustainable Cities

Urban populations are growing steadily, and cities must adapt to meet the economic and social needs of expanding communities. By 2050, the United Nations forecasts that 68% of the population will live in urban areas, up from 55% in 2020. Growing urban populations require efficient, scalable solutions that reduce resource use and emissions.

By focusing on firms at the forefront of urban sustainability, the Fund targets opportunities tied directly to global demographic and infrastructure trends. In 2025 the fund invested in companies pushing innovations in areas such as modular construction, high-efficiency insulation, and advanced water infrastructure. These advances make cities more resilient and livable, addressing both environmental and affordability challenges.

Deteriorating water infrastructure was a particular area of focus in 2025 — companies in the space develop advanced systems that improve water efficiency, reduce leakage, and ensure clean water access. These solutions protect communities from both water scarcity and flooding - risks that are intensifying due to climate change.

3.2.3 Health & Wellbeing

The global population, particularly in Western societies, is aging. As populations grow older, individuals place greater emphasis on physical, mental, and preventive health. Accordingly, demand continues to rise for technologies and services that improve everyday wellbeing. This includes innovations in healthcare delivery, medical technologies, nutrition, and active-lifestyle support, all of which contribute to healthier, longer, and more fulfilling lives.

Beyond improving individual outcomes, advancements in health and wellbeing have far-reaching benefits for communities and the planet. Preventive care, early detection tools, and improved healthcare infrastructure reduce strain on medical systems, enabling more efficient use of resources and lowering long-term costs. Meanwhile, progress in areas like sustainable food production, improved air and water quality, and safer living environments directly supports population health while reinforcing environmental stewardship. A healthier society is inherently more productive, more equitable, and better equipped to navigate social and environmental challenges.

“A particular area of focus in 2025 was on medical device manufacturers.”

A particular area of focus in 2025 was on medical device manufacturers. Companies in this area develop physical products that aid in surgical settings or improve quality of life for their customers.

3.3 Portfolio Company Spotlights



3.3.1 Nextpower: Energy Transition

Nextpower (formerly Nextracker) is a global energy infrastructure company focused on making solar power plants more efficient. Their main business is manufacturing the equipment that enables solar panels to more effectively track the sun, which increases the energy yield of the panels. Beyond solar trackers, the company offers a range of goods and services used to build and operate large scale solar projects.



Nextpower's Impact:

Integrating Clean Energy

Infrastructure: Creates a connected ecosystem of technologies that improve the performance of utility scale solar power plants. These technologies include trackers, electrical components, structural components and software.

Enhancing Energy Yield and Reliability:

By connecting these structural, electrical, and digital solutions, Nextpower enables faster installation, increased energy output, and improved long-term operations for renewable energy projects.

Advancing the Energy Transition:

The company continues to expand beyond solar tracking into increasingly innovative areas of the energy transition, such as the integration of robotics into solar projects. This helps support the evolution of clean electricity infrastructure to meet accelerating global demand for low-carbon power.



3.3.2 Champion Homes: Sustainable Cities

Champion Homes designs and manufactures high-quality, affordable modular homes using factory-built construction. Not only does this help expand access to homeownership while addressing growing housing affordability challenges, but it also lowers the environmental burden of housing construction.



Champion Homes' Impact:

Affordable Housing Access:

Delivers lower cost housing through factory-built modular homes, ultimately making housing more affordable for the end user.

Efficient & Sustainable Construction:

Factory based building reduces material waste, shortens construction timelines, and improves energy efficiency compared to traditional site-built homes.

Scalable Housing Solutions:

Provides flexible housing options, from single family homes to multi-unit and community developments, that can be rapidly deployed to meet growing housing needs across the U.S. and Canada.

3.3.3 Veeva Systems: Health & Wellbeing

Veeva is focused on improving how life sciences companies develop and deliver medicines, by providing cloud-based software that helps the industry manage their operations more efficiently and with a focus on regulatory compliance.



Veeva's Impact:

Advancing Healthcare:

Enables pharmaceutical and biotech companies to run clinical trials, manage quality, and meet regulatory requirements more efficiently, helping therapies reach patients faster and more safely.

Responsible Business Leadership:

Structured as a public benefit corporation and B Corp, Veeva is formally committed to balancing ethical governance and positive social impact alongside financial performance. This is a particular point of attraction for us, as it shows their commitment to consider all stakeholders in decision making.

Reduced Environmental Footprint:

Reduces paper use, travel, and operational inefficiencies across the life sciences value chain by replacing legacy processes with cloud-based solutions.



04

Positive Screening

4.1 Our Proprietary ESG Screening Checklist

We use positive screening in the investment process for our ACS Sustainable Future Fund to support a proactive, “do good” approach to investing, building on the “do no harm” foundation of our ACS Responsible Beta™ funds. By conducting an ESG risk assessment for each potential holding, we identify environmental, social, and governance risks at the outset. We conduct analysis across a range of Environmental, Social and Governance factors.

E

Environmental

6 Lines of Investigation

Example: What is the company's carbon intensity relative to industry peers?

S

Social

4 Lines of Investigation

Example: Are there any human rights concerns associated with the company?

G

Governance

5 Lines of Investigation

Example: Are there any corruption or business ethics risks associated with the company?

Other

5 Lines of Investigation

Example: What SRI certifications and regulatory bodies does the company adhere to?





“ This practice is central in our company selection process and increases our effectiveness as active owners.”

4.2 Our Approach

4.2.1 Why We Use Positive Screening

While thematic investing ensures that the companies we assess operate in sectors aligned with the fund’s sustainability objectives, positive screening takes this a step further. It ensures that each company is individually assessed on its ESG merits and risks. This practice is central in our company selection process and increases our effectiveness as active owners.

When there are major ESG risks, we do not invest in that company. Where moderate risks are present but they are significantly outweighed by ESG merits, we can move ahead with investment and develop a plan to monitor and improve the ESG concerns. This approach helps inform our stewardship plan. We track developments over time and engage productively with company management where we can.

4.2.2 How Positive Screening is Implemented

The core substance of our positive screening process is a proprietary assessment template, designed to provide a clearer understanding of the company’s ESG profile, including risks and merits. It is based on approximately 20 lines of investigation that aid in our assessment. It begins by understanding some basics about the company, including environmental disclosure practices, membership in certification bodies and adherence to relevant international standards.

The bulk of our assessment focuses on evaluating the company’s environmental, social, and governance characteristics in greater depth. Each line of investigation addresses a specific risk factor, and we assign a rating of low, medium, or high. For example, within the

environmental section, we assess impact on biodiversity from a company’s products and business practices. Based on the results of our assessment, the company will be given an overall social, environmental and governance risk rating. We avoid high risk companies.

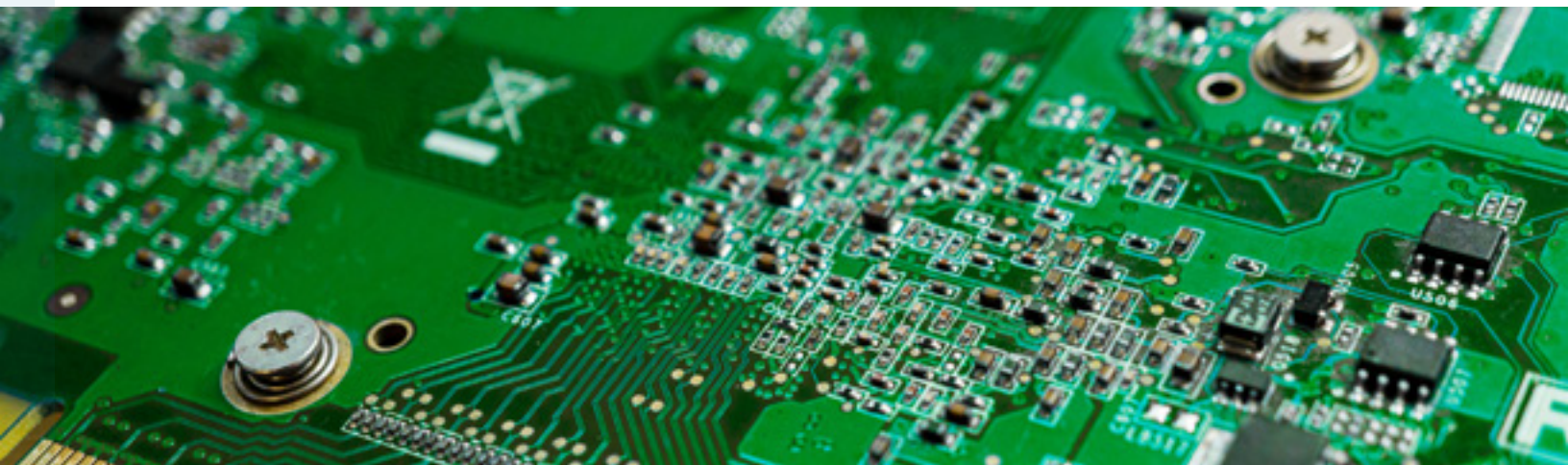
Our final stage is to help identify the ESG merits of a company. Accordingly the company’s three strongest positive attributes from an SRI perspective, alongside its three most material risks, are identified. By looking for companies that make an explicit positive contribution to society and/or planet, we are able to gear the ACS Sustainable Future Fund to companies that are “doing good”.

4.3 Highlights of Positive Screening

BORALEX

4.3.1 How Positive Screening is Implemented

Boralex, a renewable energy developer and operator, is an example of a company whose risk assessment demonstrated a strong alignment with the goals of the ACS Sustainable Future Fund. Our ESG assessment found that Boralex demonstrated a low level of risk across all factors in our environmental, social, and governance review. As leaders in clean energy, they are also helping lower carbon emissions, thereby bringing planetary benefits.



Richardson Electronics

4.3.2 Richardson Electronics

Richardson Electronics is an example of a company whose positive screening assessment was strong enough to warrant inclusion in the ACS Sustainable Future Fund but also highlighted specific areas for us to monitor. While the company's social and environmental risks were low, a few risks were identified in the governance section of the assessment. The Chair of the Board also serves as CEO, and the board includes only one female director, representing 14% gender diversity. While these factors did not prevent investment on their own, they remain a focus area for engagement. Our proxy voting policy supports the separation of the Chair and CEO roles and a minimum of 30% board diversity. We have discussed this issue with management and as active owners, we continue to advocate for this separation of roles and increase in diversity when conducting proxy voting.

05

Investment Stewardship



5.1 2025 Stewardship in Numbers

As equity investors, the ACS Funds own small parts of a huge range of public companies. This gives us a strong platform to exercise our role as stewards of our clients' investments. Our primary tool in 2025 was through our exercise of proxies.

We voted in 500 annual meetings. In those meetings, we voted against the wishes of management on at least one issue 51% of the time. Common issues voted against include:



Voted Against
Multi-Year Board
Terms



Voted Against
non-independent
Chair



Voted for greater
environmental
and social impact
disclosure

5.2 Our Proxy Voting Philosophy

- 1 At ACS Group, our goal is to support boards and management teams in their pursuit of long-term value creation in a responsible and sustainable manner.
- 2 We exercise our rights as shareholders to vote our proxies and engage with companies.
 - In many instances we vote with management recommendations, particularly for routine matters.
 - In other instances, we vote differently than management recommends, particularly in areas where we seek to make a deeper impact.
- 3 Our focus is in specific areas aligned with our investment philosophy as a responsible investing firm. Areas of focus include:
 - Voting for diversity at the Board level; and
 - Voting against unreasonable compensation packages, including multi-year Board terms; and
 - Voting for greater disclosure on environmental footprint and social impact.



5.3 Our Stewardship in Practice: Voting in Favour of Disclosing Energy Supply Ratio

Through the ACS Responsible Beta™ Canadian Equity Fund, we are shareholders in Canada's largest banks. In 2024, SHARE (the Shareholder Association for Research and Education) filed shareholder proposals at the annual meetings of four of these banks, requesting that the banks disclose their Energy Supply Ratio (with the exception of RBC, which already discloses this information). The Energy Supply Ratio is defined as the total financing provided, through equity and debt underwriting and project finance, to low-carbon energy supply relative to financing for fossil-fuel energy supply.

This initiative led Scotiabank to commit to disclosing its Energy Supply Ratio by June 2026. At CIBC, TD, and BMO, the proposal proceeded to a shareholder vote. In all three cases, Advantage Capital Strategies voted in favour of the proposal, contrary to management's recommendation.

Although none of the proposals received majority support, the results demonstrated meaningful investor interest in greater transparency around fossil-fuel financing. The proposals received 38% support at TD, 37% at CIBC, and 32% at BMO, representing high levels of support for climate-related shareholder proposals at Canadian banks.

"...the results demonstrated meaningful investor interest in greater transparency around fossil-fuel financing."

06

Advantage Capital Strategies: Advancing Responsible Business Practices

Not only do we want to ensure our investment approach is responsible, we also strive to contribute to the sustainable investment ecosystem and conduct ourselves to the highest standard of integrity. We strive to live our values of being open, honest, and considerate, as well as contributing positively to the sustainable investment community.

Our 2025 highlights include:

6.1 Amending Articles of Incorporation to Operate as a Benefit Corporation

This past year, Advantage Capital Strategies amended our articles of incorporation to operate as a benefit corporation. A benefit corporation is a for-profit entity that commits to creating a positive impact on society and the environment alongside financial returns. The following key additions were made to our Articles of Incorporation:

1

The Company's purpose includes creating a positive impact on society and the environment through its business and operations.

2

When determining the best interests of the corporation, Directors must consider the short- and long-term interests of shareholders, employees, suppliers, creditors, consumers, governments, the environment, and the communities and society in which the Company operates.

3

In fulfilling their duties, Directors must consider all stakeholders but are not required to prioritize the interests of any one Stakeholder over another.

6.2 SVX x Canada Mortgage Housing Corporation (CMHC) Solutions Lab Founding Member



We sit on the advisory group to the SVX x Canadian Mortgage Housing Corporation (CMHC) Solutions Lab for Connecting Capital and Capacity for Community Housing. From our perspective as Capital intermediaries, we provide support and guidance to the lab, in their effort to mobilize capital at scale for community housing projects across Canada.



6.3 Offsetting our Carbon Footprint with Carbon Credits

Gold Standard[®]

At Advantage Capital Strategies, we are proud to operate as a net-zero business. While not mandated by company policy, all employees commute by public transit, walking, or biking. In addition, we did not undertake any business-related flights in 2025 and only attended investor meetings and AGMs in person when they were local to our team. As a result, our operational emissions are minimal; in total, the team generated approximately six tonnes of Scope 1 +2 emissions in 2025. To ensure our operations were net zero, the company offset twelve tonnes of emissions.

“To offset our emissions, we supported two carbon offset projects.”

To offset our emissions, we supported two carbon offset projects. First, we offset six tonnes of emissions through a Gold Standard–verified clean cookstove initiative in rural Tibet, which reduces emissions from traditional firewood cooking, improves indoor air quality, and helps mitigate deforestation. Second, we offset six tonnes of emissions through a project that transitions farmers across Western Canada from full tillage to no-tillage farming practices. This project was third-party verified under the ISO 14064-2 standard and supports improved soil health while reducing carbon emissions.



6.4 Building Envelope Footprint of BOMA Gold / LEED Gold



We are proud to occupy an office building that is both LEED and BOMA Gold certified. From a sustainability perspective, the value of working in a LEED / BOMA Gold certified building lies in its ability to deliver measurable environmental outcomes, backed by a credible, third-party framework. The key areas of value are:

- 1 Lower greenhouse gas emissions: LEED Gold buildings are designed to use significantly less energy, directly reducing Scope 1 +2 emissions.
- 2 Water conservation: Efficient fixtures, reuse systems, and smart landscaping meaningfully reduce potable water consumption.
- 3 Reduced resource intensity: Emphasis on recycled, low-impact, and responsibly sourced materials lowers embodied carbon and environmental footprint.



6.5 Signatories to the Trottier Foundation's Open Letter to Canadian Banks

Following the exit of Canadian banks from the Net Zero Banking Alliance, we joined other like-minded Canadian asset owners and managers in an open letter urging banks to remain committed to the transition away from fossil fuel financing. We continue to engage and are exploring ways that we can take steps to as an asset manager to influence others in the financial ecosystem to continue the transition towards clean energy.





6.6 Signatories to the Principles for Responsible Investing

We have been signatories to the United Nations supported Principles for Responsible Investing for several years. The UN PRI is an advocacy group and stewardship body that provides a framework for incorporating sustainability issues into investment practice.

As signatories to the Principles for Responsible Investing, we are committed to:

- Integrating ESG considerations into investment analysis and decision-making processes.
- Acting as responsible, active owners by embedding ESG considerations into ownership policies and practices.
- Seeking appropriate and timely disclosure of ESG-related information from entities in which we invest.
- Promoting the adoption and effective implementation of the Principles across the investment industry.
- Collaborating with industry peers to enhance the effectiveness of Principle implementation.
- Reporting on activities, progress, and outcomes related to implementing the Principles.



6.7 Partnering with Peace Advocacy Group - Project Ploughshares

Throughout 2025, we worked with Project Ploughshares, a peace advocacy group based in Waterloo, Ontario to help refine our weapons divestment policy and explore ways we could contribute to peace advocacy. This engagement was initiated to clarify our own thinking around weapons divestment and to address key questions, such as: If we are anti-weapons, because we are pro-peace, how can this be reflected in our investment and corporate practices?

The partnership was highly constructive and resulted in a more comprehensive weapons divestment screening protocol. For example, Project Ploughshares identified autonomous weapons as a rapidly expanding segment within the defence sector, leading us to include lethal autonomous weapons under our 0% revenue screening threshold. In practice, this means that any company deriving revenue from the sale of lethal autonomous weapons is excluded from our funds.



Appendix A

Divestment Sectors and Methodology Overview

Divestment/Screening is foundational to our work at ACS. To accomplish our divestment, we use a range of data inputs as well as seeking input from institutes, government and industry groups. However, we don't outsource any decision making and have individually reviewed every company in the ACS Funds investable universe (roughly 1,000 companies). Our process is as follows:

Review all holdings in index for revenue exposure to screened sectors.

In some rare circumstances we may also consider other factors for exposure to screened sectors, such as asset ownership, power generation by type or net income

Review for company controversies.

The goal is to assess whether a company has active and/or past severe controversial behaviour that warrants exclusions from Advantage Funds. Examples include, human rights violations, fraud and riverine mine tailings.

Categorize companies as either:

- Long: Company meets criteria for portfolio inclusion. Review company at least annually, or if news dictates, more frequently.

- Long/Watchlist: Company meets criteria for portfolio inclusion, but there is an issue that bears watching. Monitor news and quarterly reports most actively.
- Screened/Watchlist: Company is excluded from the portfolio, however they are contemplating changes to operations that may warrant inclusion. Monitor news and quarterly reports most actively.
- Screened: Company is excluded from the portfolio.

We incorporate a "grey area" into our quantitative

thresholds (e.g. revenue from alcohol of between 5%-25% would constitute a grey area and our portfolio team would make a judgement call on whether to divest from a company). This gives us the latitude to engage with a business and analyze trends and business plans.

"... we don't outsource any decision making and have individually reviewed every company in the ACS Funds investable universe..."

Catalogue all information in our database, and integrate it into our portfolio monitoring software.

Conduct ongoing monitoring of companies in index.

Review watchlist companies very actively, at least quarterly, or as news requires. Review Long or Screened companies at least annually, or as news requires.



Divestment/Screening Thresholds

(*for a numerical breakdown of our screening thresholds, please contact us directly)

Category / Industry	Screening Likelihood Based on Business Exposure	Key Criteria & Notes
1.1 Weapons		
Controversial Weapons	Definite	Exclude all (including cluster munitions, land-mines, bio/chemical, nuclear laser, incendiary).
Other Weapons & Components	Very high	Makers/suppliers essential to lethal use.
Military Goods & Services	Very high	Based on SIPRI; includes military-specific goods/services (IT, logistics, armed support).
1.2 Product End-of-Life / Environmental Issues		
Fast Fashion	Not screened; monitor controversies	Focus on UN Fashion Charter, labour rights, product longevity, and waste/emissions impact.
Single-Use Plastics (Manufacturers)	Medium	Divest if sustainable alternatives exist.
1.3 Fossil Fuels & Energy		
Thermal Coal	Very High	Includes mining, production, distribution.
Metallurgical Coal	Medium	Industrial use with limited substitutes so a higher threshold set.
Oil & Gas (Up/Mid/Downstream)	High	Includes LNG/NG.
Engineering / Service Firms to Oil & Gas	Medium	Includes consulting and suppliers.
Methanol	High	Fossil-based, emits GHG when burned.
Fossil Fuel Utilities	High	Carbon capture not considered an offset if it prolongs use of fossil fuels.
1.4 Other Sectors		
Alcohol / Cannabis / Gambling / Predatory Lending	High	Includes casinos, betting, payday loans.
Industrial Prisons	Very high	Avoid private prison exposure.
Tobacco	Very high	Includes vaping.
Cement, Beef, Palm Oil, Social Media, Sugary Drinks	Not screened	Monitor ESG controversies and ongoing evaluation for sector screen.



Advantage Capital Strategies
1600-77 Bloor Street West,
Toronto, Ontario M5S 1M2
info@acsgroup.ca
acsgroup.ca