



**2025 RESPONSIBLE  
INVESTING REPORT**

# Contents

|  |    |
|--|----|
| Introduction.....                                      | 1  |
| A Consistent, Materiality-Driven Approach.....         | 4  |
| ESG Integration Process and Investment Philosophy..... | 5  |
| Sustainable Global Small Cap Strategy.....             | 8  |
| ESG Stewardship & Engagement.....                      | 9  |
| Portfolio Carbon Footprint.....                        | 21 |
| Industry Collaboration and Events.....                 | 23 |
| Corporate Social Responsibility.....                   | 26 |
| 2026 Responsible Investment Outlook.....               | 29 |



Global Alpha Capital Management (Global Alpha) was founded in 2008 and focuses solely on managing global, international, and emerging market small cap equities. The investment team is led by Robert Beauregard, a veteran of the investment management industry with a long track record of managing Global Small Cap Equity portfolios. Since early on, Global Alpha started integrating environmental, social and governance (ESG) into the investment process, before formally committing to the Principles for Responsible Investment (PRI) in 2012.

## Global Alpha Capital Management at-a-glance

Global Alpha's approach involves constructing portfolios through a fundamental investing approach of bottom-up stock-selection, ensuring a focus on identifying high-quality investment opportunities. Central to this process is the "one team, one view, one portfolio" ideology, which fosters collaboration across all team members, including sustainability analysts and investment analysts collaborating closely together. This integrated approach ensures that sustainability is not an isolated consideration, but a core element embedded within the firm's decision-making framework and operational processes. By integrating sustainability into the investment process, Global Alpha ensures effective risk mitigation and enhances long-term value creation for clients. Furthermore, the quality of research being produced is constantly being monitored and reviewed by all members of the team, as any investment idea put forward for potential inclusion in a portfolio is scrutinized by all members of the team.

The key to generating added value for clients over time with bottom-up portfolios is to use global thematic perspectives and a risk-controlled, low turnover approach.

In addition, it is a strong belief that diversity of team and thought are key contributors to successful investing. As such, it has been a deliberate practice at the firm to build a team of investment professionals with different backgrounds and experiences. Global Alpha strives to promote a diverse and inclusive culture to retain talent in the long term.

### Key highlights from the year

Global Alpha is pleased to share its Annual Responsible Investing Report, which highlights some of the firm's initiatives with respect to addressing ESG risks and opportunities in the investment process and in its operations.

#### Global Alpha's 2025 initiatives include:

- Joining the PRI Advance initiative as a collaborative investor
- Implementing a new third party ESG risk monitoring platform
- Enhancing sustainability reporting
- Reinforcing its engagement ambitions and ESG focus list

# 19

TEAM MEMBERS

2024: 20 MEMBERS

# 21%

FEMALE REPRESENTATION  
FIRM WIDE

2024: 25% FEMALE REPRESENTATION

# 25%

FEMALE REPRESENTATION  
ON THE BOARD

2024: 25% FEMALE ON THE BOARD

# 7

TEAM MEMBERS WERE BORN  
OUTSIDE OF CANADA

2024: 7 TEAM MEMBERS

# 1

EMPLOYEE PART OF THE  
LGBTQ+ COMMUNITY

## Global Alpha's Commitment to Responsible Investment



*\*The TCFD disbanded in 2023, having been incorporated into the IFRS's ISSB standards; however, its climate disclosure recommendations are still widely reported against.*

### Commitment Highlight: PRI Advance initiative

Global Alpha recognizes the important role investors can play in advancing human rights globally and has been a supporter of the PRI Advance initiative since 2023. PRI Advance is a collaborative, PRI-led initiative through which institutional investors seek to protect and enhance long-term, risk-adjusted returns by promoting better human rights outcomes via active ownership and stewardship. Since endorsing the initiative, Global Alpha has been refining human rights considerations into its ESG process.

In 2025, Global Alpha decided to deepen its commitment by joining a collaborative investor engagement with Alcoa Corp under the PRI Advance initiative. This aims to complement its ESG engagement approach, by leveraging collective influence to encourage stronger corporate practices on human rights issues.

#### PRI Advance key milestones:

- **May 2023:** Joined PRI Advance as an endorser
- **FY 2024:** Enhanced the firm's ESG assessment framework and engagement ambitions, including on human rights
- **June 2025:** Joined PRI Advance as a collaborative investor
- **August 2025:** Participated in the first collaborative engagement
- **November 2025:** Attended an Advance educational session on the Consolidated Mining Standard Initiative



## A Consistent, Materiality-Driven Approach

Global Alpha's responsible investing philosophy has remained consistent since the firm's founding: the focus is on financially material factors that can influence long-term value creation. ESG considerations are not viewed as a separate overlay, but as integral components of the fundamental analysis process, with sustainability-related risks and opportunities assessed through the lens of financial materiality, with the objective of enhancing risk management.

While 2025 was an eventful year for sustainability, marked by continued regulatory evolution, shifting market narratives, and increased scrutiny around ESG practices, Global Alpha remained disciplined in its philosophy. The firm continued to prioritize financially material sustainability risks and opportunities that may influence long-term business resilience.

### ENHANCING MATERIALITY ASSESSMENT

Further enhancements were implemented to the materiality assessment process in 2025 to further sharpen the focus on risks that are deemed most financially material to

each issuer and sector. Specifically, weights were added to each sustainability issue in the financial materiality tool, using a 5-factor test, assessing the impact that an ESG issue may have on 5 factors representing risks, opportunities and value drivers for companies in that sector.

### EXPANDING ESG RISK MONITORING

During the year, the firm also further enhanced its responsible investment approach through the implementation of a new tool for ongoing ESG risk monitoring.

In Q4, Global Alpha started using the RepRisk ESG risk monitoring platform for continuous monitoring of risk incidents involving holdings and investable companies.

In addition to this new tool, processes were refined to support more systematic identification, tracking, and discussion of financially material ESG risks at both the issuer and portfolio levels. This reinforces Global Alpha's focus on financial risk mitigation and active risk identification.

These improvements have also enabled Global Alpha to further refine its ESG engagement framework in 2025 through enhanced planning and monitoring processes.

### ESG AWARENESS WITHIN THE TEAM

Internally, all investment team members received sustainability-related training during the year. In 2025, the training focused on the evolving proxy voting landscape, including key regulatory and market trends, Global Alpha's custom guidelines and approach to proxy voting, and the importance of voting as a tool of risk oversight and long-term value protection, with a focus on the small cap landscape. The session was tailored specifically to Global Alpha and delivered by the Connor Clark & Lunn Stewardship & Engagement (S&E) team, supporting continued alignment between investment decision-making, stewardship activities, and the firm's materiality-driven philosophy.

Quarterly ESG updates and bi-weekly sustainability newsletters were also shared with the team throughout the year.

100%

TEAM MEMBERS RECEIVED  
TRAINING ON SUSTAINABILITY

4

INTERACTIVE ESG UPDATES  
GIVEN TO THE TEAM

23

INTERNAL SUSTAINABILITY  
NEWSLETTERS SHARED WITH THE TEAM

2

ESG COMMITTEE  
MEETINGS HELD

# ESG Integration Process and Investment Philosophy

Global Alpha's ESG integration approach stems from the belief that ESG issues are risk factors that can have a material impact on investment performance and supports the concepts that the companies can enhance value and long-term profitability by managing ESG risks within their organizations.

Global Alpha's approach uses a combination of ESG integration strategies including quality screening, investment theme selection, qualitative and quantitative analysis, engagement, and proxy voting.

**ESG Integration:** As part of the ongoing bottom-up research, Global Alpha uses an internally designed methodology to

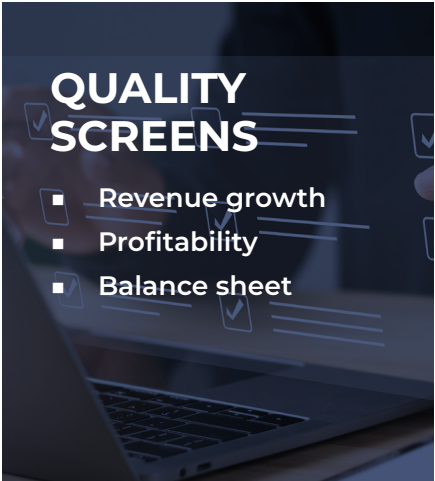
integrate consideration of ESG factors into the investment process to evaluate and manage risk. ESG factors are identified using an internal financial materiality tool, ensuring the analysis is focused on those risks that are deemed financially material to a company. By focusing on financially material risks, the ESG analysis supports investment decision-making, prioritizing factors that can influence value creation and risk mitigation. The financial materiality tool is integrated within a proprietary ESG scoring and analysis template, which is used to provide a comprehensive assessment of ESG risks and opportunities, combining quantitative scoring with a qualitative analysis to ensure a

thorough understanding of each company's ESG performance.

**Data Collection:** The team collects raw ESG data on a company's activities and products through company websites, reports, and meetings with management. For all portfolio holdings, such information is held on a centralized database and accessible by the investment team.

The findings from the ESG analysis are systematically integrated into various aspects of the investment analysis, serve as a basis for engagement, and impact the valuation of companies.

## INVESTMENT PROCESS



**QUALITY SCREENS**

- Revenue growth
- Profitability
- Balance sheet



**INVESTMENT THEMES**

- Consumers
- Demographics
- Sustainability
- Innovation
- De-Globalization



**FUNDAMENTAL ANALYSIS**

- ESG criteria and risk evaluation – ESG Scores
- Target market, competitive advantages, growth strategy



**VALUATION**

- Discounted cash flow method
- High ESG score = low ESG risk
- Discount rate adjustment

## ONGOING RISK MANAGEMENT

Global Alpha maintains a disciplined approach to the ongoing monitoring of financially material ESG risks. The investment team reviews company-specific developments, news flow, and emerging controversies to ensure that risks with potential financial implications are identified and assessed in a timely manner.

In 2025, Global Alpha decided to enhance the ESG risk incidents identification process through the implementation of the RepRisk ESG risk monitoring platform. RepRisk enables timely monitoring of ESG risk incidents across portfolio holdings and investable companies, through the creation of watchlists to ensure timely alerts of new risk incidents. When a new incident is identified, the team will promptly initiate a review to determine the appropriate course of action. If the incident is assessed as material, the company's ESG score will be adjusted, and the investment team will be informed and take appropriate actions.

This tool strengthens Global Alpha's ability to systematically identify, assess, and escalate ESG-related risk incidents while aiming to ensure that ESG assessments remain accurate and up to date by capturing emerging risks as they occur.





## Case Study: Melia Hotels International

Melia Hotels International (MEL SM) is a Spanish hotel chain with 10 brands and more than 400 hotels on four continents, including strong exposure to the leisure segment in the Mediterranean, Canary Islands and Caribbean. As the third largest hotel group in Europe and the second largest in Latin America, Melia is recognized as one of the most prestigious hotel brands worldwide, one of the top companies with best reputations in Spain, and a driver of sustainable tourism and eco-friendly hotels.

### MELIA HOTELS INTERNATIONAL (MEL SQ) | ESG SCORE: 4.25

|                                      |   |
|--------------------------------------|---|
| <b>ESG Reporting</b>                 | <ul style="list-style-type: none"><li>■ Comprehensive and reliable</li><li>■ Aligned with reporting frameworks (GRI, TCFD, EU Taxonomy)</li><li>■ Complete materiality assessment done in collaboration with stakeholders</li></ul>   |
| <b>Environmental</b>                 | <ul style="list-style-type: none"><li>■ SBTi approved emission reduction targets on all 3 scopes</li><li>■ Energy efficiency certification process; Renewable energy (34% of total)</li><li>■ Sustainable use of resources; Protection of biodiversity initiatives</li><li>■ Reduction circular ecosystem; Integration of sustainable criteria in buildings</li></ul> |
| <b>Social</b>                        | <ul style="list-style-type: none"><li>■ Promotion of sustainable tourism practices and local economic development</li><li>■ Robust internal training and development plan for employees; DEI initiatives</li><li>■ Increasing health and safety of employees across all value chain</li><li>■ Robust quality assurance program to optimize guest experience</li></ul> |
| <b>Governance</b>                    | <ul style="list-style-type: none"><li>■ 50% directors are independent</li><li>■ 50% directors are women</li><li>■ CSR Board Committee; Portion of variable compensation linked to material risks</li></ul>  |
| <b>Business Model and Leadership</b> | <ul style="list-style-type: none"><li>■ Participation in the Circular Hotels initiative; Top 100 companies with best corporate reputation in Spain</li><li>■ Included in ESG Indices</li></ul>  |

## Sustainable Global Small Cap Strategy

The Sustainable Global Small Cap (SGSC) Strategy was launched in late 2023. This strategy leverages the team's current investment process with a primary focus on identifying companies that are expected to contribute to positive outcomes on the environment and society while also seeking to maximize long-term total returns. This strategy therefore goes beyond the identification and management of financially material ESG risks, by seeking to invest in companies that generate positive outcomes.

**In 2025, the total revenue alignment of the strategy with the targeted SDGs was 89.51%\*.**

For more metrics and information on the strategy, please refer to the SGSC Annual Report.

*\*Data as of December 31st 2025 - alignment calculated by Aequo using a proprietary revenue alignment methodology based on publicly reported company data. Excluding cash. Companies: % of the fund \* revenue aligned per SDG.*

## Strategy Overview

The sustainable objective of the fund is to contribute positively to the SDGs through investments in companies that offer products and services aligned with these goals.

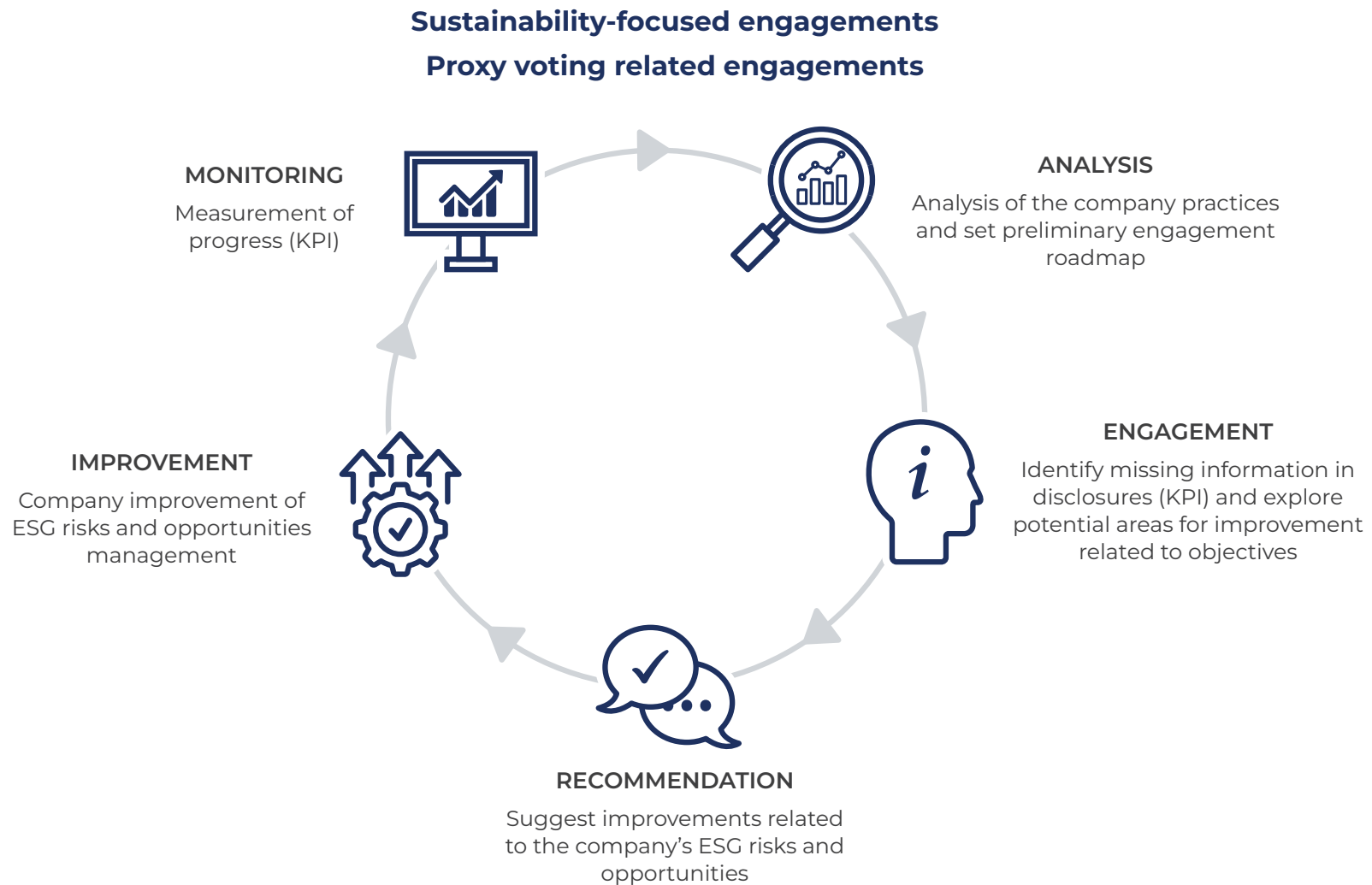
### SUSTAINABLE DEVELOPMENT GOALS: ALIGNED THEMES

|   |   |   |   |
|---|---|---|---|
| <p><b>3</b></p> <p><b>Good Health &amp; Well-Being</b></p>              | <ul style="list-style-type: none"> <li>▪ Mental health and wellbeing</li> <li>▪ Chemical, toxin and contamination elimination</li> <li>▪ Health care services and accessibility</li> <li>▪ Staffing, recruiting, training, development</li> </ul> | <p><b>10</b></p> <p><b>Reduced Inequalities</b></p>                     | <ul style="list-style-type: none"> <li>▪ Inclusion and equal opportunities</li> <li>▪ Fair economic and social policies</li> <li>▪ Safe migration and accessible financing</li> </ul> |
| <p><b>4</b></p> <p><b>Quality Education</b></p>                         | <ul style="list-style-type: none"> <li>▪ Quality early childhood education and care services</li> <li>▪ Teachers and educational staff</li> <li>▪ Modern, safe school infrastructure</li> </ul>   | <p><b>11</b></p> <p><b>Sustainable Cities &amp; Communities</b></p>     | <ul style="list-style-type: none"> <li>▪ Quality housing</li> <li>▪ Sustainable transportation</li> <li>▪ Air quality</li> <li>▪ Waste management</li> </ul>                          |
| <p><b>6</b></p> <p><b>Clean Water &amp; Sanitation</b></p>              | <ul style="list-style-type: none"> <li>▪ Water treatment and accessibility</li> <li>▪ Water quality</li> <li>▪ Water – use efficiency</li> <li>▪ Water infrastructure</li> </ul>  | <p><b>12</b></p> <p><b>Responsible Consumption &amp; Production</b></p> | <ul style="list-style-type: none"> <li>▪ Efficient natural resources</li> <li>▪ Food waste reduction</li> <li>▪ Sustainable chemicals</li> <li>▪ Reduce, recycle, reuse</li> </ul>    |
| <p><b>7</b></p> <p><b>Affordable &amp; Clean Energy</b></p>             | <ul style="list-style-type: none"> <li>▪ Renewable energy</li> <li>▪ Energy efficiency</li> <li>▪ Sustainable energy services</li> <li>▪ Energy infrastructure</li> </ul>   | <p><b>13</b></p> <p><b>Climate Action</b></p>                           | <ul style="list-style-type: none"> <li>▪ Climate change management</li> <li>▪ Climate impact reduction</li> <li>▪ Climate planning</li> </ul>   |
| <p><b>9</b></p> <p><b>Industry, Innovation &amp; Infrastructure</b></p> | <ul style="list-style-type: none"> <li>▪ Resilient and sustainable infrastructure</li> <li>▪ Transborder infrastructure</li> <li>▪ Affordable internet access</li> <li>▪ Retrofitting technology</li> </ul>                                       |   |   |

## The Role of ESG Stewardship and Engagement

Global Alpha is an active shareholder and believes that shareholder engagement and proxy voting are effective ways to encourage companies to increase transparency, enhance long term shareholder value and mitigate risks.

ESG engagements occur through two distinct approaches:



## Sustainability-focused Engagements

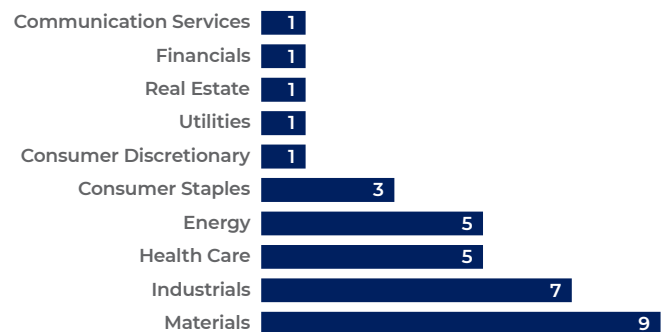
The Global Alpha sustainability analysts actively engage with the management teams of companies in which the firm invests, or may consider investing, on behalf of its clients. Sustainability-focused engagement has the objective of promoting enhanced transparency, gathering relevant ESG information as part of the investment research process, and sharing the firm's perspectives and views on best practices for managing material ESG risks and opportunities. Global Alpha prioritizes engagement with holdings that exhibit higher financial ESG risks, and where proactive dialogue can have the most impact on ESG risks mitigation and opportunities management.

A robust engagement on a material ESG issue involves multiple, substantive discussions with company management, via meetings, calls, and written communications, over an extended period, ensuring a continuous and constructive dialogue. Each engagement is guided by clearly defined topics, with discussions and progress tracked over time.

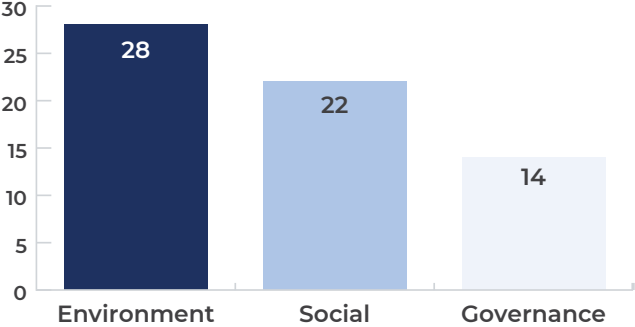
### Engagement Themes in Focus:

- Climate change mitigation and adaptation
- Human capital management and occupational safety
- Resource consumption and nature-related impacts
- Supply chain management and human rights
- Governance, transparency and sustainable offering

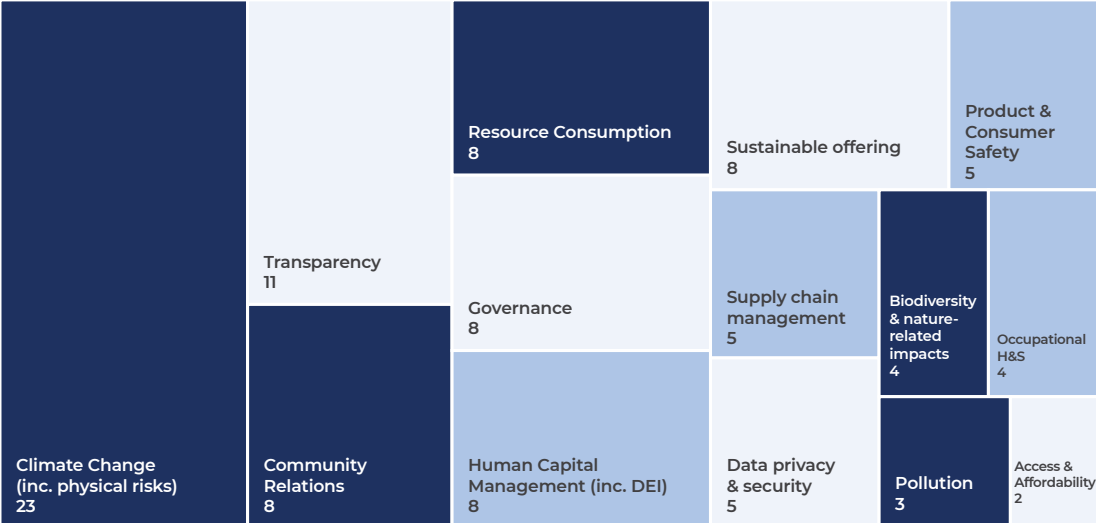
### ENGAGEMENTS BY SECTOR



**NUMBER OF ESG ENGAGEMENT PER CATEGORY AND TOPIC**



*Adds up to more than the total number of engagements, as there may be more than one topic discussed per engagement.*



## ESG Focus List

Global Alpha actively engages with the management teams of companies in which the firm invests or considers investing on behalf of clients.

The firm prioritizes engagement with companies identified through its ESG Focus List process, which is designed to highlight holdings that exhibit higher financially material ESG risks or controversy exposure, evolving sustainability-related developments, or areas where additional monitoring and dialogue may be warranted. Companies may also be selected where engagement has the potential to support improved risk oversight, stronger governance practices, or better management of sustainability-related opportunities. This targeted approach allows Global Alpha to focus its engagement efforts where they are expected to be most relevant and impactful on ESG risk mitigation and opportunities management.

Through this approach, the team aims to drive meaningful dialogue and encourage companies to enhance their ESG practices and disclosures.

### MONITORING OF ESG ENGAGEMENTS

| Company                 | Sector           | Country | Internal ESG Score | Internal ESG sentiment assessment | Themes  |
|-------------------------|------------------|---------|--------------------|-----------------------------------|---|
| Extencicare             | Health Care      | CA      | 3.1                | Positive                          | Product & consumer safety, Human capital management, Transparency, Climate change |
| Primo Brands            | Consumer Staples | US      | 3.75               | Negative                          | Sustainable offering, Pollution   |
| Fuji Seal International | Materials        | JP      | 3.6                | Positive                          | Climate change, Resource consumption, Sustainable offering                        |
| Imdex                   | Materials        | AU      | 3.7                | Positive                          | Climate change, Sustainable offering, Governance                                  |
| Loomis                  | Industrials      | SE      | 3.3                | Neutral                           | Climate change, Governance, Human capital management, Data privacy and security   |



## DIRECT ESG ENGAGEMENT – CASE STUDIES

### Extencicare Inc

**Country:** Canada

**Internal ESG Score** 3.1

**Sector:** Health Care

**Themes:** Product & consumer safety, Human capital management, Transparency, Climate change

**Issues:** Development of a strategic ESG roadmap and improved disclosures

#### BACKGROUND

Extencicare is a Canadian provider of long-term care, home health care, and managed services. As the Canadian population ages, they play an impactful role in both increasing access to care and improving quality of care, with 18% increase in home health care volumes in 2025.

#### ACTION

Global Alpha has been conducting structured sustainability-focused engagements with Extencicare since early 2024, including through a mix of in-person and virtual meetings and proxy voting leverage. In 2025 alone, Global Alpha held three specific sustainability engagement meetings with the company, in addition to a multiple email exchanges between management and Global Alpha.

Through these engagements, Global Alpha engaged the company on its response to site-level incidents, progress in human capital management, and overall ESG reporting practice. It consistently advocated for enhanced climate transparency, including the disclosure of Scope 1 and 2 emissions, adoption of climate-aligned reporting

frameworks, and the development of a formal ESG roadmap supported by a materiality assessment. To help advance these efforts, Global Alpha provided targeted recommendations and shared a curated list of external ESG consultants to assist in building a clear and actionable ESG roadmap.

#### OUTCOME

Following sustained engagement, Extencicare informed Global Alpha that it launched a formal ESG workstream in Q4 2025, and received Board approval to appoint an external ESG consultant. The mandate focuses on the development of a sustainability and climate integration roadmap to guide the evolution of governance, risk management, operational oversight, and data collection.

Initial efforts are underway, including stakeholder engagement and data collection. Board-level approval of this initiative marks an important milestone in Global Alpha's ESG engagement with the company, and the firm will continue to monitor execution and progress against the planned roadmap and reporting enhancements.

Source: Extencicare IR

# IMDEX Limited

|  |                                |                          |
|--|--------------------------------|--------------------------|
| <b>Country:</b> Australia  | <b>Internal ESG Score:</b> 3.7 | <b>Sector:</b> Materials |
| <b>Themes:</b> Climate change, Sustainable offering, Governance            |                                |                          |
| <b>Issues:</b> Improve disclosures and alignment with upcoming regulations |                                |                          |

## BACKGROUND

IMDEX Ltd is an Australian mining technology company providing drilling optimisation tools, rock knowledge sensors, and real-time data solutions across the mining value chain. Its products improve drilling efficiency while reducing water use, waste generation, and energy consumption, helping lower customers' environmental impacts.

Given its role in improving operational efficiency for resource companies, engagements have focused on climate risk transparency, measuring environmental outcomes, and the governance of sustainability risks and opportunities. In prior discussions, Global Alpha had encouraged clearer disclosure of Scope 1 and 2 emissions, progress toward Scope 3 reporting and GHG reduction targets, and improved quantification of environmental outcomes enabled by products sold.

## ACTION & OUTCOME

Global Alpha welcomed the enhanced

climate disclosure in the 2025 Sustainability Report, including clearer reporting of Scope 1 and 2 emissions by source, region, and trend—an area of engagement in 2024.

In the December 2025 call, Global Alpha discussed IMDEX's roadmap to align with the Australian Sustainability Reporting Standards (ASRS S2), and was pleased to learn about the company's plan for upgrading GHG data systems, climate risk mapping, and forthcoming scenario analysis. The company also mentioned plans to establish a Scope 1 and 2 baseline in FY26 to support a future emissions reduction roadmap and mapping Scope 3 emissions ahead of mandatory disclosure requirements.

Global Alpha reiterated recommendations that IMDEX formalise GHG reduction targets aligned with ASRS expectations and publish aggregated, quantified ESG outcomes (e.g., reductions in water, emissions, and chemicals enabled by its products). The team was encouraged by the improved transparency and will continue to monitor improvements.



Source: IMDEX Sustainability Report 2025



## Kurita Water Industries

**Country:** Japan

**Internal ESG Score:** 4.6

**Sector:** Industrial

**Themes:** Climate change, Resource consumption, Pollution, Governance

**Issues:** Discuss scope 3 emissions management and missed resource recovery targets, as well as disclosure gaps and sustainability governance

### BACKGROUND

Kurita Water is a global provider of water treatment solutions, supporting industrial and municipal customers across multiple regions. The company's business model is closely tied to sustainability outcomes, particularly water efficiency, resource recovery, and emissions reduction.

A key challenge is that ~98% of emissions are Scope 3, making decarbonization highly dependent on customers and supply chains. In recent years, the company has faced volatility in Scope 3 emissions due to rising demand, alongside challenges in meeting certain environmental targets, including water savings and resource recovery.

### ACTION & OUTCOME

Global Alpha has been engaging with Kurita on its climate strategy, circular economy, water management, and governance initiatives. In the latest engagement, Kurita showed a more structured response to prior concerns. The company outlined improvements in Scope 3 emissions management, including AI-enabled equipment optimization, greater renewable energy use at customer sites,

and enhanced, third-party-validated data methodologies. While absolute emissions remain tied to growth, GHG intensity per revenue has declined, indicating efficiency gains. On circular economy initiatives, management acknowledged missed targets and introduced corrective actions such as stronger internal coordination, improved project screening, and partnerships to reduce upfront investment barriers. Kurita also revised its water-saving targets to better reflect operational realities and expanded deployment of water-saving solutions through internal working groups, alongside increased investment in AI-driven technologies to optimize water treatment and reduce resource use.

From a governance perspective, Kurita continues to refine its oversight of sustainability through its Sustainability Advisory Council and integration of ESG considerations into executive compensation.

These engagements highlight how ongoing investor dialogue can support improved target-setting, operational execution, and transparency.

## Alcoa Corporation

**Country:** United States

**Internal ESG Score:** 2.35

**Sector:** Materials

**Themes:** Climate change, Nature-related impacts, Occupational health & safety, Community relations

**Issues:** Discuss the land clearing penalty and Alcoa's nature-related risks disclosure, as well as its carbon roadmap and human rights risks

### BACKGROUND

Alcoa is a vertically integrated global leader in bauxite mining, alumina refining, and aluminum smelting, with operations across multiple regions. Due to the energy-intensive nature of aluminum production, the company represents a significant contributor to portfolio emissions, with emissions intensity above peers.

Beyond climate, the company has faced elevated ESG risks in recent years, including a A\$55 million penalty related to unauthorized land clearing in Western Australia, severe workplace safety incidents and fatalities, as well as pushback from local communities. The complexity and nature of its supply chain and joint ventures also expose the company to heightened human rights risks.

### ACTION & OUTCOME

Global Alpha engaged with Alcoa through both direct dialogue and collaborative engagement via the PRI Advance initiative, focusing on climate strategy, nature-related risks, community relations, and health and safety practices.

During recent engagements, Alcoa outlined efforts to strengthen its climate approach, including developing a global decarbonization roadmap, hiring dedicated leadership, and participating in initiatives like the Aluminum Stewardship Initiative. However, disclosures remain limited on capital allocation, project timelines, and Scope 3 targets. On nature, discussions focused on the response to the recent fine and broader nature-related risks. Alcoa has completed a TNFD gap assessment and is advancing site-level risk analysis, though a comprehensive global biodiversity strategy and quantitative targets are still lacking.

The PRI Advance engagement focused on human rights, including impacts on communities, supply chains, and safety. Discussions emphasized stronger grievance mechanisms and stakeholder engagement in high-risk regions, alongside ongoing reviews of global frameworks. Following recent incidents, Alcoa highlighted improved safety protocols, greater on-site management presence, and linking safety metrics to compensation, though group-wide targets and disclosure remain limited.



## Proxy Voting Highlights

Global Alpha votes proxies to exercise its fiduciary duty to clients and as an integral part of its broader engagement process to ensure good corporate governance and enhance long-term shareholder value. Global Alpha utilizes the global proxy voting research and voting services of Institutional Shareholder Services (ISS) to help assess and vote proxies in accordance with its custom voting policy. The table below provides a summary of Global Alpha's proxy voting activity in 2025 across all proposals on which it was eligible to vote.

| Revised Proposal Code Category   | Votes Against Management | % of Votes Against Management | Votes Against ISS* | % Votes Against ISS | Total No. of Proposals |
|----------------------------------|--------------------------|-------------------------------|--------------------|---------------------|------------------------|
| Corporate Governance Related     | 1                        | 1%                            | 0                  | 0%                  | 193                    |
| Capitalization                   | 23                       | 14%                           | 3                  | 2%                  | 165                    |
| Company Articles                 | 18                       | 16%                           | 0                  | 0%                  | 110                    |
| Compensation                     | 191                      | 49%                           | 116                | 30%                 | 388                    |
| Director Related                 | 396                      | 27%                           | 323                | 22%                 | 1471                   |
| Environmental and Social Related | 0                        | 0%                            | 0                  | 0%                  | 12                     |
| Miscellaneous                    | 4                        | 22%                           | 0                  | 0%                  | 18                     |
| Non Routine/Business             | 14                       | 3%                            | 0                  | 0%                  | 418                    |
| Reorganizations and Mergers      | 4                        | 13%                           | 0                  | 0%                  | 31                     |
| Antitakeover Related             | 0                        | 0%                            | 0                  | 0%                  | 17                     |
| <b>Grand Total</b>               | <b>651</b>               | <b>23%</b>                    | <b>442</b>         | <b>16%</b>          | <b>2,823</b>           |

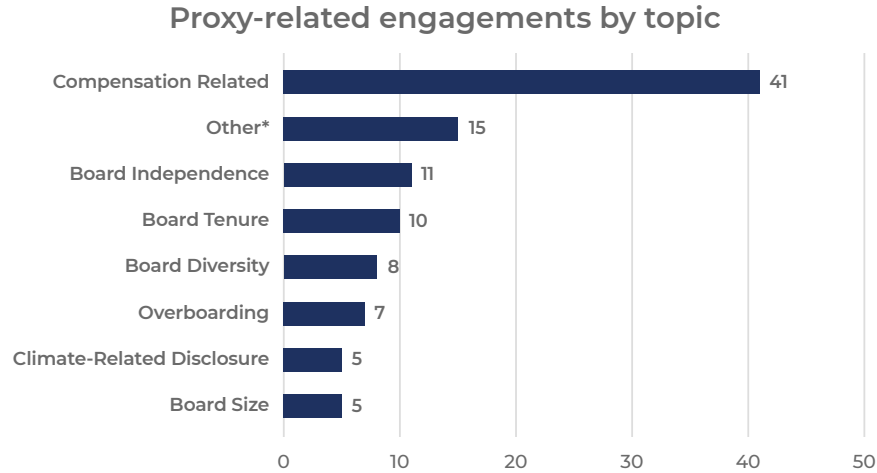
\*Votes against ISS indicate where Global Alpha's custom voting policy deviated from ISS's benchmark voting policy as of December 31<sup>st</sup>, 2025.

# Proxy Voting Related Engagements

As active shareholders, Global Alpha considers direct engagement with holdings to be instrumental to its stewardship program. Global Alpha takes a proactive approach to proxy voting by engaging with companies where it is considering voting against management's recommendations. To do so, Global Alpha receives support from the centralized Connor Clark & Lunn Stewardship & Engagement (S&E) team, who works with the investment team to facilitate proxy voting and conducts engagements on proxy voting matters.

Global Alpha is pleased to share the highlights of its annual proxy voting engagement activity. In 2025, Global Alpha engaged with 56 companies prior to voting to discuss proxy-related concerns, a slight decrease of 11% from 2024 (63 engagements). Following these discussions, Global Alpha proceeded to support management on 30% of the proposals reviewed, while proceeded to vote against management on 70% of the proposals reviewed throughout 2025. Decisions to vote contrary to Global Alpha's customized proxy voting policy resulted from a consideration of extenuating circumstances discussed during engagements, including, Global Alpha's voting history at the company, the company's commitments to mitigate ESG risks, and its overall financial and non-financial performance.

In 2025, Global Alpha conducted 56 proxy voting engagements with holding companies prior to casting its votes.



\* Other includes Shareholder rights-related, Auditor Independence, Share Dillution, Indigenous Relations Activities, and Cyber-Security

Adds up to more than the total number of proxy voting engagements, as there may be more than one topic discussed per engagement.



## PROXY VOTING ENGAGEMENT EXAMPLES

---

### **Extendicare**

In May 2025, Global Alpha engaged with Extendicare Inc, a Canadian long-term care provider for seniors, regarding the company's climate related-risk oversight, climate strategy and emissions management practices. Extendicare discussed their initiatives to measure Scope 1 and 2 emissions and its commitment to disclose its inaugural full-year data in next year's ESG report. The company also outlined pilot projects to reduce emissions in its highest-emitting homes, supported by external consultants, and that climate risk considerations are being incorporated into the planning of new developments. Since management had demonstrated a credible and proactive approach, Global Alpha supported the re-election of the company's director responsible for the oversight of climate related risks. Global Alpha further encouraged continued progress such as the adoption of the TCFD framework, formal Scope 1 and 2 emissions disclosure, and consideration of GRESB participation to enhance ESG benchmarking with peers.

---

### **VusionGroup**

In June 2025, Global Alpha engaged with VusionGroup, a French digital solutions provider, on several proposals ahead of the company's annual meeting over concerns regarding executive pay practices. Global Alpha acknowledged that the company had made substantive changes to its compensation framework, particularly in response to past shareholder feedback in 2024. These changes included improved long-term incentive plan (LTIP) structures and clearer alignment with performance. After consideration and taking into account French governance practices, Global Alpha supported several compensation-related proposals covering the remuneration for corporate officers, and the Chairman and CEO, due to improvements in transparency, the extension of LTIP performance periods, and new performance metrics such as relative total shareholder return. However, Global Alpha remained according to its policy after reviewing CEO pay levels from the preceding year and voted against the proposed CEO compensation. While Global Alpha recognized the company's progress, its broader policy reforms and consideration of shareholder feedback, Global Alpha encouraged VusionGroup to continue improvements toward executive pay governance.

---

### **ASAHI INTECC**

In September 2025, Global Alpha engaged with Asahi Intecc Co. Ltd., a Japanese developer of medical devices concerning the company's level of board independence and director classifications. Asahi Intecc shared its criteria for the appointment of independent directors and board independence, aligned with Tokyo Stock Exchange (TSE) requirements. These include thresholds for revenue and asset exposure, as well as cooling-off periods for former executives, allowing for objective and transparent assessment of director independence. The company also maintains a level of outside director representation which exceeds Japanese listing norms, and has undertaken refreshment efforts, including the nomination of a new director and an average board tenure of eight years. Global Alpha recognized the company's proactive disclosure and improvement of governance thresholds in the Japanese context, thereby supporting several director elections at the company's annual meeting.

---

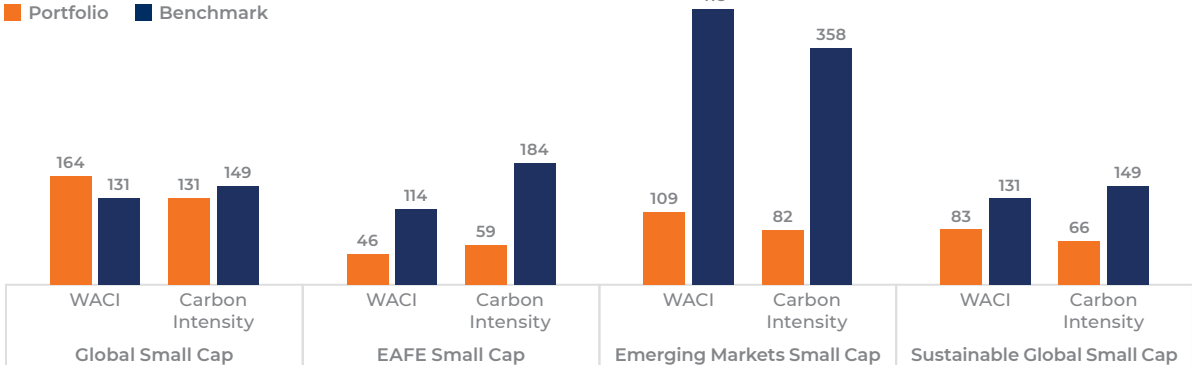


# Portfolio Carbon Footprint

As supporters of the Task Force on Climate-related Financial Disclosures (TCFD)\*, Global Alpha is committed to measuring and disclosing the carbon footprint of all strategies on a quarterly basis. Global Alpha's portfolios outperformed the benchmark in terms of carbon intensity. This information is being presented for informational purpose only. The carbon footprint of Global Alpha's portfolios is a result of the investment process and is not specifically targeted.

*\*The TCFD disbanded in 2023 having been incorporated into the IFRS's ISSB standards, however its climate disclosure recommendations are still widely reported against.*

## PORTFOLIO CARBON EXPOSURE OVERVIEW



Source: ISS Climate Impact Reports as of 12/31/2025. WACI refers to Weighted Average Carbon Intensity. (tCO2 e/Revenue)

**31.2%**

HOLDINGS HAVE SET SCIENCE-BASED TARGETS (COMMITTED 2.6%, ALIGNED 1.5 DEGREES 26%, ALIGNED 2 DEGREES 2.6%)

*For Global, EAFE and Sustainable Strategies combined as of December 31<sup>st</sup>, 2025.*

*Source: SBTi Target Dashboard.*

**32.5%**

HOLDINGS HAVE COMMITTED TO NET ZERO BY 2040 OR 2050

*For Global, EAFE and Sustainable Strategies combined as of December 31<sup>st</sup>, 2025.*

*Source: Internal Climate Roadmap.*

## Monitoring Climate Risks and Opportunities of Holding Companies

Through the assessment of portfolio carbon footprint, Global Alpha actively tracks the carbon performance of holding companies, including their climate commitments, GHG disclosures, and reduction targets. By monitoring this, Global Alpha is able to identify climate-related risks and opportunities, engage with the highest emitters, as well as promote transparency and accountability in corporate carbon management. An example of our monitoring tool is provided below.

| Company                              | Country | Sector                 | Share of portfolio emissions | GHG disclosures         | SBTi target  | Net zero commitment  | GHG reduction objective                         | Action  |
|--------------------------------------|---------|------------------------|------------------------------|-------------------------|--------------|--|---|---|
| <b>Alcoa Corporation</b>             | US      | Materials              | 43.00%                       | Complete (all 3 scopes) | No           | Scope 1 and 2 across global refining and smelting operations by 2050       | Interim 2025 and 2030 targets on scopes 1 and 2 | Actively engaging with the company since initiation, post acquisition of Alumina. Topics of engagement include climate, among others.                                   |
| <b>Eagle Materials Inc.</b>          | US      | Materials              | 13.27%                       | Partial (scope 1 & 2)   | No           | Aspirational goal to achieve net zero (Scope 1) emissions by 2050          | Interim 2030 target on Scope 1 cement emissions | Initial climate-related engagement with the company in 2025. Discussions to continue in 2026 on emissions reporting and mitigation.                                     |
| <b>Melia Hotels International SA</b> | ES      | Consumer Discretionary | 8.02%                        | Complete (all 3 scopes) | Aligned 1.5C | “Road to Net Zero Events” and target milestones, but no clear NZ statement | Interim 2025 and 2030 target on all 3 scopes    | Engaged with the company in 2024 and 2025. The company was not added to the ESG focus list for 2026, as Global Alpha did not identify actionable engagement objectives. |
| <b>Billerud AB</b>                   | SE      | Materials              | 4.73%                        | Complete (all 3 scopes) | Aligned 1.5C | Net zero (across value chain) by 2050                                      | Interim 2030 targets on all 3 scopes            | No planned engagement on climate.   |
| <b>Advantage Energy Ltd.</b>         | CA      | Energy                 | 3.65%                        | Partial (scope 1 & 2)   | No           | No   | No  | Actively engaging with the company since 2024, to discuss emissions reporting, reduction and physical risk adaptation.  |

Source: Share of portfolio emissions comes from the Global Small Cap ISS Climate Impact Assessment Reports as of 12/31/2025. 1. Alcoa 2024 Sustainability Report. 2. Eagle Materials 2024 Sustainability Report. 3. Melia Hotels 2024 Management Report. 4. Billerud 2024 Annual and Sustainability Report. 5. Advantage Energy 2025 Sustainability Report. 6. Science-based Targets initiatives, target dashboard: Companies taking action - Science Based Targets Initiative

# Policy Advocacy and Industry Collaborations

During 2025, Global Alpha supported initiatives that aimed to develop industry best practices and advance sustainable finance.



Global Alpha is a supporter of the International Corporate Governance Network's (ICGN) through its affiliation with CC&L Financial Group, which engages with global policy makers and regulators on behalf of its members.



Participated in PRI reference groups (Sustainable Systems Investment Managers Reference Group (SSIMRG)) and joined the PRI Advance initiative as a collaborative investor.



Participated in two roundtables organized by the Canadian Sustainability Standards Board (CSSB), on its Strategic Roadmap and to provide feedbacks for amendments to the SASB standards.



Participated in various local events organized by Finance Montreal, including biodiversity workshops and the Sustainable Finance Summit.



## PRI Assessment Results

Global Alpha is pleased to share its 2025 PRI Assessment Summary Scorecard. From 2024 to 2025, scores increased in Policy Governance and Strategy (+7%), while Direct – Listed Equity – Active Fundamental remained strong at 96. These results reflect continued enhancements to policies, stewardship, and engagement practices, as well as ongoing strengthening of internal processes.

The score for Confidence Building Measures declined primarily due to the timing of our independent audits, which are conducted on a biennial basis. Notably, Global Alpha continues to score above the PRI median across the first two categories.

|  | 2023      | 2024      | 2025      |
|--|-----------|-----------|-----------|
| <b>Policy Governance and Strategy</b>              | <b>74</b> | <b>80</b> | <b>87</b> |
| <b>Direct - Listed equity - Active fundamental</b> | <b>92</b> | <b>96</b> | <b>96</b> |
| <b>Confidence building measures</b>                | <b>80</b> | <b>85</b> | <b>70</b> |

*Note that the scorecard is calculated according to the PRI's Assessment methodology, which converts the indicator scores to an aggregate module score using a points-based system ranging from 0-100.*

# Responsible Investment Events Participation in 2025

Global Alpha actively participates in ESG and responsible investment webinars, conferences and events to stay ahead of emerging trends, evolving risks, and new opportunities. These events enable the team to deepen its expertise, exchange insights with industry leaders, and refine the firm's approach to responsible investment.

Some highlights are highlighted below.

## GLOBAL IMPACT INVESTING NETWORK (GIIN) IMPACT FORUM

In October 2025, Global Alpha participated in the GIIN Impact Forum, a leading global event convening investors and industry practitioners to discuss developments in sustainable and impact investing.

During the forum, the firm engaged in discussions with peers, attended expert-led sessions, and connected with a range of market participants and service providers. These exchanges provided valuable insights into evolving industry practices, data and measurement approaches, and the role of capital in addressing long-term environmental and social challenges.

Participation in the forum supports Global Alpha's commitment to remaining abreast of emerging trends and best practices, while continuously strengthening its Sustainable Global Small Cap Strategy to reflect leading industry standards in sustainable investment. This helps ensure the firm's sustainability framework remains aligned with evolving industry best practices and emerging trends.

## SPONSORING THE COCKTAIL AT THE SUSTAINABLE FINANCE SUMMIT

In May 2025, Global Alpha participated in the Sustainable Finance Summit organized by Finance Montreal, reinforcing its commitment to responsible investment within the local financial community.

As part of its involvement, the firm was pleased to sponsor the opening cocktail and deliver the opening remarks, marking a meaningful contribution to this year's event.

While engaging with industry experts and peers, Global Alpha explored emerging trends in sustainable finance, including evolving regulatory frameworks and the role of capital in driving the transition to a sustainable and low-carbon economy.

The firm's participation underscored its commitment to staying abreast of local and international developments, ensuring its strategies remain aligned with best practices while continuing to deliver long-term value for its clients.





## Global Alpha Corporate Social Responsibility (CSR) activities

Global Alpha, as a firm, is committed to being a responsible corporate citizen. In partnership with Connor Clark & Lunn (CC&L) Financial Group and its Business Practices Working Group (BPWG), the firm recognizes that its business practices should consider the impact on the workplace, community and society. In addition, through the CC&L Foundation, Global Alpha focuses on philanthropic and volunteering initiatives.

### The BPWG is focused on three areas:



**Diversity, equity, inclusion and belonging (DEIB)**



**The health and wellness of people who work here**



**Environmentally sustainable business practices**

To oversee the execution of initiatives aligned with these themes, CC&LFG has organized working groups and committees comprising members from a range of business functions, seniority levels, geographic locations and demographics. The firm has plans and policies in each of these areas.

Additionally, CC&LFG and Global Alpha aim to enrich the communities in which they operate and work by creating opportunities for both philanthropy and volunteerism through the CC&L Foundation. The Foundation has provided support to a broad range of organizations that focus on promoting a better environment; improving education; advancing science and medicine; creating stronger communities; and encouraging the arts.

Please consult the CC&L group wide [reporting](#) for more information about some of the initiatives undertaken in these areas over the last twelve months.

# Global Alpha CSR Initiatives

Below are a few highlights of CSR initiatives in which the Global Alpha team was involved with in 2025.



## GRAND DEFI PIERRE LAVOIE

For the third year in a row, the Global Alpha team embarked on the 1,000+ km bike challenge to raise funds for Le Grand défi Pierre Lavoie and support underprivileged students in Sainte-Hyacinthe. The team of five spent 72 hours cycling around the clock and raised over \$50,000 in 2025 for this great cause



## LA DAUPHINELLE

Global Alpha supported the great work of La Dauphinelle - Maison d'hébergement pour femmes et enfants at their annual benefit event, la Soirée Dauphinelle. This organization offers essential services for women and children who are victims of domestic violence through safe housing and other services.



## FONDATION HÉMA QUÉBEC

Global Alpha was proud to once again be a sponsor of the Soirée l'Exceptionnelle 2025 of the Héma-Québec Foundation. Thanks to the generosity of all participants, \$253,000 was raised to support plasma donor education and recruitment. These efforts are essential to helping save lives and the team is proud to keep supporting this cause.

# Corporate Flight Emissions Offset

Global Alpha continues to actively monitor and manage its flight-related carbon emissions as part of its broader commitment to responsible corporate practices.

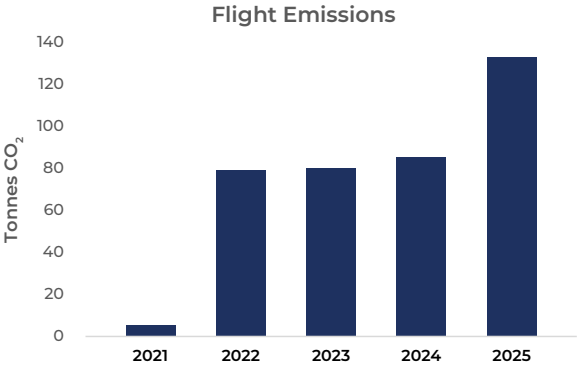
In 2025, corporate travel resulted in approximately 133 tons of CO<sub>2</sub> emissions, reflecting ongoing operational activity.

To address this, Global Alpha offset 100% of its flight emissions through the purchase of high-quality carbon credits. These offsets support a diversified climate action portfolio comprising projects across multiple geographies and technologies.

The portfolio includes projects such as forest conservation and improved land management, which protect critical ecosystems and biodiversity, as well as renewable energy developments, including wind, solar, hydropower, and biomass, that reduce reliance on fossil fuels. In addition, selected projects promote sustainable livelihoods and improved living conditions through initiatives such as clean cooking and community development programs.

By supporting a broad mix of verified offset projects, Global Alpha contributes to offsets of global emissions, while also delivering environmental and social co-benefits. The firm remains committed to monitoring its emissions profile and identifying opportunities to further reduce its carbon footprint over time. As Global Alpha continues to expand, it will remain vigilant

in monitoring its flight emissions and identifying areas for further improvement.



## PROMOTING PUBLIC TRANSPORT

As part of Global Alpha’s ongoing commitment to support the team and contribute to a greener environment, in 2024 the firm initiated coverage of expenses for public transportation for everyone, to promote sustainable transportation options. By utilizing public transportation, all members of the team can collectively contribute to a reduction of the firm’s carbon footprint and contribute to a cleaner, healthier planet.



## 2026 Responsible Investment Outlook

As we moved into 2026, the investment landscape continues to evolve amid shifting geopolitical dynamics, regulatory recalibration, and a more nuanced approach to sustainability across global markets. While the pace and direction of policy developments may vary by region, the management of material ESG risks and opportunities remains central to how companies operate and how investors allocate capital. These considerations are increasingly embedded in fundamental analysis, influencing long-term value creation and risk assessment.

In 2026, the focus is expected to shift toward greater selectivity and sophistication in ESG integration. Investors are placing increased emphasis on financially material factors and improved data quality and credibility. At the same time, ongoing developments in disclosure standards and market expectations require asset managers to remain adaptive and disciplined. In this environment, maintaining a pragmatic, research-driven approach will be essential to navigating complexity while continuing to align with evolving best practices.

**As part of Global Alpha's commitment to responsible investing, the ESG Committee has identified five key priorities for the year ahead:**



Refine the firm's ESG and external positioning on responsible investment



Strengthen client relationships through value-added ESG services and discussions



Monitor ESG and anti-ESG trends and regulations to manage risks and capture opportunities



Maintain and enhance ESG integration and services across investment strategies



Strengthen governance, data, and disclosures to meet evolving sustainable finance regulatory expectations

