

## **BMO Global Asset Management sets out 2021 engagement priorities to support a sustainable Covid-19 recovery**

- Prioritisation of engagement on climate change, biodiversity and addressing inequality and social justice
- Efforts build on over 1,500 engagements with 760 companies in 2020

**LONDON, 2 February 2021** – BMO Global Asset Management (BMO GAM) today sets out its three engagement priorities for 2021, focused on supporting a sustainable recovery from the global pandemic and the 2030 target date for achievement of the UN Sustainable Development Goals (SDGs).

In the year ahead, BMO GAM has pledged to continue to prioritise its engagement with companies in high climate impact industries, driving action towards a net zero emissions global economy, while increasing engagement efforts to encourage positive biodiversity outcomes and address issues of inequality and social justice.

Across these themes, BMO GAM will focus engagement across its core sectors, with the responsible investment team also adding real estate and energy-efficient buildings to its climate change engagement sector focus.

**Claudia Wearmouth, Co-Head of BMO GAM’s Responsible Investment team, said:** “The economic turmoil and social upheaval from the pandemic has put long-term sustainable challenges at the heart of the global agenda. Heightened public consciousness of social inequality, climate change and loss of biodiversity are putting pressure on global leaders to adopt immediate, integrated action.

“As investors, we have a central role to play in driving this action, through the responsible allocation of capital and engagement with companies to encourage positive change. Engagement with a wider pool of stakeholders alongside company dialogue is crucial to success, and to meet the 2030 SDG targets. A unified voice, across business, charities, governments and increasingly the public is our most powerful tool as we pursue a sustainable recovery, the Sustainable Development Goals and ultimately a sustainable world.”

### **BMO GAM Engagement Priorities in 2021**

#### **Addressing biodiversity loss**

The current scale of biodiversity loss globally poses an existential threat to the ecosystems that support global economic and social wellbeing. In 2021, BMO GAM will seek to drive positive biodiversity outcomes, through a continued and expanded engagement programme with companies to curb deforestation, manage soil and freshwater resources and address ocean pollution. Engagement will focus on the most critical sectors to reducing negative biodiversity outcomes, including the food and beverage, transport, extractives and financial sectors.

### **Supporting social justice and reducing inequality**

BMO GAM has a long-standing and successful history of engaging on issues from the living wage, gender diversity and access to healthcare. This year it will continue to engage on these topics, whilst developing its efforts to encourage companies to improve management of racial and ethnic diversity, contribute to a just transition in response to climate change, and tackle emerging issues in human rights in industries like IT, power generation and metals & mining. It will focus in particular on human rights issues inherent in the energy transition, including longstanding challenges in the fossil fuel extractives chain and new issues arising in the renewable energy sector.

### **The race to net zero**

In a continuation of its 2020 commitment, BMO GAM remains focused on climate change. This year, BMO GAM will push for the adoption of targets consistent with net zero emissions globally by 2050, and for robust strategies to implement these. It will also continue to focus on financial institutions, pressing for climate change to be fully integrated into lending and investment policies, and for the adoption of net zero aligned strategies – as BMO GAM itself has adopted, as a founding member of the Net Zero Asset Managers Alliance. BMO GAM will also add a new sector to its engagement, engaging with the real estate sector on energy-efficient buildings.

**Vicki Bakhshi, Director in the Responsible Investment team at BMO Global Asset Management, said:**

“2021, with the rescheduled COP26 climate negotiations, offers a real opportunity to close the gap between the current trajectory of greenhouse gas emissions and the radical cuts needed to keep on track to limit the global temperature rise to 1.5 degrees Celsius. Action by financial institutions and corporates will be critical, with the UN’s Race to Zero Campaign serving as a central reference point. We will increasingly be holding companies to account on the detail underpinning their climate pledges, to ensure commitments will contribute to meaningful change.”

BMO GAM has a 21-strong responsible investment team engaging with companies across sectors. In 2020, the team engaged with 760 companies across 53 geographies resulting in 348 milestones (outcomes as a result of direct engagement).

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### **About BMO Global Asset Management**

BMO Global Asset Management is a global investment manager with offices in more than 25 cities in 14 countries, delivering service excellence to clients across five continents.

Our four major investment centres in Toronto, Chicago, London and Hong Kong are complemented by a network of world-class specialist managers strategically located across the globe: BMO Real Estate Partners, LGM Investments and Pyrford International Ltd.

BMO Global Asset Management is a signatory of the United Nations-supported Principles for Responsible Investment initiative (UNPRI).

BMO Global Asset Management is a part of BMO Financial Group, a highly diversified financial services provider based in North America with total assets of CDN \$949 billion as of 31 October 2020<sup>1</sup>.

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<sup>1</sup> [https://www.bmo.com/ir/qtrinfo/1/2020-q4/Q420\\_CorporateFactSheet.pdf](https://www.bmo.com/ir/qtrinfo/1/2020-q4/Q420_CorporateFactSheet.pdf)