

BMO SDG Engagement Global Equity Fund Impact Report 2020



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“As leaders in responsible investment we believe that recognising the impact we have on sustainable development is both a business imperative and a moral duty for our industry.”

Kristi Mitchem, CEO, BMO Global Asset Management

Investing to improve

This is the start of a vital decade. With the creation of the Sustainable Development Goals (SDGs) five years ago, the world set itself some very stretching goals to achieve by 2030, and there is not a moment to lose if we are to get remotely close to them.

The global backdrop is seldom without significant challenges but the COVID-19 global pandemic has emerged as the most serious public health challenge in living memory. Almost no corner of our planet has escaped the spread of this virus and it has magnified existing global inequalities. It has also created unprecedented economic and social pressures and recurring shock waves. The medium- and long-term implications will take time to be fully understood.

This layers onto a broader range of risks and issues, including elevated geopolitical tensions revolving around Sino-U.S. rivalry, as well as ambitious climate change objectives and manifold social issues that have been exacerbated during the past few decades.

Nevertheless, we are optimistic about the future and we believe that the SDGs can be used by investors as a roadmap to a better future. By investing in companies and using the SDGs as an engagement framework, we believe we can address some of the issues alluded to above and contribute to building a more sustainable world.

As consumers, we can increasingly align our investment decisions with our values. Ultimately, we want our money to drive improvement in the world around us. This is exactly what our BMO SDG Engagement Global Equity Fund is designed to achieve, and it strives to play a part in the global effort to mobilise global capital towards securing a more sustainable future for all.

By specifically targeting small and medium-sized companies, we hope to make more of an impact through our dialogue and we seek to create an ambitious, additional and attributable (AAA) engagement agenda with each of our investee companies. With our 50-strong Active Equity Investment team and our 20-strong Responsible Investment team, we believe we have the specialist resources to deliver a truly differentiated, engagement-driven global equity fund.

In this report, we carry out a deep dive into our engagement activities, showing the alignment to the SDGs and their targets, as well as thematic case studies highlighting some of the key issues we have been engaging on. We also show the progress of our engagement on several metrics, including how it links to the relevant underlying SDG indicators.

We hope you enjoy reading this report and welcome any feedback that you have.



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Key risks

The value of investments and any income from them can go down as well as up and investors may not get back the original amount invested.

Changes in interest rates and inflation expectations could have an effect on the value of your investment.

Investments in smaller companies carry a higher degree of risk as their shares may be less liquid and investment values can be volatile.

The information provided in the marketing material does not constitute, and should not be construed as, investment advice or a recommendation to buy, sell or otherwise transact in the fund.

The SDGs: a framework for investors

Since the 2030 Agenda for Sustainable Development was adopted by all UN member states in 2015, much progress has been made to meet the Agenda's goals. With only 10 years left to 2030, all stakeholders must focus on decisive action. Whilst many companies now have sustainability strategies, robust implementation and an acceleration towards meaningful and lasting change is imperative.

The SDG framework provides an ambitious roadmap towards a more sustainable world. There are 17 high level goals, and each goal has a set of targets setting out specific objectives to achieve the goal, with 169 targets in total. Of these 169 targets, we see around 80 as being relevant to investors. Underlying the targets are 230 indicators, which can help us to determine progress; of these we see around 135 as being relevant for investors. We have developed our engagement database to include the underlying 169 SDG targets of the 17 goals, which allows us to log interactions, progress and results to a granular level where relevant.

We believe the framework is a useful tool for companies and investors to be able to contribute to achieving the objectives of the 2030 Agenda. It has created a common language between stakeholders, and we are seeing this have a positive impact within our engagement. Ultimately, achieving the 2030 Agenda vision of a secure and thriving environment and society, is essential for laying the foundations to long-term, global prosperity, as well as strong investment performance.

BMO SDG Engagement Global Equity Fund

There is an ever-growing demand to align our investments with our values. Ultimately, we want our money to drive improvement in the world around us, and this is exactly what our BMO SDG Engagement Global Equity Fund is designed to achieve. Our ambition is not only to deliver attractive investment returns but to demonstrate positive progress towards achieving SDG targets.

By investing in companies and using the SDGs as an engagement framework to drive improvement, we believe we can contribute to building a more sustainable world. Finding solutions requires a global perspective and we all have a role to play.

This fund aims to deliver engagement that is ambitious in nature, focuses on the additionality of our impact, and ensures that the change is legitimately attributable to our work – what we call “triple A engagement”. The fund is orientated around a clear ethos of invest, engage, and improve.

What lessons have we learnt over the first year?

Our experience since inception has strengthened our belief that the SDGs represent a common language for encouraging improvement with companies across the globe.

We have been extremely pleased to see how broadly our investee companies have welcomed our efforts to have deeper, SDG-oriented conversations that explore ways to improve peoples' lives, whether as consumers, employees or patients for example.

Another observation is that companies are already feeling various pressures to act in a more sustainable manner, and they have welcomed the opportunity to develop longer-term impact-oriented relationships with us.

Lastly, we have noticed how some investee companies which have embedded sustainability more quickly into their strategic vision are very open to the idea of striking up partnerships with fellow investee companies, with a view to accelerating more sustainable practices worldwide.

Invest

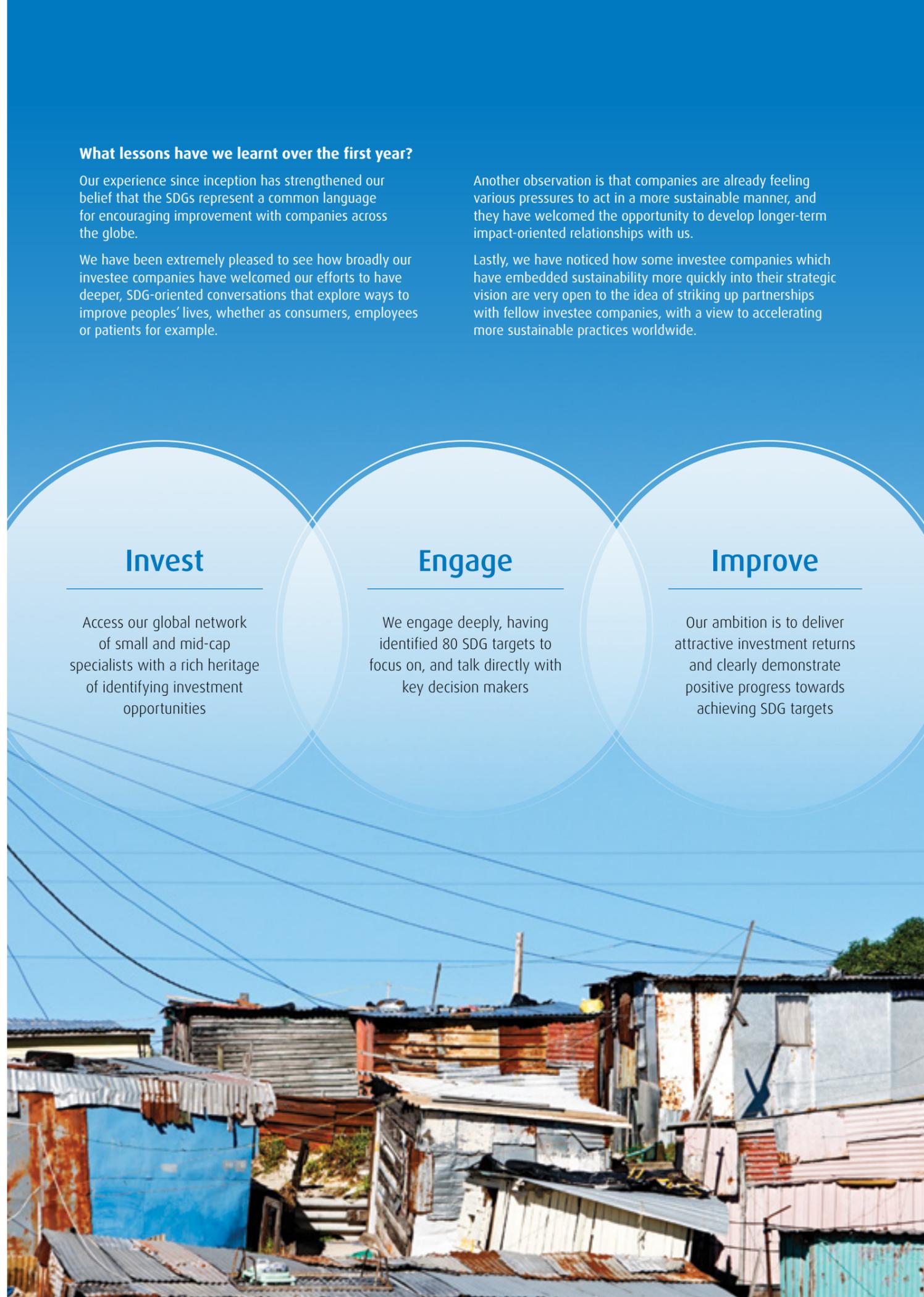
Access our global network of small and mid-cap specialists with a rich heritage of identifying investment opportunities

Engage

We engage deeply, having identified 80 SDG targets to focus on, and talk directly with key decision makers

Improve

Our ambition is to deliver attractive investment returns and clearly demonstrate positive progress towards achieving SDG targets



Invest – quality matters

The BMO SDG Engagement Global Equity Fund aims to provide capital growth by investing in 40-60 small and mid-sized companies from around the world. The fund seeks to achieve a positive impact through targeted, impact-focused, active engagement with companies, using the SDG framework.

This fund draws on our team of global small and mid-cap specialists, alongside our 30+ years of experience in responsible investing, both with a rich heritage of identifying investment opportunities.

The bar we set when investing is high. Alongside strict criteria around the quality and value of a company, there must be

clear opportunity for SDG-linked engagement. We aim to invest for the long term, with low turnover, facilitating stronger relationships with companies which enhances the effectiveness of our dialogue. Our aim is to enhance long-term performance, reduce risk and encourage a positive contribution to broader environmental and social issues.

Quality matters

Alongside factors like ‘competitive advantage’ we look for companies that effectively manage environmental, social and governance (ESG) issues, factors integral to assessing risk and reward potential.

Well managed

Companies should be run by proven management teams, responsible in how they do business, appropriately incentivised and open to shareholder engagement.

Price matters

We have a disciplined approach to valuation with a view to investing in companies at an attractive price and maintaining our holding for 5+ years.

Scope to drive improvement

Only companies where we see scope for achieving improvement towards SDG targets warrant a place in the fund.

Globally connected investing

The BMO SDG Engagement Global Equity Fund draws on BMO Global Asset Management’s worldwide investment platform and combines expertise in active equity management and responsible investment. Our Global Equities team is responsible for stock picking and day-to-day fund management. Throughout the process, our fund managers work alongside our Responsible Investment team – an approach that ensures SDG-related factors are hardwired into company analysis and engagement.

The BMO SDG Engagement Global Equity Fund is part of a wider range of BMO sustainability-focused global equity products which follow our **Avoid – Invest – Improve** framework

Investment Philosophy



Avoid
Exclusions

Explicitly exclude companies based on clearly defined product & conduct ethical criteria



Invest
Sustainability-focused

Invest in companies providing sustainability solutions and/or companies making a positive contribution to society and/or the environment



Improve
Driving change

Engage to encourage companies to improve both their product and conduct, including supporting the ambitious Sustainable Development Goals

BMO Responsible Global Equity

BMO Sustainable Opportunities Global Equity*

BMO SDG Engagement Global Equity*

Active ownership – engagement and voting
ESG integration
Impact reporting

Engage – driving improvement

We believe that for the SDGs to be achieved, companies need to be part of the solution and that through engagement we can help to move companies in the right direction. We seek to engage with each and every holding in the fund, focusing our engagement on targeted areas of particular relevance. Our role as long-term investors helps build trust and gives more leverage to our engagement.

151

engagements¹

96%

companies engaged²

18

countries covered by engagement

In our first year, we had 151 engagements with companies in the fund.

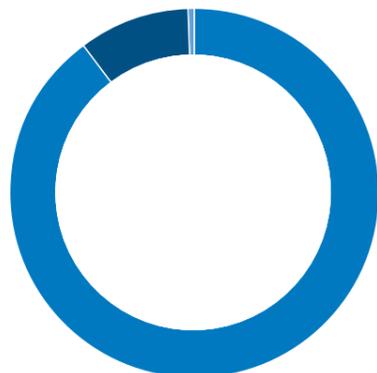
We engage across an organisation, using whichever channel we believe to be most effective in driving change; 47% of our engagement was with senior executives, 33% with investor relations, 11% with operational specialists and the remaining 9% being with board and non-executive directors, corporate secretaries and company consultants.

Regarding how we engage, 50% of engagement was conducted via a meeting, with emails and letters making up 46%, and the remaining 4% compiling of site visits, consultations, seminars and a vote against management communication.

Voting

Our voting policies take account of local practices and are applied in a pragmatic fashion that reflects an integrated understanding of local and international good practice. In all cases, we aim to achieve the same result: the preservation and enhancement of long-term shareholder value through management accountability and transparency.

Our voting activity within the first year resulted in us opposing management on 11% of resolutions, with director elections being the area of most concern.³



- For management 89.0%
- Against management 10.8%
- Abstain 0.2%



“UK and Europe being the leaders of driving SDG/ESG initiatives, from a Japanese corporate standpoint, the engagement with BMO Global Asset Management is a continuous stream of new knowledge. We continue to look forward to learning from engagement with the company.”

Hoya Corporation

Assessing the impact of our engagement

Having already assessed applicable SDG targets for engagement with a given company prior to investing, we communicate these to the companies within the fund, setting out our expectation for open dialogue with them. In April 2020, a year since inception of the fund, we then asked the companies in our fund about the impact of our interactions with them, as we are committed to improving the attribution of our engagement.

We sent the survey request to our fund holdings during the peak of the COVID-19 crisis⁴, and we received insights back from 39% of our companies. We were pleased to have this useful interaction particularly given the global circumstances. We are excited to continue the dialogue with companies, and further develop the conversation around the SDG targets. We will use the responses from the survey to deepen and focus our engagement, as well as to implement additional initiatives to deliver increased change.

One question we asked was how we can help companies to drive further change, and answers included: continuing to highlight where and how they can improve showcasing further examples of best practise, sharing in a more detailed way our investment criteria and rationale, ongoing advocacy for responsible business practices, and continuing to have dialogue with the board and senior management.



Thank you for reaching out to us proactively. We recognise the value of collaboration. Please continue the dialogue with us and facilitate opportunities to share and learn from the best practices.

Vitasoy

68%

said that our engagement had **increased their awareness of SDGs**, and which **key SDG targets** are important for their business

53%

said that our engagement helped to **develop greater internal buy-in** for addressing the environmental and social issues we raise

47%

said that our engagement had **driven change** within the organisation⁴

¹ On holdings as at year end, 31st March 2020. This number doesn't include engagements done on companies sold prior to that date.

² 1st March 2019 – 31st March 2020.

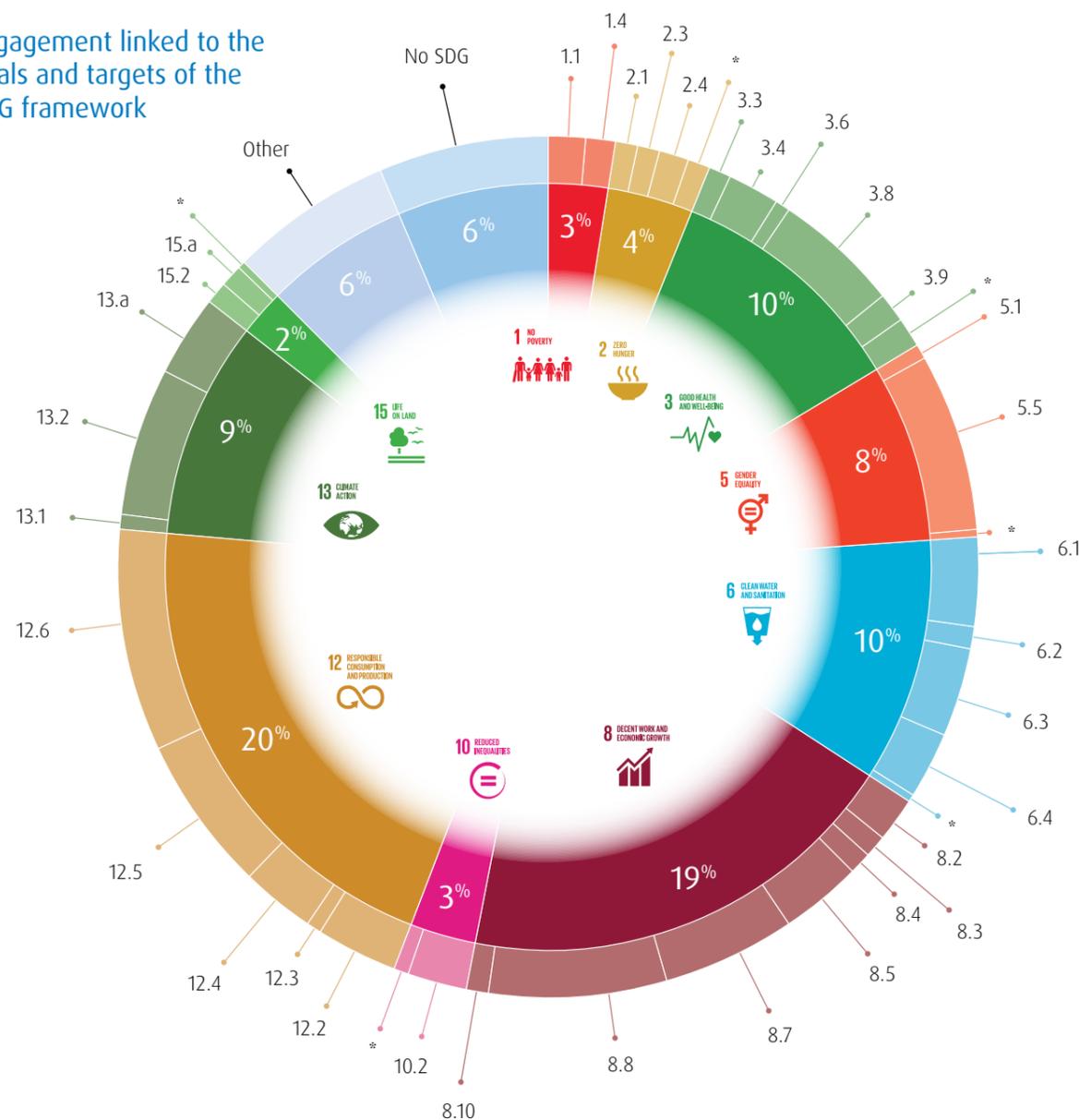
³ Source: BMO Global Asset Management, 1st March 2019 – 31st March 2020

⁴ Survey completion date April 2020.

Engagement and the SDGs

Prior to investment we undertake detailed analysis of several factors, in addition to the fundamental analysis, including on governance metrics, historical evidence of engagement and the alignment of engagement potential with SDG targets. We then set tailored engagement objectives for each individual holding, which are linked to the SDG targets.

Engagement linked to the goals and targets of the SDG framework



Source: BMO Global Asset Management, as at 31 March 2020 Other: SDGs less than 2% *: SDG targets within the denoted goal that are less than 0.5%

113%

increase in the 'material footprint'¹ globally, since 1990²



20% of our engagement links to SDG12, where we engage with companies on utilising resources in the most efficient

ways, the use of innovative materials, adopting product life-cycle assessments and improving of recycling infrastructure and reuse functionality throughout the value chain. We encourage moving to a more circular economy and consumer education on product use and disposal. These engagements support targets 12.2 and 12.5 specifically, with a knock-on benefit to 14.1.

785mn

people lack basic drinking-water services⁵



10% of our engagement has been linked to SDG6, where we engage around access to safe drinking water and effective sanitation. We are also engaging on water management throughout supply chains, encouraging water risk assessments to be undertaken and suitable subsequent strategies to be implemented, and on water governance.

40.3mn

people in modern slavery globally, with 75% of these in the Asia-Pacific region³



19% of our engagement has been linked to SDG8, where we engage around social issues to ensure the

application of labour management policies that provide a diverse, non-discriminatory and safe workplace, where workers are treated well and paid fairly. We encourage transparency and accountability within supply chains and direct operations to ensure best practice, supporting targets 8.8 and 8.7 in particular.

3°C

global temperature rise predicted with the current policies in place⁶



9% of our engagement is linked to SDG13, where we engage with companies on the creation and implementation of business strategies that align with the Paris Agreement, to achieve net zero emissions and to accelerate finance towards climate solutions, supporting targets 13.2 and 13.a particularly. We support the recommendations of the TCFD⁷ and are active members of Climate Action 100+.

400mn

people have no basic healthcare⁴



10% of our engagement has been linked to SDG3, where we engage around access to medicines and healthcare,

with a focus on emerging market end users, linking to target 3.8. Much of the engagement is encouraging those companies that can help to reduce the spread of communicable disease to do everything they can to help to achieve target 3.3. Similarly, we encourage companies in a position to lower rates of non-communicable disease, linking to target 3.4.

99.5yrs

until gender parity will be reached, according to the Global Gender Pay Gap Report 2020⁸



8% of our engagement links to SDG5, where we engage companies on gender equality. Much of this work is to improve the ratio of female representation on boards and throughout all levels of the organisation. In order to achieve this, we encourage companies to have clear strategies in place to improve the balance, from the hiring process and to the day to day operations.

1.1 Eradicate poverty and ensure a living wage for all; **1.4** Ensure equal rights to resources and basic services; **2.1** End hunger and ensure access to safe and nutritious food; **2.3** Double agricultural productivity of small-scale food producers; **2.4** Implement climate-resilient and sustainable food production; **3.3** End AIDS, TB, malaria and other water-borne and communicable diseases; **3.4** Reduce mortality from non-communicable diseases and promote mental health; **3.6** Halve deaths and injuries from road traffic accidents; **3.8** Access to medicines and health-care; **3.9** Reduce deaths and illnesses from pollution and contamination; **5.1** End all forms of discrimination against women and girls; **5.5** Ensure full equality of opportunity for women, including at leadership levels; **6.1** Achieve universal access to safe & affordable drinking water; **6.2** Achieve access to adequate & equitable sanitation and hygiene; **6.3** Improve water quality by reducing pollution; **6.4** Increase water-use efficiency to address water scarcity; **8.2** Achieve greater productivity through innovation; **8.3** Promote development-oriented policies; **8.4** Improve resource efficiency and prevent environmental degradation; **8.5** Achieve full and productive employment for all; **8.7** Eradicate forced labour, modern slavery & human trafficking; **8.8** Protect and promote safe working environments for all workers; **8.10** Increase access to finance; **10.2** Empower and promote inclusivity for all; **12.2** Sustainably manage and make efficient use of natural resources; **12.3** Halve global food waste at the production and consumer level; **12.4** Manage chemical usage and waste throughout their life cycle; **12.5** Reduce waste through prevention, reduction, recycling and reuse; **12.6** Encourage companies to adopt sustainable practices and enhance ESG reporting; **13.1** Strengthen adaptive capacity to climate-related events; **13.2** Integrate climate change plans into policies and strategies; **13.a** Address climate change mitigation for developing countries; **15.2** Promote the implementation of sustainable management of forests; **15.a** Increase financial resources to conserve ecosystems.

¹ "Material footprint" refers to the total amount of raw materials extracted to meet final consumption demands. It rose from 43 billion metric tons in 1990 to 54 billion in 2000, and 92 billion in 2017; increases of 70% and 113% respectively; ² "Responsible consumption and production", The Sustainable Development Goals Report 2019, United Nations, <https://unstats.un.org/sdgs/report/2019/The-Sustainable-Development-Goals-Report-2019.pdf>; ³ "What is modern slavery?", Anti-Slavery International, <https://www.antislavery.org/slavery-today/modern-slavery/>; ⁴ UNDP, <https://www.undp.org/content/undp/en/home/sustainable-development-goals/goal-3-good-health-and-well-being.html>; ⁵ WHO, 2019 <https://www.who.int/news-room/fact-sheets/detail/drinking-water>; ⁶ 3°C global temperature rise over preindustrial levels by 2100 with current policies. "Strengthening the Global Response in the Context of Sustainable Development and Efforts to Eradicate Poverty", Special Report: Global Warming of 1.5°C, Intergovernmental Panel on Climate Change (2018), <https://www.ipcc.ch/sr15/chapter/spm/>; ⁷ Task Force on Climate-related Financial Disclosures; ⁸ World Economic Forum, 2020, <https://www.weforum.org/reports/gender-gap-2020-report-100-years-pay-equality>

Improve – measuring our impact

For each company in the fund we monitor and measure the impact of our dialogue around defined SDG targets. We want to see improvement and continually assess the progress each company is making. Our constructive, strategic approach to engagement continues to help us achieve positive outcomes for companies and societies, which we call 'Milestones', increasing in significance from a one star to a three star rating.

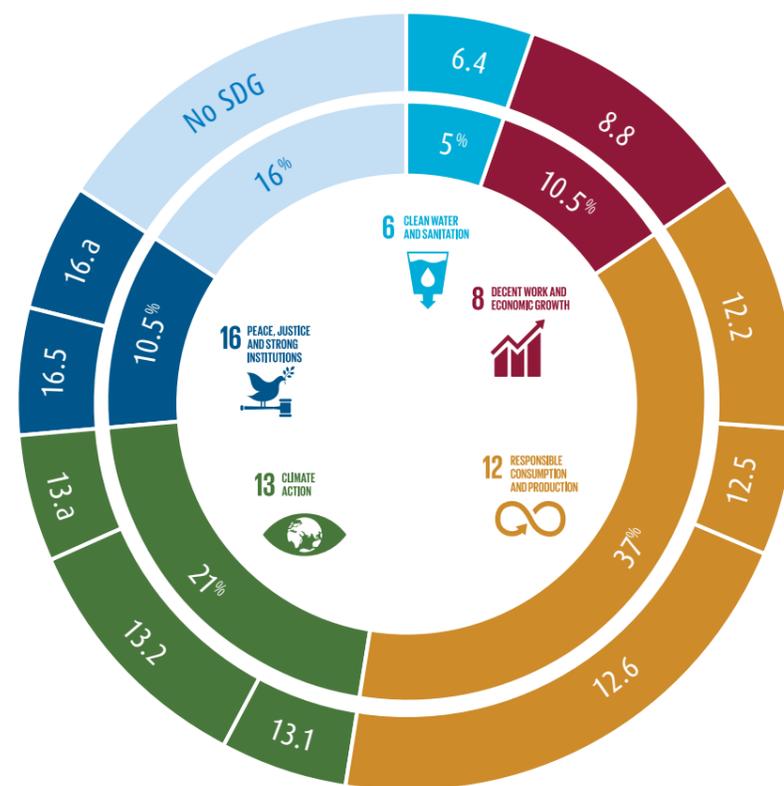


Milestones linked to the goals and targets of the SDG framework

- 19 Milestones achieved
- 10 ★★ Milestones
- 9 ★ Milestones

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
37% of our Milestones link to SDG12, with much of this relating to the improvement of general sustainability within companies, for instance at the Japanese electro-optics, ophthalmic and medical device maker **Hoya**, who formed an inaugural internal ESG committee in order to address these issues effectively, and the US healthcare provider **ICON** who committed to publishing its inaugural sustainability report. We are also seeing environmental improvements to packaging and environmental supply chain management, with strong examples from **Kerry Group** and **Smurfit Kappa Group**.

13 CLIMATE ACTION
With 21% of our Milestones linking to SDG13, we have seen positive advancement of the development and implementation of climate strategies within the companies we hold. Of note we have seen the Thai bank, **Kasikornbank**, strengthen its ESG criteria in lending and perform climate scenario analysis.



Source: BMO GAM, as at 31st March 2020.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS
With 10.5% of our Milestones linking to SDG16, we have seen progress made around the strengthening of corporate practices in banking. The Peruvian bank **Credicorp** developed and published a comprehensive anti-bribery and corruption policy and the Nigerian-based **Guaranty Trust Bank** reviewed its framework to manage risks related to money laundering and financing terrorism, both of which signal commitments to improve oversight of these risks.

NO SDG
16% of our Milestones do not have a direct link to a specific SDG target; however, these link to corporate governance themes such as improving board independence. We view these as an essential building block in creating more sustainable companies, but not always linking to a specific SDG target.

Bank Mandiri Persero

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Target: 12.6
Milestone: ★★



Developed ESG risk management framework

Developed a five-year Sustainable Action Plan, focusing on improving the approach to addressing ESG risks in lending transactions to companies with high sustainability risks, including palm oil and energy. This plan will strengthen credit risk management practices and protect the quality of the loan portfolio. Our engagement has included a meeting with the CEO at their headquarters.

Kerry Group Plc

6 CLEAN WATER AND SANITATION
Target: 6.4
Milestone: ★★



Improvements in water management

Exceeded its 2020 water intensity reduction target, with a 9% reduction in 2019; completed a water risk mapping assessment using the Aqueduct tool; and trained over 1,000 farmers in conservation agriculture. These measures will help the company better manage its exposure to water-related risks. We have been engaging the company on water across the value chain since 2017.

Guaranty Trust Bank Plc

16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Target: 16.a
Milestone: ★★



Enhanced approach for managing financial crime risk

Reviewed its framework to manage risks related to money laundering and financing terrorism. Policies and procedural guidelines, and training and oversight mechanisms were strengthened, which will help with a transition to a more risk-based approach rather than "rule-based and tick-box". We have engaged the bank on anti-money laundering since 2014.

Smurfit Kappa Group PLC

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Target: 12.2
Milestone: ★



Became a founding member of paper-based packaging initiative

Became a founding member of a new industry alliance to boost the contribution of paper-based packaging in a circular and sustainable economy. This will help the company improve the management of environmental risks and opportunities related to packaging, one of the material ESG issues we have engaged the company on.

Kasikornbank PLC

13 CLIMATE ACTION
Target: 13.a
Milestone: ★★



Strengthened ESG criteria in lending

The bank confirmed to us directly that they signed a Memorandum of Understanding with the Thai Banker Association on Responsible Lending. This guideline requires the bank to consider ESG in credit underwriting and the bank has now started the preparation of implementing ESG screening in corporate lending.

Waste Connections

8 DECENT WORK AND ECONOMIC GROWTH
Target: 8.8
Milestone: ★



Enhanced disclosure on diversity and worker safety

Having published their first sustainability report in 2018, the company improved their disclosure further by reporting relevant ESG data against the SASB framework. In addition, new metrics were disclosed on safety and diversity within the business. We encouraged the company to pursue regular reporting of these metrics as an important step in monitoring performance and enhancing accountability.

Investing for a better future

Through engagement with the companies in the fund our ambition is to drive improvement with a view to helping the world reach the objectives set out in the SDG framework. We also map and analyse how the products and services of our investee companies link to the SDGs – an exercise that helps us make better and more informed decisions as well as clarifying the impact of these businesses on the world.

To produce this aggregate chart, we have assessed the connection between our fund and the SDGs, based on an analysis of the sources of revenue for each of the companies in the fund. Specifically, we measure how the individual sources of revenue for each company correspond to the 169 targets that underlie the goals – so that one company, depending on its mix of goods and services, may have links to more than one goal.

Since our methodology is based on the analysis of revenue streams, it does not capture all the ways that companies in our fund contribute to the SDGs. Companies also have an impact – either positive or negative – on the SDGs through the way they treat their staff and wider stakeholders, and how they manage their own environmental footprint. We aim to capture this through the fund metrics on pages 19-27, as well as through our engagement. This mapping is, therefore, not an analysis of conduct, and how well the company is managing a certain issue, but an analysis of whether the product or service produced or provided contributes positively, neutrally or negatively to achieving the SDG targets. The strongest connections we have found are with SDG8 – Decent Work and Economic Growth, SDG3 – Good Health and Well-being, and SDG9 – Industry, Innovation and Infrastructure.

Our investments in technology and industrial companies providing sustainability solutions align with Target 8.2, which calls for technological innovation to support increased productivity and economic growth. This includes companies providing, for instance, testing and measurement services; energy-efficient electronic components; and software designed to improve business efficiency.

The fund has several healthcare companies that support Target 3.8, specifically with the provision of medical equipment, and where we have an ambition to enable access to affordable healthcare for all.

Several companies also support Targets 9.3, including banks providing finance to small and medium-sized enterprises, across both developed and developing countries, and 9.4, with companies helping improve the sustainability of industry.

Negative links

Additionally, we have taken up the challenge of identifying and outlining some of our companies' negative contributions to the SDGs. That is, those products or services that companies in the fund offer which might hinder the achievement of some of the SDGs. Whilst we continue to evolve our reporting process, we hope this provides even deeper disclosure into investee companies' contribution to society and the environment; both positive and negative.

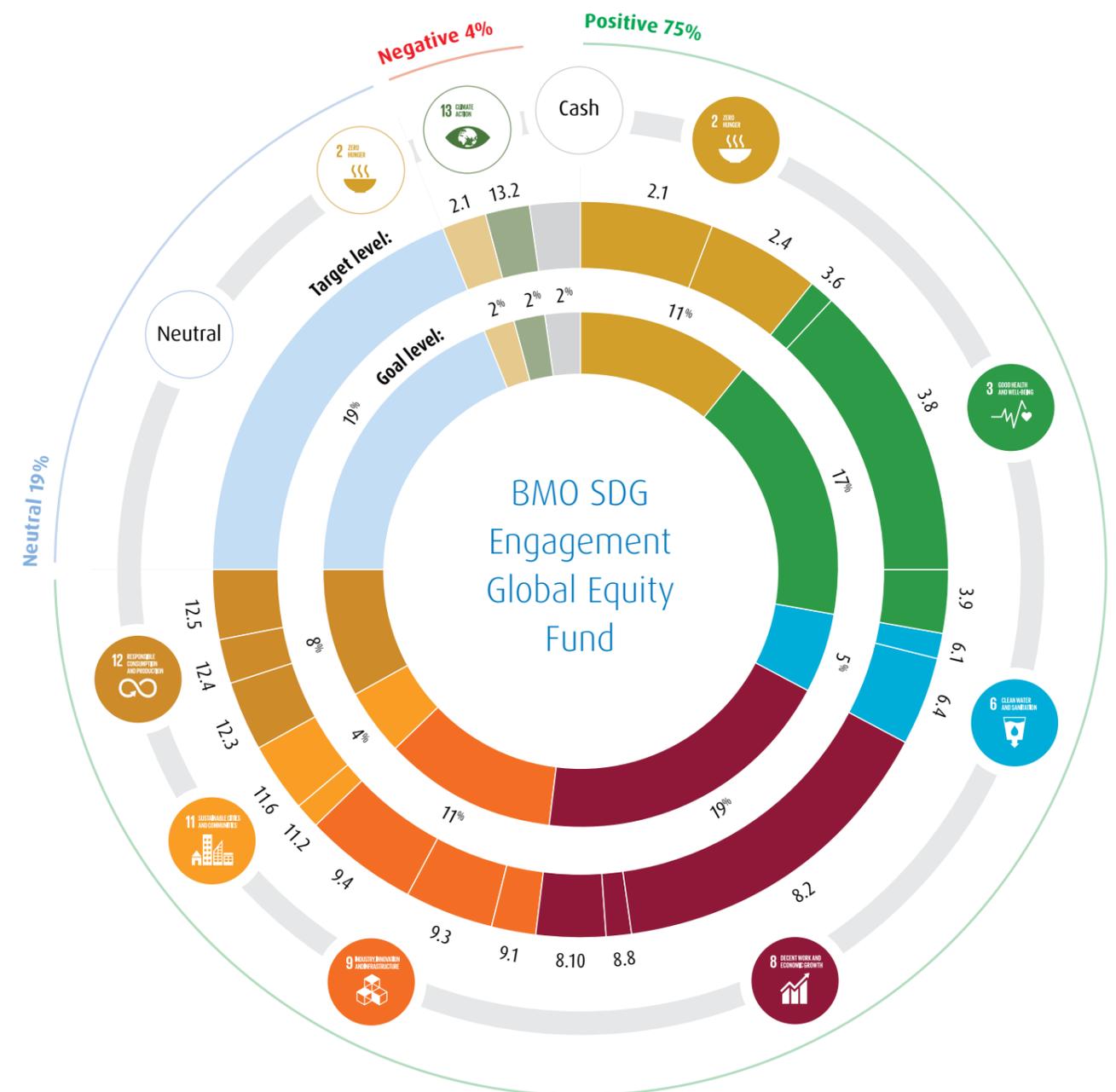
Some negative links to SDGs were found through our analysis, which have become areas for engagement within this fund. These include exposure to unhealthy food through **Dali Foods Group** and to oil and gas through **China Resources Gas Group** and **Shimadzu**.

Whilst the fund at inception did not have explicit screens, our investment process means that certain industries would be unlikely to be invested in, such as tobacco or defence.

Our approach to exclusions

We adhere to some high-level product and conduct exclusions. On the product side we exclude fossil fuel reserves, tobacco, higher carbon-intensity utilities, uranium mining and weapons. On the conduct side we exclude companies with severe breaches of the UN Global Compact principles.

Fund alignment with the SDGs and underlying targets



Source: BMO Global Asset Management, as at 31st March 2020, designed for illustrative purposes.

2.1 End hunger and ensure access to safe and nutritious food; 2.4 Implement climate-resilient and sustainable food production; 3.6 Halve deaths and injuries from road traffic accidents; 3.8 Access to medicines and health-care; 3.9 Reduce deaths and illnesses from pollution and contamination; 6.1 Achieve universal access to safe & affordable drinking water; 6.4 Increase water-use efficiency to address water scarcity; 8.2 Achieve greater productivity through innovation; 8.8 Protect and promote safe working environments for all workers; 8.10 Increase access to finance; 9.1 Develop resilient and sustainable infrastructure; 9.3 Increase access to finance for SME's; 9.4 Upgrade and retrofit industries to increase sustainability; 11.2 Provide access to safe and affordable transport systems; 11.6 Reduce the negative environmental externalities of cities; 12.3 Halve global food waste at the production and consumer level; 12.4 Manage chemical usage and waste throughout their life cycle; 12.5 Reduce waste through prevention, reduction, recycling and reuse; 13.2 Integrate climate change plans into policies and strategies.



Thematic updates

A focus on access to medicine



Ensuring healthy lives and promoting well-being for all is essential to achieving sustainable development.

Companies across all sectors benefit from meeting health needs through their products, services and business activities, including occupational health and safety practices, and the provision of employee benefits. This becomes more critical during health emergencies such as the COVID-19 pandemic, which show the vital need for preparedness and effective response.

Engagement

The focus of our engagement around SDG3 has been on improving access to and the delivery of healthcare, linking mainly to targets 3.3, 3.4 and 3.8. In this context, we have encouraged **ICON**, one of the world's largest Contract Research Organisations, to improve diversity in clinical trials given that gender, race and ethnicity can have an impact on pharmacokinetics and pharmacodynamics. We have also discussed the importance of offering affordable products in lower-income countries with **Mettler-Toledo**, which produces analytical laboratory instruments, and **Hoya**, a manufacturer of contact and eyeglass lenses. We have been particularly encouraged by **QIAGEN's** approach to access in emerging markets: for example, it has developed a testing solution, QFT® Access, which is tailored to advance tuberculosis control in low-resource countries.

Clicks Group case study

We had several constructive meetings with executives at **Clicks Group**, South Africa's largest

drug and healthcare retail chain. The company has stores in many townships across the country and is therefore well-placed to improve access to medicines and healthcare. We encouraged it to leverage its extensive network to become a key player in combatting communicable diseases, including sexually transmitted diseases, linking to target 3.3. Earlier this year, just as the government announced a lockdown to prevent the spread of COVID-19, we spoke to the company to encourage it to take action to ensure the health and safety of its employees and customers, including via awareness-raising campaigns. To address customers' needs, Clicks has kept products that have been in high demand, e.g. hand sanitisers, available and affordable, and has prioritized the delivery of medical supplies to clinics and hospitals where needed. Furthermore, the company has offered free medical checks to people with no private insurance.

The impact of COVID-19

The pandemic has exposed the vulnerabilities in global health systems and severely undermined efforts to achieve SDG3 by 2030. Many of this goal's priorities are relevant to the response and recovery efforts from COVID-19. Going forward, we plan to engage on issues around companies' responses to the emergency to ensure that the critical elements of equitable health care for all are not neglected.

Our Responsible Investment team has been considering the impact of COVID-19 on the ESG agenda. We are co-operating with other investors to provide companies with a united message on our expectations of how they should respond – we have co-signed the Investor Statement on Coronavirus Response¹ and would encourage other investors to do the same.

¹ Domini, 2020, <http://domini.com/covid19-statement>



“We recognise the value that diversity in the boardroom and senior management can bring to an organisation. A relevant and suitably diverse mix of skills and perspectives is critical. Companies should increase the level of diversity throughout the organisation, to ensure the richest possible combination of competencies, experience and outlooks.”

Daniel Jarman, Vice President, Responsible Investment

A focus on gender



To reinforce our engagement we use our vote to help set sensible, market-appropriate thresholds based on evolving markets practice, investor good practice expectations and actual board diversity data across main markets.¹

We are able to show a comparison of the fund with the benchmark for the simple metrics of women on boards and in senior management, as shown adjacent, but we recognise that these are simple outcome metrics which don't give us the depth of view we want, so we also performed a deeper analysis of gender diversity metrics on the holdings within the fund. The metrics which were mapped are those that our Responsible Investment's team's diversity experts consider crucial to achieving change. The analysis thus investigated board diversity, the degree to which the company sees diversity as relevant to its business model targets set to address internal diversity gaps, the type of flexible work

arrangements and parental policies offered and whether hiring procedures are incorporating dedicated gender diversity considerations. In addition, we also looked at the availability of gender pay gap data and programs to address gaps, if any exist at a company.

Engagement

Understanding how management maximises the opportunity that diversity presents, forms part of our assessment of a company. However, some companies are positioned so that they can drive improvement externally, potentially across an entire industry or market. We see **Japan Exchange Group (JPX)** as

being one of these companies. The company has been a leader in promoting the empowerment of women internally for several years. However, during meetings with JPX, we have urged them to be more ambitious in challenging norms externally within the wider market.

Diversity in senior leadership

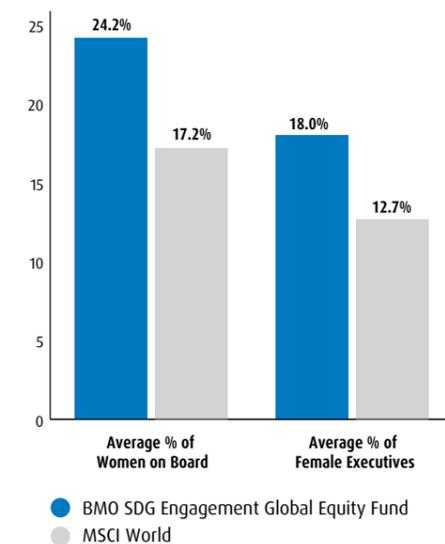
We regularly discuss the need for a higher level of diversity disclosure with companies and efforts are in place to improve this. Meetings with **Steris PLC** and **Icon PLC** were examples of where more disclosure was raised as an area for improvement.

Many markets are seeing progress on gender equality on boards due to regulatory measures and investor pressure, but change is much slower at the senior executive level. The gender profile of the fund is currently significantly above the benchmark. Companies in the fund with 50% or greater female board representation include **Wolters Kluwer, DNB, Cognex** and **WEX**. We are however disappointed that several companies still lack any women on boards, including several of our Japanese company holdings, and are seeking to address this through engagement.

To enhance SDG5 performance and impact we will perform some cross-sectoral engagement in 2020 and 2021 that will focus on board diversity, flexible working arrangements in light of COVID-19 and its health risks, and enhanced disclosure.

The pandemic has exposed the vulnerabilities of women – providing most of the care work at home but also disproportionately working in sectors considered systemically relevant such as health care, cleaning or food retailing. It has been calculated that existing inequalities will widen.

Gender representation



Source: MSCI ESG and Bloomberg. As at 31st March 2020.

Knowing about the relevance of gender equality for sustainable development, this needs to be addressed by a wealth of multi-stakeholder initiatives, and investors will have to play a crucial role, too.

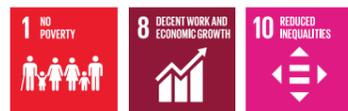
¹ <https://www.bmogam.com/gb-en/intermediary/news-and-insights/gender-diversity-a-decade-of-progress-but-it-must-continue/>



“Labour issues are likely the biggest corporate theme resulting from the pandemic. Companies that had not been managing their social issues well took longer to adjust to the new situation, demonstrating the business case for strong social management.”

Nina Roth, Director, Responsible Investment

A focus on modern slavery and paying a living wage



In 2020, the COVID-19 pandemic and widespread protests against racism have shone a spotlight on a world which remains highly unequal.¹

A responsibility to reduce poverty

It is starkly evident that poverty kills, and the financial hardship caused by this pandemic, which has disproportionately impacted marginalised, low-income communities and women,² has exacerbated existing inequalities. Companies have an important role to play in building a more just society via the employment they provide.

One overarching goal of the SDGs is the eradication of extreme poverty (SDG1). Given the fragility of low-income populations, the goals also promote inclusive and sustainable economic growth, employment and decent work for all (SDG8).

To address poverty, the most powerful and direct tool corporations have is the wages they pay to their employees and contingent workers, and for products and services they procure. The payment of a living wage allows human beings to cover all basic needs, including food, housing, clothes, and transport, linking to target 1.1. Apart from ‘doing good’, the benefit is also broad from a commercial perspective, as we know that living wages increase employee satisfaction and retention rates, limit injuries and training costs, enhance customer satisfaction, and thus contribute positively to the bottom line of companies.

Financial institutions can additionally support reaching SDG1 by improving financial inclusion and by providing access to finance. A good example is the Peruvian financial institution **Credicorp Ltd**, which has, since our first engagement in August 2019, made significant progress in reducing barriers to access their digital banking channels.

Removing modern slavery

In addition, companies can also use SDG8 to frame and advance their efforts, as this goal's core purpose is to achieve full and productive employment, and decent work, for all women and men by 2030.

One underlying target of SDG8 which we consider fundamental to addressing global social inequality is SDG8.7, which calls for immediate and robust action to tackle modern slavery. Achieving SDG8.7 is only possible if companies strive to provide decent work not only in their own operations, but also in their supply chains. Modern slavery is rife and there are around 40 million victims globally;² action is therefore needed in all countries, but especially where labour rights violations are comparatively commonplace.

Hoya case study

Against this backdrop, we have asked **Hoya**, a Japanese IT and med-tech company increasing its production in Vietnam, where approximately 420,000 people live in modern slavery, to strengthen its disclosure about how it is identifying and addressing modern slavery risks. Leveraging the research of KnowTheChain, a resource which compares companies’ efforts to address modern slavery in their supply chains, we shared opportunities for improvement with Hoya, which recently set up



We believe that companies which take robust action to tackle modern slavery are more resilient over the long-term, and are less likely to suffer financial and reputational damage.

Catherine McCabe, Senior Associate, Responsible Investment

its inaugural ESG committee, and we will continue to monitor the company’s progress, re-initiating dialogue subsequent to the publication of its ESG goals.

Looking forward

We are in discussions with an ethical trade consultancy, which specialises in improving labour conditions and productivity within the supply chain by taking local action in factories. We have identified companies in our fund where we think that an external partnership on these issues would drive change at a quicker pace and with more impact. We are now discussing the potential projects with projects with initial companies, and aim to take this forward.

¹ Modern slavery. <https://www.bmogam.com/wp-content/uploads/2020/06/esg-viewpoint-modern-slavery-engagement-update.pdf>; Covid and labour. <https://www.bmogam.com/viewpoints/responsible-investment/macro-views/esg-viewpoint-covid-19-and-its-labour-related-impacts/>

² World Economic Forum, 2020, <https://www.weforum.org/agenda/2020/06/torn-safety-nets-shocks-to-schooling-in-developing-countries-during-coronavirus-crisis/>

³ ILO, 2017, https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_574717



“The world is facing a climate crisis. Waiting for action by governments is not enough – investors and corporates need to take bold and ambitious action.”

Vicki Bakhshi, Director, Responsible Investment

A focus on climate change



To avoid devastating climate change impacts on future generations, the world needs to limit global warming to well below 2°C by the end of the century.

Given the interconnected nature of today’s economy, this means that businesses across all sectors should reduce their greenhouse gas emissions to the greatest extent possible. The importance of businesses taking the lead in this has been highlighted by the lack of ambition from some nations and their delays in setting out policy tools to facilitate the low carbon economy transition.

We take a cross-sectoral approach in constructing our climate change engagement program. In 2019, we had 29 climate change-related engagements with 19 companies across 9 sectors in 10 countries for the SDG fund. Business strategies to reduce both greenhouse gas emissions and exposure to climate-related risks, such as, the financial impact from reduced market demand for high emitting products, were core to our engagements with these companies.

Engagement

Engaging with financial institutions was one of the focuses in 2019. We had repeated engagements with **Alleghany**, **Kasikornbank** and **Bank Mandiri Persero**. Whilst it is a relatively new frontier to examine financiers’ roles in addressing climate change issues in those countries they are operating in, the companies have shown willingness to strengthen their approach for better climate risk management practices in the future. We are especially pleased to learn that all three companies are taking climate change seriously, and making wider sustainability risks a priority for the board and their executive teams.

We are also very pleased by the willingness of some companies to set and to prove their emission reduction targets in-line with the levels that are required to limit global warming to well below 2°C. Both **Halma**, a UK health and safety technology company, and **Smurfit Kappa Group**, an Irish corrugated packaging company, indicated their intention to follow the well-recognised reduction target setting methodology, as set out by the Science-Based Target Initiative, in the future. Our future engagements with both companies will address and monitor the implementation stage of these targets.

Whilst there are certainly positive signs that companies are improving their climate change management practices, we have also identified companies that are taking a much more defensive approach to managing their emissions. **CCL Industries**, a Canadian label making company, and **China Resources Gas Group**, a city gas distributor, both require an intensified engagement approach on these topics.

Carbon intensity against the benchmark

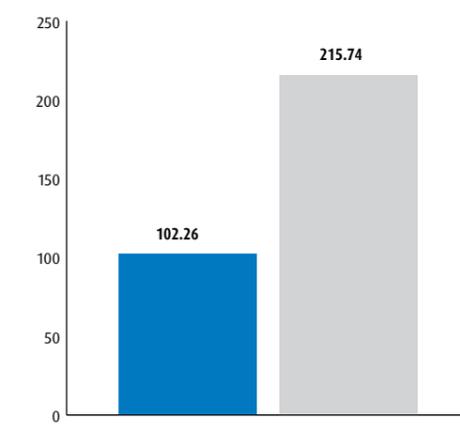
The fund’s weighted average carbon intensity is around half that of its benchmark. The fund has a low allocation to energy-intensive materials, energy and utilities sectors, with no extractives or electricity generation companies being held. Two waste companies are significant contributors to the fund-weighted carbon intensity: water and waste utility **Suez**, and North American waste specialist **Waste Connections**. This metric only covers companies’ direct (Scope 1 and 2) emissions. For many companies, value chain (Scope 3) emissions are more significant; one example being gas distribution company **China Resources Gas Group**.



Engagement helps to mitigate portfolio climate risk and drive enhanced value creation by asking companies to manage transition and adaptation risks and opportunities strategically.

Pieter van Stijn, Director, Responsible Investment

Fund-weighted carbon intensity (Tons CO₂ eq/Sales \$m)



● BMO SDG Engagement Global Equity Fund
● MSCI AC World Small Mid

Source: MSCI ESG and Bloomberg. As at 31st March 2020.

“The global pandemic has resulted in significant headwinds to the momentum that had been created in tackling plastic pollution. We believe that whilst there are pauses to progress during this difficult time, the momentum previously gathered will pick back up, and this event may even act as a catalyst for enhanced innovation¹.”

Emma Lupton, Vice President, Responsible Investment.

A focus on ocean health



Oceans make up about 71% of the earth’s surface, and roughly 97% of all the earth’s water is in the oceans. 50% of the oxygen on earth is generated by the oceans, and they absorb around 33% of global carbon dioxide emissions.¹

A healthy marine environment is, therefore, critical to the health of the planet and its inhabitants. Currently only 2-6% of our oceans are classified as Marine Protected Areas (MPAs), and it is estimated that we need 30% protected to ensure a thriving ocean ecosystem. In addition to the social and environmental benefits, around \$2.5tn of economic value is generated annually by the oceans.

Ocean pollution has accelerated, with 80% of it coming from land-based activities, hugely damaging the marine environment. Seafood is a staple protein globally and it is alarming that plastics are being found in significant quantities in the fish that we eat, with the health implications of this not yet known. 2020 was set to be a significant year of progress for oceans, with key regulation intended to be implemented, as well as

the 2020 UN Ocean Conference and COP26 scheduled to occur. With the outbreak of the COVID-19 pandemic, priorities have shifted, some regulation has been delayed and COP26 has been postponed to 2021.

Engagement on plastics

We are taking a cross-sectoral approach to engaging on the topic of plastic waste within the fund, given there is exposure to unnecessary single-use plastics within nearly every sector, be it in different ways.

Within the healthcare sector, we have engaged on recycling and packaging redesign initiatives with **QIAGEN**, the molecular diagnostics company, and with **Mettler-Toledo**. With **Tecan**, a workflow solutions provider for the life science industry, we

have worked on reducing plastic packaging and increasing the use of innovative materials. Tecan has launched new packaging for Pure Clear Tips, consumables for testing in the life sciences industry, made from a flexible sleeve rather than a blister packet, providing a product that is more compact and lightweight, whilst ensuring product quality and reliable results.

On the analytical equipment side, **Shimadzu** is developing existing technology which helps to manage ocean plastic, and the company is now developing this further to be able to help with microplastics which we discussed with them at their headquarters in Kyoto.

Consumer facing sectors have a very high exposure to the issue of plastic waste, given that most products are served in plastic. Therefore, we engaged with **Dali Foods Group** and **Clicks Group** to minimise these impacts. Whilst Clicks’ private label products are made from recycled packaging, we encouraged the company to increase the roll-out of packaging with recycled content in it, and to influence further its supply chain and improve the circular nature of the packaging loop. The waste management infrastructure in South Africa needs improving if a circular economy model is to be achieved. We recommended that Clicks investigate further how it could work with the waste management industry in its areas of operation, in order to improve waste management capabilities.

Engagement on infrastructure

Given that waste management infrastructure is such a key component of achieving a solution to the ocean plastics issue, it is critical that this improves on a global scale, in particular in lower-income countries, which still do receive a lot of exported waste from developed countries. We have been engaging with

It has been estimated that on a business-as-usual basis there would be more plastic than fish in the ocean by 2050, with a huge 8 million tonnes currently reaching the ocean each year.²

Suez on this, and we particularly discussed the expansion of the provision of waste management services in South East Asia.

SDG linkages and tradeoffs

Our engagement on plastic waste has fallen predominantly under SDG12 – Responsible Production and Consumption, and mainly target 12.5³. However, this has a very direct positive knock-on impact to SDG14 – Life Below Water, in particular target 14.1⁴. This is an example, therefore, of how interconnected the SDG framework is, and we approach the framework in a holistic way, cognisant of the linkages, but also the trade-offs⁵.

¹ Ocean health. <https://www.bmogam.com/viewpoints/responsible-investment/macro-views/the-esg-implications-of-covid19-focus-on-ocean-health/>;

² The Ellen MacArthur Foundation, 2017; ³ **12.5** Reduce waste through prevention, reduction, recycling and reuse; ⁴ **14.1** Prevent and reduce marine pollution of all kinds; ⁵ A Framework for Investors. <https://www.bmogam.com/wp-content/uploads/2020/03/sdgs-a-framework-for-investors.pdf>



“Climate change will affect the availability, quality and quantity of water for basic human needs, threatening the effective enjoyment of the human rights to water and sanitation for potentially billions of people.”

The 2020 United Nations World Water Development Report²

A focus on water



Water-related issues can pose a material risk to businesses and should be addressed in a systematic way. By 2050 those exposed to water stress could double, depending on the success of global climate change efforts.¹

This is relevant for those with direct operations or supply chains within regions exposed to water scarcity or stress, which therefore makes the issue a far reaching one.

The true value of water is often still not calculated to a full degree, with it being a seemingly low-cost input for most companies. However, without an ample supply of good quality water, either in direct operations, or as an input into the supply chain, most businesses would not function. Water management can directly, positively or negatively, impact the financial returns of a company, particularly as water resources become increasingly stressed, and so opportunities exist for companies to get this right.

Companies cannot view water as a free, inexhaustible resource, and companies in water-intensive sectors need to factor in effective water management as a core component of their business risk and opportunity analysis. Water availability is very localised and climate change exacerbates the dynamics between supply and demand. Increased water stress is also occurring due to the number of stakeholders involved

and the scale of water usage, leading to diminishing ground water reserves, for example.

Engagement

We engage with companies on the topic with a focus on water risk assessments, opportunities, governance of the issue and implementation of best practice policies, linking to targets 6.1, 6.2, 6.3 and 6.4. With **Smurfit Kappa**, a paper and packaging producer, we focused on water risk assessments and how their production might be affected by changing water cycles and extreme weather events. With **Sakata Seed**, a Japanese seed production company, we focused on climate resilience, strong water management and water risk mapping. We met the company at its Kakegawa Research Centre in Japan and were shown around several of its growing fields and polytunnels. With **Kerry Group**, we encouraged the setting of context-based water targets.

Access to water and sanitation is a human right, and how the provision of drinking water and processing of effluent is

managed is extremely important. We met, therefore, with the President of **Daiseki**, a waste processing and management business, and a subsidiary company at their headquarters in Nagoya, Japan. We were taken on extensive had extensive tours around their sewage treatment and soil decontamination plants. We were encouraged by the practices we saw in relation to sludge management, recycling within waste, deodorisation and chemical management. We recommended applying best practice techniques here, that go beyond compliance with localised regulation.

Suez case study

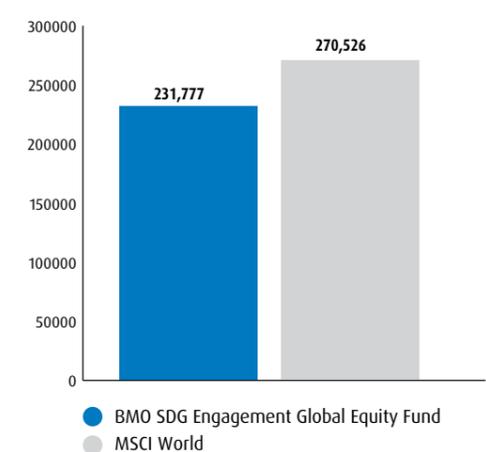
Universal access to safe, affordable drinking water is key and we have had a lot of engagement with **Suez** on this topic, especially as they are expanding their international operations. In this context the CEO mentioned that India and Senegal are focus areas. The company gave us evidence of significant resource and internal training devoted to this issue, and some of the technical solutions it has available. However, it highlighted local municipalities as a recurrent major barrier to improving access to water, with issues such as land use rights having the potential to prevent projects taking place. The company is involved in the OECD Water Governance Initiative, a multi-stakeholder initiative aimed at resolving these issues, and we have had calls with the Head of Access to Water for Suez and the Head of the OECD WGI to explore how we too can be involved in order to help to drive further change. We also hosted a lunch event where BMO interviewed the Sustainable Development Deputy Manager of Suez in a roundtable discussion with other investors.

Water footprint

We use weighted average total water use as the most widely available metric to represent water risk exposure, although company-level analysis is needed to understand how these risks are managed. The overall fund average is slightly lower than the benchmark. The most significant contributor is the large

overweight position in water utility Suez, which by nature of its business has very high-water use. However, the core business of Suez is to provide water solutions, including in the most water-scarce parts of the world, so we see this company as a net contributor to SDG6 – Clean Water and Sanitation. Packaging firm Smurfit Kappa also has a relatively high water footprint, and we engaged with the company in 2020 on its water risk management.

Total Water Use '000 cubic meters



Source: MSCI ESG and Bloomberg. As at 31st March 2020.

¹ World Economic Forum, 2020, <https://www.weforum.org/agenda/2020/06/world-population-water-stress-2050-climate-change/>. 'Water stress' is a measurement of the ratio between water use and availability.
² UN Water, 2020, <https://www.unwater.org/publications/world-water-development-report-2020/>

Impact metrics

Expectations of companies' measuring and reporting on the environmental and social impacts of their businesses continue to grow. While significant progress has been made, challenges remain.

BMO Global Asset Management's 16 Impact metrics differ from other ESG performance indicators mainly because they are built to track the outcomes that a company's operations, products or services have for the environment or on the lives of stakeholders, such as workers, suppliers, and customers. In practice, many companies focus on their own actions as a proxy for impact (e.g. 5,000 new microloans disbursed), rather than diving deeper and using metrics to demonstrate these actions have had a positive effect (e.g. new microloans improved borrowers' income by x%).

Ideally, impact metrics should also address the multiple dimensions of impact, as set out by the Impact Management Project. We would like companies to consider not just **what** type of impact they have but also **how much; who** is affected (e.g. marginalised groups, low-income countries); the **contribution** their actions have beyond what would have happened anyway; and, where they are forecasting future impacts, the **risk** that these may not materialise as planned.

We fully acknowledge the significant challenges companies face when trying to develop environmental or social impact metrics that they can effectively track and measure. We engage with companies in the fund to discuss these challenges and offer our support in identifying best practice.

Food waste

Invested more than \$4.2 million in sustainability to complete 61 projects and reduced food waste by 50,000lbs compared with 2018.

AMERICOLD REALTY TRUST

Environmental stewardship

Became the first Chinese sportswear company to join the Better Cotton Initiative (BCI) and it has launched an eco-friendly series of products called "Training with Plastic", reusing plastic bottles as raw material input.

ANTA SPORTS

Entrepreneurial support

Fostered and developed 13,857 Indonesian Migrant Workers (PMI) to become entrepreneurs. It has also extended loans to several categories of Sustainable Business Activities; as of December 31st, these made up over 20% of the total loans of the bank.

BANK MANDIRI PERSERO

Access to healthcare

266 million units of medicine distributed, heart disease testing for over 114,000 people and the Girls on the Go campaign has provided reusable and washable sanitary pads to over 19,000 schoolgirls.

CLICKS GROUP

Renewable energy

~2,025,750 kWh of electricity generated by solar energy from grid-connected solar photovoltaic (PV) roofs in Singapore.

COMFORTDELGRO

Access to finance

Banked more than 100,000 people, who accessed the financial system for the first time through Mibanco. The loans promoted by the Crediagua program help clients to make sanitary improvements; through 178,546 loans of this type, the lives of 700,000 Peruvians were improved. 10,857 women accessed their first-ever loan in the financial system.

CREDICORP

Access to medical equipment

PENTAX Medical (owned by Hoya) coordinated the supply of USD430,000 worth of medical devices such as bronchoscopes and intubation scopes to donate to provinces and cities severely affected by the pandemic.

HOYA

Job creation

10,400 jobs created through \$92.6 million of loans to women-led businesses by Grameen America Los Angeles, funded by SVB.

SVB FINANCIAL GROUP

Packaging innovation

Optimised PET bottle packaging has saved 90 tons of plastic per year.

VITASOY

Access to water and sanitation

3.5 million people in 55 countries provided with safe water and sanitation through the Watermark corporate responsibility programme. The programme responded to over 40 water-related disasters with clean water infrastructure.

XYLEM

"It's not enough for us to say we intend to support sustainable development – we need to monitor and measure the impact we have. That means working with our investee companies to encourage better disclosure of impact metrics."

**Jamie Jenkins, Managing Director,
Co-Head of Global Equities**



“Our SDG Engagement Global Equity Fund builds on GAM’s extensive engagement expertise and is ambitious in terms of constantly striving for even more effective and thoughtful “deeper-level” engagement that leads to wide-reaching positive benefits. This truly sets us apart from our competitors.”

Claudia Wearmouth, Managing Director and Co-Head of Responsible Investment

Engagement next steps

We are keen to maintain momentum on issues such as climate change, deforestation, nutrition, diversity, water and plastic waste management, amidst the backdrop of the global pandemic.

Impacts of COVID-19 on our engagement

The COVID-19 pandemic is the worst public health crisis in a generation, and as companies face massive disruptions to their businesses, management teams are being forced to navigate immediate challenges affecting human capital, corporate culture and customers. The decisions made now to meet these challenges can have significant long-term implications, both positive and negative, on productivity, brand loyalty and value creation.

We are assessing how companies have been responding to the COVID-19 crisis, including measures they take to protect and support their staff, as well as providing customers and wider society with solutions. We have signed the Investor Statement on Coronavirus Response urging companies to take steps to protect workers and maintain financial prudence.

Continuation of engagement plan

Against this backdrop, we are also maintaining our engagement agenda, though for some companies the priority topics may have shifted to incorporate more social issues, particularly around labour management. We are keen though to also maintain momentum on issues such as climate change, deforestation, nutrition, diversity, water and plastic waste management, where some of the positive impact gained has taken a step back due to the pandemic.

External partnerships

We have identified a few areas where we believe that using external partners will make a significant difference to the impact of our engagement. These include nutrition and seafood production, as well as labour management. On the latter, we are in discussions with an ethical trade consultancy, which specialises in improving labour conditions and productivity within the supply chain, through local action in factories. We have identified an initial two companies in our fund where we think that an external partnership on these issues would drive change at a quicker pace and with more impact. We are now discussing the potential projects with the companies and will be taking this forward into 2021.

Being the catalyst

We are planning to set up of a series of roundtable events, where we facilitate discussion in order to catalyse our companies to drive further change. For instance, we believe that we have companies in the fund that would benefit from collaboration. If they were to discuss specific issues that we deem relevant to both, together we might all be able to move faster in helping to achieve the SDG objectives. One constraint here was getting people to travel for these roundtables, and so this may be an area that is logistically easier in the new online working reality. Topics for these collaborations are around water governance, sustainable finance and gender diversity.

The decisions made now to meet these challenges can have significant long-term implications, both positive and negative, on productivity, brand loyalty and value creation.

Engagement progress profiles

Here we are introducing the company level progress tables. Having built the SDG framework, to a target level, into our engagement tracking system, we use this system for every engagement and Milestone we log, where relevant.

The profiles in the following pages are a cumulation of data showing the progress of our engagement in a few different ways and we'll expand on these in the example below.

1 Investment case

We have summarised the investment thesis and sustainable impact opportunity we hope our engagement will help to accelerate for each of our investee companies.

2 Engagement summary

This is a summary of our engagement from 1st March 2019 – 31st March 2020, the date at which all the other data in these outputs corresponds.

3 Engagements

We grade the number of engagements had per company, against all the holdings, which shows us which companies have been engaged more or less than one another.

4 Method and leadership level

We see how the engagements were done and with who in the company. This is useful as we can then see differences between companies, for example how open management is to discussing these issues and then how the operational experts and management teams work together.

5 SDG targets discussed

We look at progress being made towards the various SDG targets. This is tracking the number of times that target has been discussed during our various engagements.

This is graded within the company level data, rather than against the other companies. It is interesting to note that we can have a scenario where we have spoken about a target more times without a Milestone, compared to a target which we have spoken about fewer times, but where a Milestone has been achieved. This highlights that issues move at different speeds, which can happen for numerous reasons, including whether an issue is more established at a company or on the global agenda, and that best practice examples, systems and solutions are already known.

6 Progress against relevant SDG indicators

We analyse how the company is progressing towards the relevant underlying indicators, within the SDG framework, that correspond to the targets we are engaging on.

The engagement analyst providing their opinion on a scale of 1-5, with 5 indicating they are doing the most they could do, in their capacity, to help to achieve that indicator. On the other side of the scale, 1 implies there are doing little to help create momentum to achieving that indicator.

This is an assessment based on the engagement that has been had, rather than what the company has necessarily published. The indicators, like the targets, we use interpretively, in the context of what a company can do; for instance, if an indicator is referencing a governmental body, but the metric is tangible, we can look at it from the perspective of a company.

Progress, therefore, can be recorded by us in Milestones which we link to SDG targets, but also we might see progress that is happening in line with our engagement asks, but that hasn't yet come to fruition in the form of a Milestone. We still want to track and show this progress against an SDG indicator, where we can.

7 Milestones

We then move on to the outcomes of our engagement. We grade the number of Milestones (instances of positive change) against all the holdings, which shows us which companies have more Milestones compared to the others. One way we monitor change is in assigning a one star, two star or three-star Milestone to the incremental changes, ascending in significance.

Alleghany				
1	North American specialist provider of property and casualty insurance and reinsurance, Alleghany is a part of the financial system that helps society deal with the costs and risks of climate change, extreme weather and energy transition. To the extent that climate change is increasing the potential severity of catastrophic losses, Alleghany balances the exposure that they take and the price that they charge their clients.			
2	Engagement summary		3	4
	We engaged with Alleghany on their approach to climate risk management and preparedness, from an underwriting perspective within their insurance business. Whilst there was an understanding about the need to address extreme weather events in climate risk management and respective scenario analysis, the company as a whole does not consider climate change a fundamental threat to their existing business model. The reasoning is broadly laid out by its CEO in the firm's most recent annual report.		Engagements	Method
			4	Email 2 Meeting 2
	SDG targets discussed		Leadership level	
5	12.6 Responsible Consumption and Production		4	
	13.2 Climate Action		4	
	13.a Climate Action		4	
	Progress against relevant SDG indicators		Progress	
6	12.6.1 Responsible Consumption and Production		1	
	13.2.1 Climate Action		1	
	13.a.1 Climate Action		3	
7	Milestones	1	Milestone rating	★
				● 13.2 Climate Action

Engagement progress profiles (cont'd)

Alleghany

North American specialist provider of property and casualty insurance and reinsurance, Alleghany is a part of the financial system that helps society deal with the costs and risks of climate change, extreme weather and energy transition. To the extent that climate change is increasing the potential severity of catastrophic losses, Alleghany balances the exposure that they take and the price that they charge their clients.

Engagement summary	Engagements	Method	Leadership level
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SDG targets discussed			Progress
● 12.6 Responsible Consumption and Production			1
● 13.2 Climate Action			1
● 13.a Climate Action			3
Progress against relevant SDG indicators			Progress
● 12.6.1 Responsible Consumption and Production			3
● 13.2.1 Climate Action			2
● 13.a.1 Climate Action			1
Milestones	1	Milestone rating	★ ● 13.2 Climate Action

Americold Realty Trust

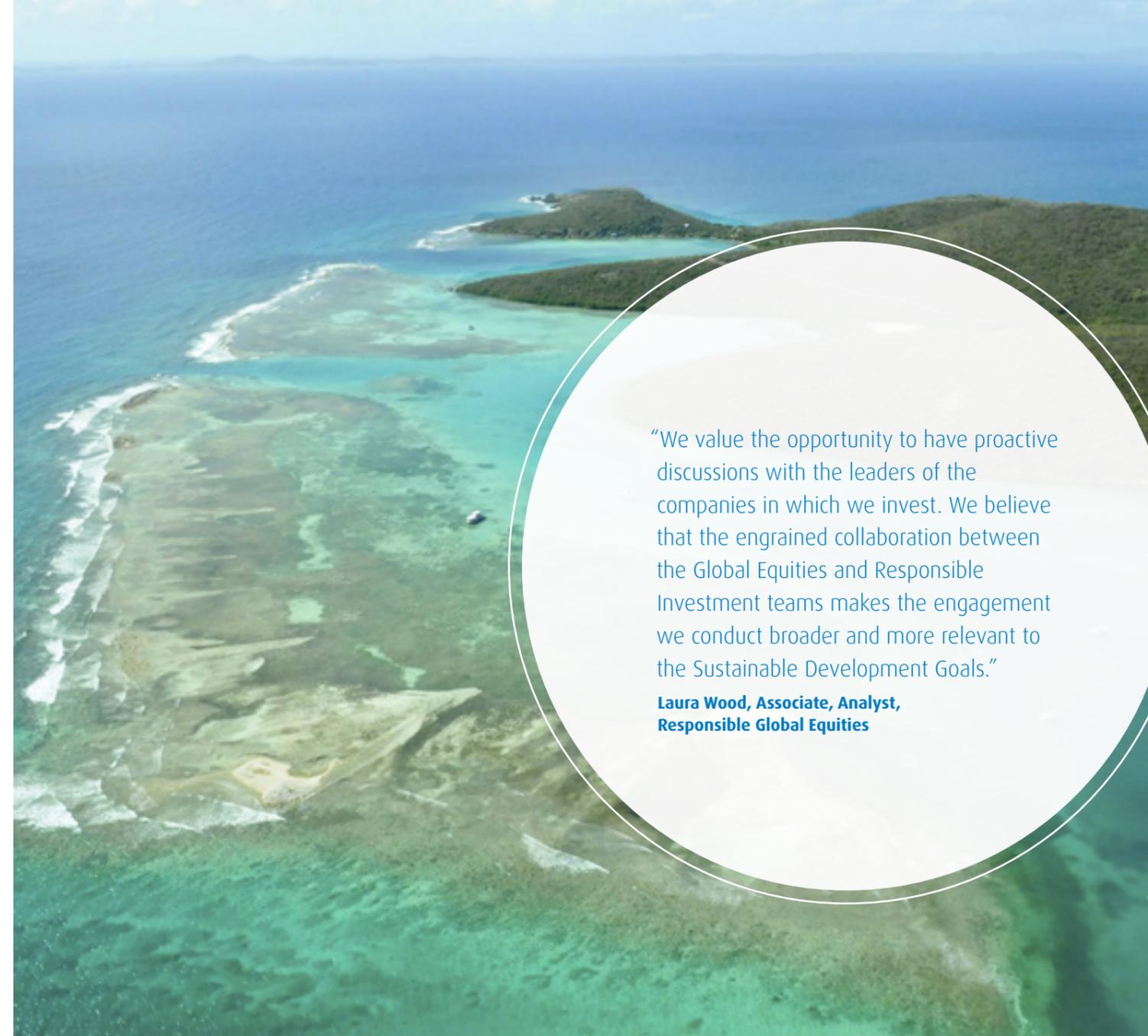
World's largest listed provider of warehousing and logistics for chilled and frozen foods. Global food supply chain waste is estimated to run as high as ~30% globally but Americold estimate that ratio falls as low as ~1% for the food volume that passes through their temperature controlled warehouses. Restricting carbon emissions (direct and indirect) from its large network of refrigerated logistics facilities is also a key component of the rationale. Americold are starting to expand their operations internationally to include Brazil and Oceania.

Engagement summary	Engagements	Method	Leadership level
We spoke with the CFO and IR during a very challenging period of the COVID-19 pandemic. This was a promising start to our engagement activities with Americold Realty Trust. Management expressed a focus on sustainable business practices and how to deliver big improvements in global food waste. Furthermore, with energy such a large cost component (70% of COGS) they are very motivated to shift toward affordable and cleaner energy.	2	Letter 1 Meeting 1	Senior Executives 2
SDG targets discussed			Progress
● 7.3 Affordable and Clean Energy			2
● 12.6 Responsible Consumption and Production			2
● 13.2 Climate Action			2
Progress against relevant SDG indicators			Progress
● 7.3.1 Affordable and Clean Energy			3
● 12.3.1 Responsible Consumption and Production			4
● 13.2.1 Climate Action			3

Anta Sports Products

Strong brand presence within Asia (Anta and Fila brands particularly) playing into the structural growth of athleisure wear, as millennials promote a more active lifestyle. Anta Sports have also recently acquired Finnish Amer Sports, bringing in additional sports products and brands, enabling to further capitalise on structural growth of sports apparel and equipment around the world.

Engagement summary	Engagements	Method	Leadership level
We spoke with the company about management of environmental and social issues in its supply chain. Anta has made some progress in this area, including the incorporation of specific sustainability-related requirements into supply contracts and collaboration with suppliers to develop new, environmentally-friendly materials. We welcomed this progress but consider there is significant room to improve supply chain risk management. As such, we encouraged the company to take a stronger, more systematic approach to identifying and assessing material environmental and social risks its major suppliers and their suppliers might be exposed to. We also asked for better reporting of performance indicators, including audit outcomes.	4	Email 3 Meeting 1	Investor Relations 4



“We value the opportunity to have proactive discussions with the leaders of the companies in which we invest. We believe that the engrained collaboration between the Global Equities and Responsible Investment teams makes the engagement we conduct broader and more relevant to the Sustainable Development Goals.”

**Laura Wood, Associate, Analyst,
Responsible Global Equities**

Anta Sports Products (cont'd)

SDG targets discussed	Progress		
● 8.7 Decent Work and Economic Growth	2		
● 12.2 Responsible Consumption and Production	1		
● 12.5 Responsible Consumption and Production	1		
● 12.6 Responsible Consumption and Production	1		
Progress against relevant SDG indicators	Progress		
● 8.7.1 Decent Work and Economic Growth	1		
● 12.2.1 Responsible Consumption and Production	3		
● 12.2.2 Responsible Consumption and Production	3		
● 12.5.1 Responsible Consumption and Production	3		
● 12.6.1 Responsible Consumption and Production	4		
Milestones	1	Milestone rating	★ ● No SDG

Engagement progress profiles (cont'd)

Aptiv

Automotive supplier, providing industry-leading technology addressing advanced driver assist systems (ADAS), including active safety and autonomous driving, as well as electric vehicle architecture. These areas are seeing long-term structural growth driven by the need for lower emission vehicles, given ~25% of greenhouse gas emissions are derived from transportation, and improved road safety, given road traffic incidents result on roughly 1.3mn deaths annually around the globe.

Engagement summary	Engagements	Method	Leadership level
We met with Aptiv to discuss its sustainability reporting and the possibility of disclosing SDG-related impact metrics. Our engagement focused on developing impact metrics that quantitatively assess some of the real-life impacts Aptiv's products may produce. Examples we discussed are safety improvements statistics and emission reduction figures, and the company was open to our suggestions.	2	Letter 1 Meeting 1	Investor Relations 1 Senior Executive 1
SDG targets discussed			Progress
● 3.6 Good Health and Well-Being			2
● 8.8 Decent Work and Economic Growth			1
Progress against relevant SDG indicators			Progress
● 3.6.1 Good Health and Well-Being			4
● 8.8.2 Decent Work and Economic Growth			4
● 11.2.1 Decent Work and Economic Growth			2

AO Smith

Strong brand presence, providing high-quality water heaters and purifiers into North America and Emerging Markets. There is structural demand for cleaner, safer drinking water through countries such as China and India, and AO Smith's provision of high reliability, high-quality products allows them a commanding position within the industry.

Engagement summary	Engagements	Method	Leadership level
Early 2019, AO Smith published its first ever Sustainability report, touching upon key ESG issues such as human capital, health and safety and environmental management. We commended the company for this report and used the opportunity to suggest a couple of improvements for subsequent version. In particular, we stressed the importance for international investors to obtain emissions data and related reduction targets. This helps investors assessing the effectiveness and ambitiousness of its climate change strategy and is fundamental for potential regulation, likely to emerge in Europe. We also encouraged the company to improve its disclosure on Health and Safety, by providing additional information on external safety certifications and strategies used to improve the H&S of lagging facilities. We will monitor progress on these issues and react with further engagement whenever appropriate.	3	Email 1 Letter 1 Meeting 1	Investor Relations 2 Senior Executive 1
SDG targets discussed			Progress
● 8.8 Decent Work and Economic Growth			3
● 12.6 Responsible Consumption and Production			1
● 13.2 Climate Action			2
Progress against relevant SDG indicators			Progress
● 8.8.1 Decent Work and Economic Growth			2
● 8.8.2 Decent Work and Economic Growth			2
● 12.6.1 Responsible Consumption and Production			2
● 13.2.1 Climate Action			2

Bank Mandiri Persero

Leading Indonesian private bank with a capacity to extend financial services to a growing number of citizens who have previously not had access to finance.

Engagement summary	Engagements	Method	Leadership level
Bank Mandiri have been very open to engagement, in particular on environmental and social risk management, where we encouraged the company to incorporate these elements into credit risk analysis for commercial and corporate loans. We have also been engaging on palm oil financing, where we recommended it develop palm oil lending policy aligned with RSPO/NDPE. There is an ever increasing positive tone from management on this topic, with a commitment having been made to mitigate the environmental and social impacts of the industry, and more broadly it has announced a 5-year sustainable finance plan, which focuses on enhancing E&S risk management practices.	7	Email 2 Field trip and on-site visit 1 Letter 1 Meeting 3	Investor Relations 3 Senior Executives 4
SDG targets discussed			Progress
● 1.4 No Poverty			1

Bank Mandiri Persero (cont'd)

● 13.a Climate Action				2
● 15.2 Life on Land				1
● 15.a Life on Land				2
Progress against relevant SDG indicators				Progress
● 13.a.1 Climate Action				2
● 15.2.1 Life on Land				4
● 15.a.1 Life on Land				2
Milestones	2	Milestone rating	★ ★	● 12.6 Responsible Consumption and Production

CCL Industries

Market leader in the provision of premium package and promotional label solutions globally, focused on consumer products, healthcare and durable goods. These end markets require high durability and reliability, meaning strong relationships are formed. CCL therefore has a strong moat around its business. They are looking to enhance responsible production and consumption practices through the development of products to enhance the recyclability of packaging.

Engagement summary	Engagements	Method	Leadership level
We met with Senior Executives at CCL Industries to discuss high-level sustainability topics. In particular, we asked the CEO and CFO about sustainable packaging trends, including investments in research and development in this area. We also asked for improved sustainability metrics, such as global comprehensive carbon emissions reporting.	3	Email 1 Letter 1 Meeting 1	Senior Executives 3
SDG targets discussed			Progress
● 12.2 Responsible Consumption and Production			1
● 12.4 Responsible Consumption and Production			1
● 12.5 Responsible Consumption and Production			3
● 13.2 Climate Action			1
Progress against relevant SDG indicators			Progress
● 12.5.1 Responsible Consumption and Production			2

China Resources Gas Group

China Resources Gas is in the gas distribution business, both through the construction of gas pipelines and the sale and distribution of gas fuel for residential, commercial and industrial use. The company offers, within the context of the Chinese market, a less environmentally damaging fuel source relative to other fossil fuels.

Engagement summary	Engagements	Method	Leadership level
We have engaged the company on a range of topics including its methane management practices and corporate governance issues. We specifically asked for disclosure on its methane leakage rate, which hasn't been reported on since its 2017 report.	3	Email 1 Meeting 2	Investor Relations 3
SDG targets discussed			Progress
● 9.4 Industry, Innovation and Infrastructure			1
● 13.2 Climate Action			1
Progress against relevant SDG indicators			Progress
● 9.4.1 Industry, Innovation and Infrastructure			5
● 13.2.1 Climate Action			2

Engagement progress profiles (cont'd)

Clicks Group

Clicks Group is a personal goods retailer and pharmacy chain based in South Africa. It has notable positions within home, health and beauty, and is a key provider of medicine via its many Clicks pharmacies across the country. Clicks is therefore well positioned in the provision of healthcare across South Africa, driving better healthcare outcomes.

Engagement summary	Engagements	Method	Leadership level
We engaged extensively with Clicks over the past year, focusing on issues related to access to healthcare and packaging, as well as the company's actions to protect its employees and customers during the COVID-19 crisis. We encouraged increased roll-out of packaging with recycled content within it, using the leverage they have on their suppliers, not just within own brands, to further the recyclability of packaging and identify where their influence could help regarding the bettering of waste management infrastructure in South Africa, which is challenged. We also recommended that Clicks Group could be a key player in the reduction of communicable disease in areas of operation, with the potential to educate consumers and provide subsidised or free goods to help with the prevention of these diseases.	4	Letter 1 Meeting 3	Investor Relations 2 Senior Executives 2
SDG targets discussed			Progress
● 3.3 Good Health and Well-Being			1
● 3.4 Good Health and Well-Being			1
● 3.8 Good Health and Well-Being			3
● 12.5 Responsible Consumption and Production			3
Progress against relevant SDG indicators			Progress
● 3.4.1 Good Health and Well-Being			2
● 3.8.1 Good Health and Well-Being			3
● 12.5.1 Responsible Consumption and Production			3

Cognex

COVID-19 has put a brighter spotlight on the need to make manufacturing sites and logistics infrastructure even safer and more efficient. Cognex is a leading provider of machine vision systems which sit at the heart of the automation wave, enabling companies to optimise production lines with human workers and automated machinery working side-by-side. This technology is also reducing physical waste, inefficiency and lowering carbon emissions.

Engagement summary	Engagements	Method	Leadership level
We communicated to the company the importance of addressing specific SDGs within their business, however didn't have a meeting within the one year timeframe.	2	Email 1 Letter 1	Investor Relations 1 Senior Executive 1
SDG targets discussed			Progress
● 3.9 Good Health and Well-Being			1
● 8.2 Decent Work and Economic Growth			2
● 8.8 Decent Work and Economic Growth			1
● 12.4 Responsible Consumption and Production			1
● 16.1 Peace, Justice and Strong Institutions			1
Progress against relevant SDG indicators			Progress
● 3.9.1 Good Health and Well-Being			1
● 3.9.2 Good Health and Well-Being			1
● 8.2.1 Decent Work and Economic Growth			1
● 8.8.1 Decent Work and Economic Growth			1
● 8.8.2 Decent Work and Economic Growth			1
● 16.1.2 Peace, Justice and Strong Institutions			1
● 16.1.4 Peace, Justice and Strong Institutions			1

ComfortDelGro

A global land transport provider, enabling a reduced environmental impact of individuals' travel. With services across road (bus and taxi) and rail, ComfortDelGro provides a more sustainable mobility solution, reducing the carbon footprint of our travel and enabling a more sustainable city environment.

Engagement summary	Engagements	Method	Leadership level
Not engaged within the one year timeframe.			

Credicorp

Credicorp Ltd is a financial services holding company in Peru. The Company has four operating segments based on its products and services, which include banking, insurance, pension funds and investment banking, offering services for improved financial inclusion across Peru.

Engagement summary	Engagements	Method	Leadership level
We spoke to the company to discuss its financial inclusion strategy. Credicorp has been a champion of microfinance in Peru and other Latin American countries. Through its microfinance unit, it has helped almost 1 million people access savings and loan products over the past 10 years. We welcomed the actions management has implemented this past year to strengthen loan origination, financial education initiatives and develop innovative products. The company tracks and reports on traditional microfinance metrics, such as the number of new accounts opened in a given financial year. We support these metrics; however, encouraged the company to explore new metrics that can better reflect the nature and scope of the social impact its microfinance activities have.	2	Letter 1 Meeting 1	Operational Specialist 1 Senior Executive 1
SDG targets discussed			Progress
● 1.4 No Poverty			2
● 8.3 Decent Work and Economic Growth			1
● 8.10 Decent Work and Economic Growth			1
● 12.6 Responsible Consumption and Production			1
Progress against relevant SDG indicators			Progress
● 8.10.1 Decent Work and Economic Growth			4
● 8.10.2 Decent Work and Economic Growth			4
● 12.6.1 Responsible Consumption and Production			4

Milestones	1	Milestone rating	★ ★ ● 16.5 Peace, Justice and Strong Institutions
Milestones	2	Milestone rating	★ ★ ● No SDG

Daiseki

Japan's leading liquid sludge recycler. Based in Nagoya, central Japan, Daiseki has ~8% of the market and a track record of steadily growing its share through both organic growth and tuck-in deals. Recovering usable materials from industrial sludge places Daiseki as a player in the pivot to a more circular economy.

Engagement summary	Engagements	Method	Leadership level
We met with the President of Daiseki and Daiseki Eco-Solutions at their headquarters in Nagoya, Japan, to discuss ESG and participated in site visits with them. We were encouraged by the practices we saw in relation to sludge management, recycling within waste - including of copper and nickel, deodorisation and chemical management. We recommended applying best practice techniques here, that go beyond compliance of localised regulation. They work closely with the cement industry to make use of end 'waste' products and have a good relationship with their clients throughout the value chain. We encouraged best practice also around worker health and safety. We recommended the implementation of impact metrics in line with SDG targets. We visited the sewage treatment plant of Daiseki and the soil decontamination plant of Daiseki Eco-Solutions.	2	Field trip and on-site visit 1 Letter 1	Senior Executives 2
SDG targets discussed			Progress
● 5.1 Gender Equality			1
● 5.5 Gender Equality			1
● 6.3 Clean Water and Sanitation			2
● 8.8 Decent Work and Economic Growth			1
● 10.2 Reduced Inequalities			1
● 12.4 Responsible Consumption and Production			2
● 12.5 Responsible Consumption and Production			1

Engagement progress profiles (cont'd)

Daiseki

Progress against relevant SDG indicators	Progress
● 5.1.1 Gender Equality	2
● 5.5.2 Gender Equality	1
● 6.3.1 Clean Water and Sanitation	4
● 8.8.1 Decent Work and Economic Growth	4
● 8.8.2 Decent Work and Economic Growth	2
● 12.4.1 Responsible Consumption and Production	3
● 12.4.2 Responsible Consumption and Production	4
● 12.5.1 Responsible Consumption and Production	4

Dali Foods Group

Dali Foods are a food and beverage manufacturer, with presence across Mainland China. With a broad product offering and strong brand power, they hold good market share across the food and beverage space, but with an ongoing opportunity to enhance their packaging process and to provide healthier foods and beverages to consumers.

Engagement summary	Engagements	Method	Leadership level
We communicated to the company the importance of addressing specific SDGs within their business, specifically on nutrition, raw material sourcing and resource efficiency, however didn't have a meeting within the year one timeframe.	1	Email 1	Investor Relations 1
SDG targets discussed	Progress		
● 12.2 Responsible Consumption and Production	1		
Progress against relevant SDG indicators	Progress		
● 12.2 Responsible Consumption and Production	2		
● 12.2 Responsible Consumption and Production	2		

Descartes Systems Group

Descartes Systems Group is a Canadian provider of logistics and supply chain management solutions to drive a more efficient logistics network – enabling products to reach customers faster and with a lower carbon footprint. The coronavirus pandemic has put added focus on the logistics sector, with businesses and individuals requiring a more timely and flexible delivery network, and never has an efficient last-mile delivery system been so necessary with large sections of society sheltering at home, requiring food and medicines delivered to their door. With this added strain, logistics providers are having to optimise their routes, meeting the additional demand whilst managing their cost base.

Engagement summary	Engagements	Method	Leadership level
We met with the CFO and COO to discuss business strategy and sustainability, in particular how it helps customers reduce emissions, employee satisfaction and human capital management and female representation on the board and within management.	3	Email 1 Letter 1 Meeting 1	Board director, non-executive 1 Investor Relations 1 Senior Executive 1
SDG targets discussed	Progress		
● 5.5 Gender Equality	2		
● 7.3 Affordable and Clean Energy	1		
● 8.5 Decent Work and Economic Growth	1		
● 13.2 Climate Action	1		
Progress against relevant SDG indicators	Progress		
● 5.5.2 Gender Equality	2		
● 8.5.1 Decent Work and Economic Growth	2		
● 13.2.1 Climate Action	2		

DNB

Strongly capitalised number one bank in Norway, DNB has multiple opportunities to bring its influence to bear on creating a more sustainable future for all.

Engagement summary	Engagements	Method	Leadership level
We spoke with Norway's biggest bank about the investigations into it facilitating bribery payments to Namibian government officials. Since 2017, there has been USD 400-500m investment in anti-money laundering (AML), know your customer (KYC) processes and IT. More recently all DNB staff have undergone online AML training although only top managers receive in person training. Importantly, KPIs related to AML are now part of all top manager performance evaluation. In addition, the board chair is highly involved with the head of compliance reporting directly to her. We are welcomed the level of detail on how procedures and systems are being improved and plan to address other SDG targets in subsequent conversations.	1	Meeting 1	Investor Relations 1
SDG targets discussed	Progress		
● 16.5 Peace, Justice and Strong Institutions	1		
Progress against relevant SDG indicators	Progress		
● 16.5.2 Peace, Justice and Strong Institutions	3		

Encompass Health

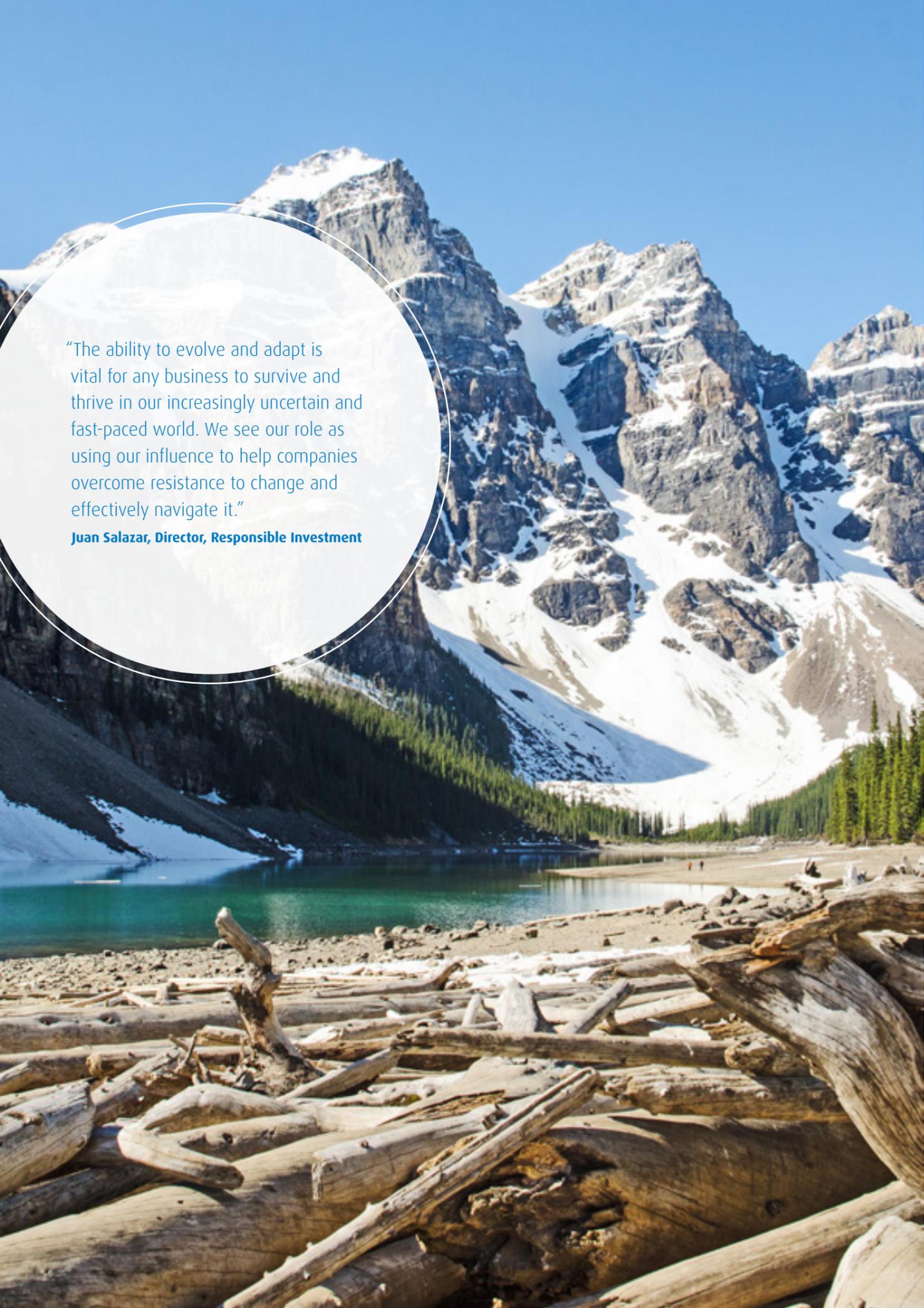
One of the U.S.' largest providers of post-acute healthcare services, Encompass is well positioned to benefit from shifting healthcare provision trends. It is the largest owner and operator of inpatient rehabilitation facilities and they are the fourth largest provider of Medicare-certified skilled home health services.

Engagement summary	Engagements	Method	Leadership level
We have had two in-depth calls and written dialogue with Encompass Health, primarily covering social issues, most notably gender equality. We spoke to the company about its Diversity Annual Report, which we think is a very valuable resource, and suggested that all data points – e.g. age/ethnicity/gender – should be published over a 5-year period in order to facilitate period-over-period analysis. We also encouraged the company to add information about the representation of ethnic minorities and women at different levels of seniority. By disclosing this information, Encompass Health can demonstrate the effectiveness of its Inclusion & Diversity Policies. We also questioned the company about its response to COVID-19 and how employees are being supported. The company appears to have robust measures to protect the health and well-being of employees, and we will engage on good disclosure about these.	4	Email 1 Letter 1 Meeting 2	Investor Relations 3 Senior Executive 1
SDG targets discussed	Progress		
● 3.4 Good Health and Well-Being	1		
● 3.8 Good Health and Well-Being	2		
● 5.1 Gender Equality	1		
● 5.5 Gender Equality	3		
● 8.5 Decent Work and Economic Growth	3		
● 8.8 Decent Work and Economic Growth	1		
Progress against relevant SDG indicators	Progress		
● 3.4.1 Good Health and Well-Being	5		
● 3.8.1 Good Health and Well-Being	4		
● 5.5.2 Gender Equality	4		

Genus

Genus provides superior genetics that enable farmers to produce higher-quality animal protein more efficiently, in the form of meat and milk. In a world with a growing population but finite natural resources Genus' innovative work and leading-edge technology enhances the supply of safe, affordable protein. Genus is seeing particular growth in demand from China which has been recently been particularly badly impacted by Asian Swine Flu across its pig population.

Engagement summary	Engagements	Method	Leadership level
Due to a new CEO being appointed in August 2019, our engagement has progressed comparatively slowly. In April, we had a call with the new CEO, who recognises the importance of sustainability initiatives and is open to sustainability-driven innovation. It is very positive that ESG metrics have been incorporated into his personal objectives. We flagged that we would be willing to provide feedback on the company's reporting on ESG issues, and have arranged a call in August with the individual currently leading on sustainability at Genus.	3	Letter 1 Meeting 2	Senior Executives 3



“The ability to evolve and adapt is vital for any business to survive and thrive in our increasingly uncertain and fast-paced world. We see our role as using our influence to help companies overcome resistance to change and effectively navigate it.”

Juan Salazar, Director, Responsible Investment

Engagement progress profiles (cont'd)

Genus (cont'd)

SDG targets discussed	Progress
● 2.3 Zero Hunger	1
● 2.4 Zero Hunger	1
● 6.4 Clean Water and Sanitation	1
● 8.4 Decent Work and Economic Growth	1
● 12.2 Responsible Consumption and Production	1

Guaranty Trust Bank

A leading private bank in Nigeria, Guaranty Trust Bank is busy extending financial services and loans to the corporate sector, with the aim of delivering sustainable economic growth to this major African country. Seen as one of the most proactive emerging market banks in terms of its focus and operational excellence and sustainability issues.

Engagement summary	Engagements	Method	Leadership level
Our engagement on financial inclusion suggested that rather than a strategic business decision, financial inclusion efforts are driven by the government's programmes that the bank has adhered to. GTB remains firmly a bank focused on serving commercial and corporate. We pushed for better incorporation of E&S factors including on climate change into credit risk frameworks.	4	Company Consultation 1 Email 1 Letter 1 Meeting 1	Company Consultant 1 Investor Relations 2 Senior Executives 1

SDG targets discussed	Progress
● 1.4 No Poverty	1
● 8.3 Decent Work and Economic Growth	1
● 9.3 Industry, Innovation and Infrastructure	1
● 9.a Industry, Innovation and Infrastructure	1
● 12.6 Responsible Consumption and Production	1
● 13.2 Climate Action	1
● 13.a Climate Action	1
Progress against relevant SDG indicators	Progress
● 8.10.1 Decent Work and Economic Growth	3
● 8.10.2 Decent Work and Economic Growth	3
● 9.a.1 Industry, Innovation and Infrastructure	1
● 13.a.1 Climate Action	2

Milestones	1	Milestone rating	★★	● 16.a Peace, Justice and Strong Institutions
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Halma

Halma is a global group of life-saving industrial and technology companies. Halma sits at the confluence of a number of global mega trends around health and safety, medical innovation and industrial applications that lead to their purpose, which is to grow a safer, cleaner and healthier future of everyone. Halma can act an accelerator of improvement in both the wider world and within the fund owing to potential partnerships that we are seeking them to explore with other investee companies.

Engagement summary	Engagements	Method	Leadership level
During several conversations with senior management it is clear that they prioritise sustainability within their business and are progressing in reporting the positive impact that their products and services provide. Engagement has been open and informative with the company starting to improve some of its reporting in the areas requested.	3	Letter 1 Meeting 2	Investor Relations 1 Senior Executives 2

SDG targets discussed	Progress
● 1.1 No Poverty	1
● 2.1 Zero Hunger	1
● 5.5 Gender Equality	1
● 6.4 Clean Water and Sanitation	1
● 8.7 Decent Work and Economic Growth	1

Engagement progress profiles (cont'd)

Halma (cont'd)

● 8.8 Decent Work and Economic Growth	1
● 12.6 Responsible Consumption and Production	1
● 13.2 Climate Action	2
Progress against relevant SDG indicators	Progress
● 2.1.1 Zero Hunger	1
● 2.1.2 Zero Hunger	1
● 5.5.2 Gender Equality	3
● 6.4.1 Clean Water and Sanitation	2
● 6.4.2 Clean Water and Sanitation	2
● 8.7.1 Decent Work and Economic Growth	2
● 8.8.1 Decent Work and Economic Growth	3
● 8.8.2 Decent Work and Economic Growth	2
● 12.6.1 Responsible Consumption and Production	2

Hoya

Hoya strives to create global value through innovation based on its advanced optics technologies. Healthcare and technology are the two largest addressable markets that Hoya sells into with its focus on spectacle lenses, contact lenses and endoscopic devices matched up by its dominant market position in HDD glass disks and semiconductor mask blanks. Their strategy is to expand into niche growth markets and be highly cost efficient.

Engagement summary	Engagements	Method	Leadership level
We have had two in-depth calls and written dialogue with Hoya, covering a range of environmental and social issues. Regarding the company's exposure to Emerging Markets, where there is a growing need for glasses due to ageing populations, the company derives approximately one-third of its revenue from Asia, and recognises the growth potential in China. We will continue to monitor the company's growth in Emerging Markets, and will engage on potential philanthropic initiatives. In order to meet rising demand, the company is shifting more production to its factory in Vietnam, where Modern Slavery risks are comparatively high. We flagged that Hoya could improve its disclosure about how it is identifying and addressing Modern Slavery risks, and encouraged the company to use the guidance provided by KnowTheChain, a resource for companies and investors to evaluate labour-related risks within global supply chains. More generally speaking, it is very positive that Hoya is taking ESG risk management more seriously. The company set up its first ESG Committee in 2019, and we flagged the importance of both quantitative and qualitative goals, which this Committee should have oversight of.	7	Email 2 Letter 1 Meeting 4	Investor Relations 7
SDG targets discussed	Progress		
● 3.8 Good Health and Well-Being	1		
● 4.6 Quality Education	1		
● 5.5 Gender Equality	1		
● 8.7 Decent Work and Economic Growth	6		
● 8.8 Decent Work and Economic Growth	1		
● 10.2 Reduced Inequalities	1		
● 12.6 Responsible Consumption and Production	1		
● 13.2 Climate Action	1		
Progress against relevant SDG indicators	Progress		
● 3.8.1 Good Health and Well-Being	3		
● 12.6.1 Responsible Consumption and Production	3		
Milestones	1	Milestone rating	★ ● 12.6 Responsible Consumption and Production

ICON

Icon is a global provider of outsourced development and commercialisation services to the pharmaceutical, biotechnology and medical devices industries. The market is increasingly consolidating around trusted partners and Icon are amongst the winners, delivering cost efficiency and improved, speedier patient outcomes.

Engagement summary	Engagements	Method	Leadership level
We have had two in-depth calls and written dialogue with ICON. One key issue we are engaging on is employee engagement, linked to SDG 8, as well as how the company ensures a non-discriminatory work environment. The company has good policies in place, although we think the employee engagement survey could be conducted annually rather than bi-annually. We encouraged the company to disclose the high-level results of its employment engagement surveys and the employee turnover rate. We are also interested in how ICON approaches gender diversity, because there is scope for improvement at senior management levels, and in clinical trials we flagged the critical importance of gender diversity, as well as ethnic and racial diversity. This is one area we want to explore in greater detail. Regarding ICON's exposure to Emerging Markets, the company believes that Asia Pacific will be a key growth area, and we learned that China is an important market. We will monitor the company's work in Emerging Markets over the medium-term. Overall, ICON has been fairly receptive to engagement, and it is positive that the company will publish its inaugural Sustainability Report in 2020. We will review this Report and use it to inform the next steps in our engagement strategy.	5	Email 1 Letter 1 Meeting 3	Investor Relations 3 Senior Executives 2
SDG targets discussed	Progress		
● 3.3 Good Health and Well-Being	1		
● 3.4 Good Health and Well-Being	1		
● 3.8 Good Health and Well-Being	2		
● 5.5 Gender Equality	2		
● 8.5 Decent Work and Economic Growth	4		
● 8.8 Decent Work and Economic Growth	1		
● 12.6 Responsible Consumption and Production	3		
Progress against relevant SDG indicators	Progress		
● 3.4.1 Good Health and Well-Being	5		
● 3.8.1 Good Health and Well-Being	4		
● 5.5.2 Gender Equality	4		
● 8.5.1 Decent Work and Economic Growth	4		
● 8.5.2 Decent Work and Economic Growth	4		
● 12.6.1 Responsible Consumption and Production	3		
Milestones	1	Milestone rating	★ ● 12.6 Responsible Consumption and Production

Japan Exchange Group

Japan Exchange provides market critical infrastructure to the equity and derivative markets in Japan. The mix of revenues from derivatives and equities transactions provides good balance to the business model, but increasingly Japan Exchange are looking to build out their range of data services to financial market participants.

Engagement summary	Engagements	Method	Leadership level
We engaged with Japan Exchange on diversity and governance, as well as reviewing and inputting into an ESG guidance document for Japanese companies. This provided us with a great opportunity to share our perspectives and assist in guiding the market as a whole on its journey towards better ESG disclosure.	5	Letter 2 Meeting 3	Board director(s), non-executive(s) 2 Operational Specialist 1 Senior Executives 2
SDG targets discussed	Progress		
● 2.c Zero Hunger	1		
● 5.5 Gender Equality	3		
● 10.2 Reduced Inequalities	1		
● 10.5 Reduced Inequalities	1		
● 12.6 Responsible Consumption and Production	4		
● 16.6 Peace, Justice and Strong Institutions	1		

Engagement progress profiles (cont'd)

Japan Exchange Group (cont'd)

Progress against relevant SDG indicators	Progress
● 2.c.1 Zero Hunger	3
● 5.5.2 Gender Equality	3
● 10.2.1 Reduced Inequalities	3
● 10.5.1 Reduced Inequalities	3
● 12.6.1 Responsible Consumption and Production	3
● 16.6.1 Peace, Justice and Strong Institutions	3
● 16.6.2 Peace, Justice and Strong Institutions	3

Kasikornbank

Leading private bank in Thailand, Kasikornbank has been battling economic headwinds in the wider economy. Despite this Kasikornbank have identified nine of the SDGs as being particularly relevant to their purpose and their progress has been widely recognised.

Engagement summary	Engagements	Method	Leadership level
Over the reporting period we had seven interactions with Kasikornbank, which included also an in person meeting with the company in Bangkok. Core of our discussions were their environmental and social risks (ESR) management system, with a particular focus on climate risk management. The bank is well prepared for planned regulatory changes of the Thai financial regulator regarding data security and protection, with broad trainings, hiring of expert staff, and adjusted procedures. An ESR system is set up and reporting around it is good, but it needs to be expanded in scope. This is not yet happened in a satisfactory scope, and we continue to engage the company on it. Preparations around addressing climate risk are in process, and need further monitoring. The bank did inform us that they performed a climate risk sector analysis for which we have asked for. In the reporting period the results are still expected to be published.	4	Email 3 Meeting 1	Investor Relations 2 Operational Specialist 1 Senior Executive 1
SDG targets discussed	Progress		
● 13.a Climate Action	4		
Progress against relevant SDG indicators	Progress		
● 13.a.1 Climate Action	3		
Milestones	1	Milestone rating	★ ● 13.1 Climate Action
Milestones	1	Milestone rating	★ ★ ● 13.a Climate Action

Kerry Group

Kerry Group is a leading specialty ingredients company operating as an R&D partner and outsourcer to its customers within the Consumer Staples sector. Based in Ireland, it primarily services the food and beverage end markets. Because its raison d'être is to help its customers reformulate recipes to improve nutritive content while enhancing taste, Kerry Group has a clear sustainability agenda to progress nutritional trends. It targets lower sugar, salt and calorie levels, as well clean nutrition labels in general. In regards to SDG alignment, revenues of Kerry Group's Taste & Nutrition business segment link to SDG target 2.1 of the goal "Zero Hunger".

Engagement summary	Engagements	Method	Leadership level
Kerry Group have been very open to engagement, and we have good access to management and operational specialists. The company have improved its disclosure significantly, and have made good improvements in responsible sourcing practices and water management. We continue to engage on these topics, mainly at the supply chain level, as well as on packaging, labour management and worker safety.	3	Meeting 3	Operational Specialist 1 Board director(s), non-executive(s) 1 Senior Executive 1
SDG targets discussed	Progress		
● 2.1 Zero Hunger	2		
● 2.2 Zero Hunger	1		
● 6.4 Clean Water and Sanitation	1		
● 12.2 Responsible Consumption and Production	1		
● 12.6 Responsible Consumption and Production	1		

Kerry Group (cont'd)

Progress against relevant SDG indicators	Progress		
● 2.2.2 Zero Hunger	4		
● 6.4.1 Clean Water and Sanitation	4		
● 12.2.1 Responsible Consumption and Production	3		
Milestones	1	Milestone rating	★ ★ ● 6.4 Clean Water and Sanitation
Milestones	1	Milestone rating	★ ● 8.8 Decent Work and Economic Growth
Milestones	1	Milestone rating	★ ● 12.2 Responsible Consumption and Production
Milestones	1	Milestone rating	★ ★ ● 12.5 Responsible Consumption and Production

Kontoor Brands

US-based apparel manufacturer Kontoor Brands is a recently established business, following its spin out from VF Corp. Kontoor Brands makes up the Jeanswear and outlet businesses formerly of VF Corp, encompassing the denim brands Wrangler®, Lee® and Rock & Republic®. These brands were under investment within VF Corp, but these denim brands remain high quality, with strong market shares and high customer appreciation driven by their durability. As a standalone entity now, and with their own capital allocation strategy, Kontoor Brands can unlock significant value within these brands through channel rationalisation, product investment, and international expansion.

Engagement summary	Engagements	Method	Leadership level
Kontoor Brands was created in 2020, from a selection of VF Corp brands and is a stand alone company. We engaged with the company around environmental and social impacts, particularly in its supply chains. Kontoor were involved with a controversy within its supply chain, where gender-based violence and harassment was found at factories owned and operated by supplier Nien Hsing in Lesotho. The company responded quickly and agreed to set up a program aimed at combating these issues, alongside other brands. The company were open to engagement and we were able to talk to them promptly about it.	2	Email 1 Meeting 1	Investor Relations 1 Operational Specialist 1
SDG targets discussed	Progress		
● 5.2 Gender Equality	1		
● 6.3 Clean Water and Sanitation	2		
● 8.7 Decent Work and Economic Growth	1		
● 8.8 Decent Work and Economic Growth	2		
● 12.4 Responsible Consumption and Production	1		
● 12.5 Responsible Consumption and Production	1		
Progress against relevant SDG indicators	Progress		
● 8.7.1 Decent Work and Economic Growth	2		

Kubota

Provider of agricultural equipment, across both wet agriculture (rice etc) and dry arable agriculture. These are to the benefit of improved food production, through more efficient technology aimed at raising farming yields. This is particularly evident in South East Asia, providing mechanisation of agriculture in countries such as Thailand, Cambodia and Myanmar.

Engagement summary	Engagements	Method	Leadership level
We communicated to the company the importance of addressing specific SDGs within their business.	2	Meeting 1 Letter 1	Senior Executives 2
SDG targets discussed	Progress		
● 6.1 Clean Water and Sanitation	1		
● 12.6 Responsible Consumption and Production	1		
● 13.2 Climate Action	1		
Milestones	1	Milestone rating	★ ★ ● No SDG

Engagement progress profiles (cont'd)

Mettler-Toledo

Mettler-Toledo is a leader in providing precision analytical and measuring equipment to manufacturing companies around the globe. Healthcare and industrial verticals are amongst their largest end markets and they are well positioned to enable companies operating in developing markets to accelerate up the value-added manufacturing curve. This can help achieve less global inefficiency and curb excess material wastage, whilst improving working conditions for workers.

Engagement summary	Engagements	Method	Leadership level
We have had two in-depth calls with Mettler-Toledo. One focus area for us is access and affordability, and we were pleased to learn that the company has introduced a number of products at lower price points for Emerging Market customers, and more are in development. The company has had operations in China for over 25 years, and we asked about employee engagement strategies, which can help to reduce employee turnover. We want to continue our engagement on supply chain risk management, focusing on the mitigation of Modern Slavery risks, and improving the environmental and social practices of key suppliers. With regard to the company's own operations, our dialogue revealed that the company is working on packaging innovations to reduce waste, and we emphasised that lightweight packaging can reduce transportation costs, and encouraged the company to set waste reduction targets. In June, Mettler-Toledo confirmed that it is undertaking a comprehensive review of its waste management practices, and has committed to several waste-related goals, including reducing the company's waste intensity by 20%, and achieving zero waste to landfill. This is a very positive development which we recorded as a Milestone.	3	Letter 1 Meeting 2	Operational Specialist 2 Senior Executives 1
SDG targets discussed	Progress		
● 3.8 Good Health and Well-Being	2		
● 8.2 Decent Work and Economic Growth	2		
● 8.7 Decent Work and Economic Growth	2		
● 12.5 Responsible Consumption and Production	2		
Progress against relevant SDG indicators	Progress		
● 3.8.1 Good Health and Well-Being	3		
● 8.2.1 Decent Work and Economic Growth	4		
● 8.7.1 Decent Work and Economic Growth	4		
● 12.5.1 Responsible Consumption and Production	4		

Mohawk Industries

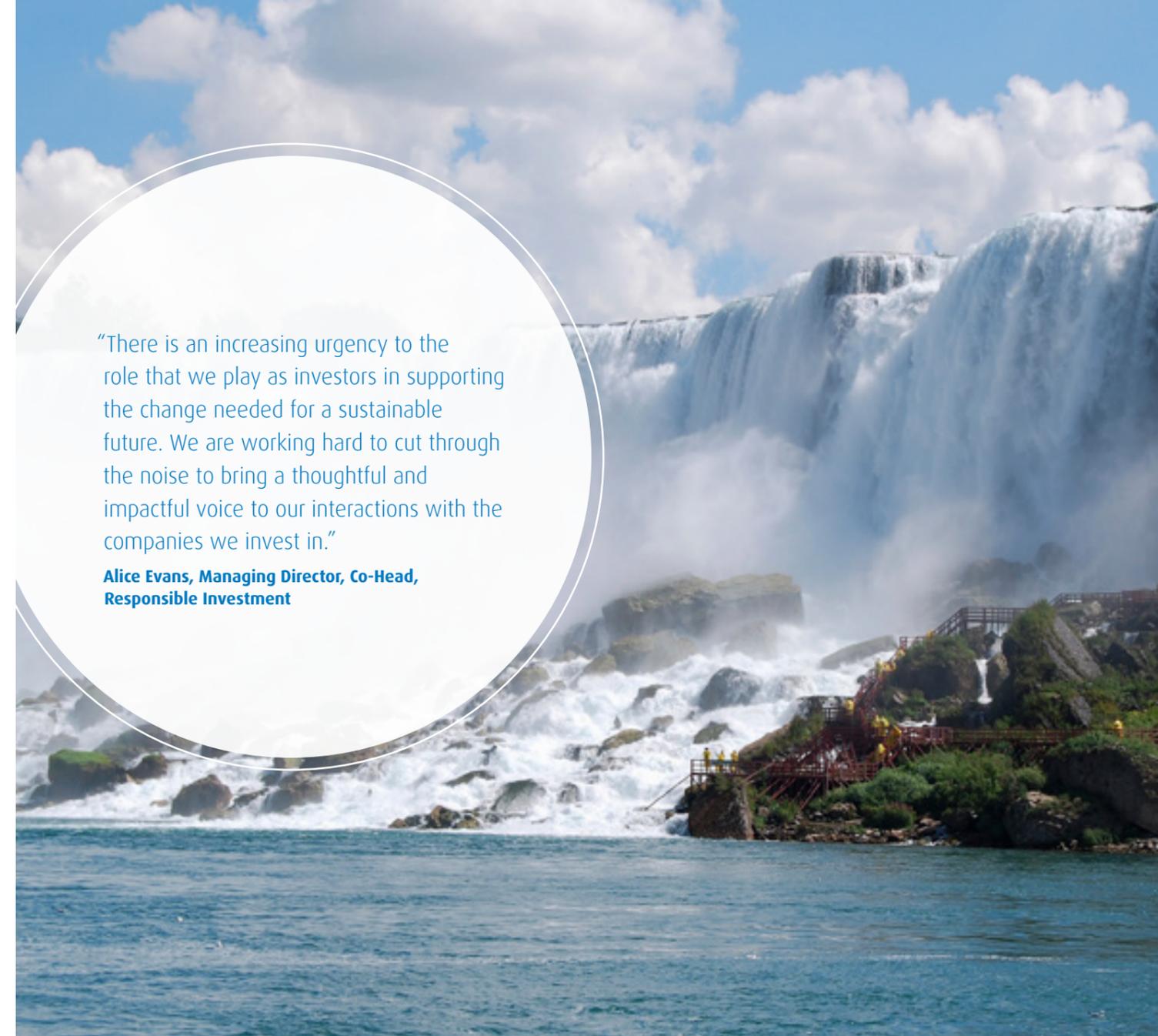
Mohawk is one of the world's largest flooring providers including hardwood, carpets, laminates and vinyl. As part of the carpet manufacturing process Mohawk can use recycled PET bottles as a feedstock and this makes them one of the largest consumers of plastic waste. This is a notable step towards a more circular economy and this ethos is reflected in other manufacturing processes.

Engagement summary	Engagements	Method	Leadership level
We communicated to the company the importance of addressing specific SDGs within their business.	1	Letter 1	Senior Executives 1
SDG targets discussed	Progress		
● 1.1 No Poverty	1		
● 6.3 Clean Water and Sanitation	1		
● 6.4 Clean Water and Sanitation	1		
● 8.7 Decent Work and Economic Growth	1		
● 12.4 Responsible Consumption and Production	1		
● 12.5 Responsible Consumption and Production	1		
● 15.1 Life on Land	1		

Mowi

A leader in salmon aquaculture, leading the way in responsible salmon farming practices. Salmon itself presents a healthier alternative to other proteins, and at a lower impact on the environment. From an operational perspective, this is a supply constrained industry on account of required geography for salmon farming, licences, and high operational barriers to entry, whilst growth is underpinned by the rising demand for more sustainable sources of food protein.

Engagement summary	Engagements	Method	Leadership level
We met with the Chief Sustainability Officer of Mowi, who was knowledgeable and open to discussion. Mowi have clearly invested into sustainability measures and whilst there is still a lot of scope for improvement, the company is being proactive on a number of measures. Topics we discussed included climate change, both regarding resilience in the fish stock and feed, and in the transition to lower emissions; plastic use and labour management throughout the supply chain; antibiotic use within its various operating markets; and water use.	1	Meeting 1	Operational Specialist 1



“There is an increasing urgency to the role that we play as investors in supporting the change needed for a sustainable future. We are working hard to cut through the noise to bring a thoughtful and impactful voice to our interactions with the companies we invest in.”

Alice Evans, Managing Director, Co-Head, Responsible Investment

Mowi (cont'd)

SDG targets discussed	Progress
● 2.4 Zero Hunger	1
● 8.7 Decent Work and Economic Growth	1
● 13.2 Climate Action	1
● 14.1 Life Below Water	1
● 14.4 Life Below Water	1
Progress against relevant SDG indicators	Progress
● 2.4.1 Zero Hunger	4
● 8.7.1 Decent Work and Economic Growth	3
● 13.2.1 Climate Action	3
● 14.1.1 Life Below Water	3
● 14.4.1 Life Below Water	4

Engagement progress profiles (cont'd)

Principal Financial Group

PFG is a provider of asset management services with a particular focus on lifelong savings products, both in the U.S. and certain Latin American markets.

Engagement summary	Engagements	Method	Leadership level
We communicated to the company the importance of addressing specific SDGs within their business, however didn't have a meeting within the year one timeframe.	2	Meeting 1 Letter 1	Senior Executives 2
SDG targets discussed	Progress		
● 5.5 Gender Equality	1		
● 8.10. Decent Work and Economic Growth	1		
● 12.6 Responsible Consumption and Production	1		
● 15.a Life on Land	1		

QIAGEN

QIAGEN is a life sciences diagnostics group with 90% revenue exposure to consumables and 10% to equipment. This delivers a very high proportion of recurring revenue and an accordingly high degree of visibility to their model. The group has a track record of delivering cost effective diagnostic tests for developing countries, especially around TB, and it has received a takeover approach from Thermo Fisher Scientific. QIAGEN has also been a big beneficiary from COVID-19 testing trends globally.

Engagement summary	Engagements	Method	Leadership level
We had a positive meeting with Qiagen's CFO and Vice President Corporate Communications in August 2019. We focused on the company's initiatives in Emerging Markets. It is very positive that the company has developed a tuberculosis test - QuantiFERON-TB Access - which is cost-competitive and designed for use in low-resource environments. We also inquired about Qiagen's educational activities on HPV and tuberculosis, and were please to learn that it has HPV-focused programmes in Rwanda, Brazil and Mexico, and is collaborating with the Gates Foundation on tuberculosis. Regarding environmental issues, the company informed us that it is researching dry chemicals which do not require refrigeration and is exploring plastic recycling initiatives. These are two areas we plan to pursue engagement on. Unfortunately, our engagement with Qiagen has had to pause this year because the company has been under pressure to provide instruments and consumables to support the detection of COVID-19, and Thermo Fisher Scientific is seeking to acquire Qiagen.	2	Letter 1 Meeting 1	Board director(s), non-executive(s) 1 Senior Executives 1
SDG targets discussed	Progress		
● 3.3 Good Health and Well-Being	1		
● 3.4 Good Health and Well-Being	1		
● 3.8 Good Health and Well-Being	1		
● 3.d Good Health and Well-Being	1		
● 12.5 Responsible Consumption and Production	1		
Progress against relevant SDG indicators	Progress		
● 3.3.1 Good Health and Well-Being	4		
● 3.3.2 Good Health and Well-Being	5		
● 3.4.1 Good Health and Well-Being	5		
● 3.8.1 Good Health and Well-Being	4		
● 3.d.1 Good Health and Well-Being	4		
● 12.5.1 Responsible Consumption and Production	2		

Rational

Global leader in the manufacture of commercial combi ovens for commercial use. Rational's equipment contributes enormously to reducing the energy and resource footprint of industrial kitchens. With Rational cooking technology customers save on energy, water and raw ingredients and produce significantly less waste.

Engagement summary	Engagements	Method	Leadership level
We had a meeting with Rational to its link and management of business-relevant SDG targets. These include (1) sustainability of its product portfolio, (2) labour management and (3) resource efficiency. In our conversation we encouraged Rational to improve its disclosure on the above issues by introducing a set of quantitative and qualitative metrics that help its stakeholder better assess company performance. We also discussed the SDG as a stakeholder framework and invited the company to consider adopting an SDG framework in its future CSR reports. Rational was open to our conversation and eager to learn more about views on ESG and reporting in particular.	3	Letter 2 Meeting 1	Board director(s), non-executive(s) 1 Operational Specialist 1 Senior Executive 1

Rational (cont'd)

SDG targets discussed	Progress
● 8.8 Decent Work and Economic Growth	2
● 12.2 Responsible Consumption and Production	2
Progress against relevant SDG indicators	Progress
● 8.8.1 Decent Work and Economic Growth	3
● 8.8.2 Decent Work and Economic Growth	3
● 12.2.1 Responsible Consumption and Production	3

Rotork

Largest manufacturer of electronic, hydraulic and pneumatic actuators to a wide range of customers needing advanced flow control technology.

Engagement summary	Engagements	Method	Leadership level
We met with the CEO and Finance Director to discuss business strategy and sustainability. We discussed the potential for solar actuators and for improving safety, in particular at more remote locations. We encouraged disclosure on emissions to Scope 2 level, to further demonstrate the improvements Rotork helps customer to make regarding environmental impact.	4	Meeting 4	Board director(s), non-executive(s) 1 Corporate Secretary 1 Senior Executives 2
SDG targets discussed	Progress		
● 8.8 Decent Work and Economic Growth	1		
● 12.6 Responsible Consumption and Production	1		
● 13.2 Climate Action	1		
Progress against relevant SDG indicators	Progress		
● 8.8.1 Decent Work and Economic Growth	2		
● 8.8.2 Decent Work and Economic Growth	2		
● 12.6.1 Responsible Consumption and Production	2		
● 13.2.1 Climate Action	2		

Sakata Seed

Sakata Seed is a big player in a niche area of the global vegetable seed market. They dominate the broccoli seed market with ~60% global market share and broccoli is seeing better-than-average growth arising household incomes across the world enable consumers to seek more nutritious vegetables. Through the advanced R&D they allow farmers to enjoy higher-yielding crops.

Engagement summary	Engagements	Method	Leadership level
We met with two executives of Sakata at its Kakegawa Research Centre, Japan, to discuss ESG and participated in site visits with them. We encouraged better disclosure, and to create impact metrics in line with SDG targets. The company has strong good relationship with the producing farmers as the contracts dictate good terms, which Sakata adheres to. Climate resilience and strong water management are key, and we encouraged the mapping of these risks, alongside action plans with the findings. We encouraged best practice for labour management throughout the supply chain. We visited a number of plants in the fields and in poly-tunnels, to understand further the growing processes and what makes its categories leaders, for now and in the future.	2	Field trip and on-site visit 1 Letter 1	Senior Executives 2
SDG targets discussed	Progress		
● 2.3 Zero Hunger	1		
● 2.4 Zero Hunger	2		
● 2.5 Zero Hunger	1		
● 6.4 Clean Water and Sanitation	1		
● 8.7 Decent Work and Economic Growth	1		
● 12.4 Responsible Consumption and Production	1		
Progress against relevant SDG indicators	Progress		
● 2.3.2 Zero Hunger	5		
● 8.7.1 Decent Work and Economic Growth	2		

Engagement progress profiles (cont'd)

Shimadzu

Shimadzu Corporation is a tools and equipment maker. The company develops, manufactures, and sells analytical and measuring instruments, into various end markets, such as healthcare enabling improved healthcare diagnoses, and industrial where precision analytical instrumentation can help reduce environmental pollution.

Engagement summary	Engagements	Method	Leadership level
We met the company at its headquarters in Kyoto, Japan, to discuss ESG and participate in site visits with the company. It is developing existing technology which helps to manage ocean plastic, and the development is now into microplastic, and we are encouraging the greater application of this. The company has created innovative technology for the early diagnosis for Alzheimer's. The current issue with implementation is that there is no cure for the disease, and so the company are working with healthcare companies in order to speed that up. We encouraged this work to be done not only in Japan but elsewhere too, including EM's, in order for broader implementation. We also recommended further work to be done on the packaging of its products, and with regards to reporting impact metrics against SDG targets. We visited key business functions within the Quality Centre such as; precisions measurement and metre calibration, EMC measurement, reliability evaluation, usability evaluation, materials analysis and testing; the Kyolabs site, where scientific collaboration happens; and the research centre where new products are showcased.	3	Field trip and on-site visit 1 Meeting 2	Board Directors, Non-Executives 1 Operational Specialist 2

SDG targets discussed	Progress
● 3.4 Good Health and Well-Being	1
● 3.8 Good Health and Well-Being	1
● 3.9 Good Health and Well-Being	1
● 11.6 Sustainable Cities and Communities	1
● 12.4 Responsible Consumption and Production	1
● 12.5 Responsible Consumption and Production	1
● 12.6 Responsible Consumption and Production	1
● 14.1 Life Below Water	2
Progress against relevant SDG indicators	Progress
● 3.4.1 Good Health and Well-Being	4
● 3.8.1 Good Health and Well-Being	4
● 12.5.1 Responsible Consumption and Production	3
● 12.6.1 Responsible Consumption and Production	4
● 14.1.1 Life Below Water	4

Smurfit Kappa Group

Smurfit Kappa are one of the world's largest paper-based packaging business, enabling customers to cut down on plastic waste through the provision of paper-based packaging alternatives. With ever growing use of plastic, particularly single-use plastic, there is an increasing need to more environmentally conscious alternatives, particularly given the impact plastic pollution is having on the environment, with ocean health as a clear example. FMCg and other goods manufacturers recognise both the financial and reputational danger of doing nothing, and so many are moving to a more sustainable paper-based solution, to the benefit of Smurfit Kappa.

Engagement summary	Engagements	Method	Leadership level
We heavily engaged Smurfit Kappa over the reporting period, and the response of the company has been very positive: on one hand regarding pure reaction time and making senior executives or operational experts available for discussions, but also regarding changes seen around various sustainability topics in just 12 months. It is positively to note, that the company became a founding member of a new industry alliance to boost the contribution of paper-based packaging in a circular and sustainable economy. They also published climate change-related performance goals that are aligned with the Science Based Targets Initiative (SBTI), and an overboarded director departed. We will continue to engage the company on climate risk management and on paying a living wage.	6	Email 3 Letter 1 Meeting 2	Company Consultant 1 Operational Specialist 1 Senior Executives 4
SDG targets discussed	Progress		
● 1.1 No Poverty	2		
● 6.1 Clean Water and Sanitation	1		
● 10.2 Reduced Inequalities	2		
● 13.1 Climate Action	1		

Smurfit Kappa Group (cont'd)

Progress against relevant SDG indicators	Progress
● 1.1.1 No Poverty	3
● 6.1.1 Clean Water and Sanitation	4
● 10.2.1 Reduced Inequalities	3
● 13.1.2 Climate Action	2

Milestones	1	Milestone rating	★	● 12.2 Responsible Consumption and Production
Milestones	1	Milestone rating	★	● 13.2 Climate Action

Steris

An advanced global player in the market for the infection protection through the sterilisation of a huge range of medical equipment, surgical equipment. This was an area of huge interest even prior to the COVID-19 pandemic but even more so now and long-term demand trends are very supportive of the thesis.

Engagement summary	Engagements	Method	Leadership level
We have had two in-depth calls and written dialogue with Steris covering a range of environmental and social issues. One topic we have focused on is labour management, and we have explored how the company creates a positive work environment for employees with disabilities. We were assured that disabilities can be accommodated, and encouraged the company to publish more granular publicly available information about its approach to helping employees with disabilities, as well as other initiatives related to diversity and inclusion. More generally speaking, Steris is striving to improve its disclosure about ESG issues, and has upgraded the sustainability section of its website. We provided detailed feedback on this, and hope to build on the progress already made. On a more negative note, we think that Steris' contribution to SDG 3 is weak, because the company does not expect to grow – nor pursue opportunities – outside of the US and Europe. Overall, Steris has been receptive to engagement, and the company is definitely on a positive trajectory.	4	Email 1 Letter 1 Meeting 2	Investor Relations 3 Senior Executives 1

SDG targets discussed	Progress
● 3.1 Good Health and Well-Being	1
● 3.8 Good Health and Well-Being	1
● 3.9 Good Health and Well-Being	1
● 5.5 Gender Equality	2
● 6.3 Clean Water and Sanitation	1
● 8.5 Decent Work and Economic Growth	3
● 12.5 Responsible Consumption and Production	1
● 12.6 Responsible Consumption and Production	2

Progress against relevant SDG indicators	Progress
● 3.8.1 Good Health and Well-Being	4
● 3.9.2 Good Health and Well-Being	3
● 5.5.2 Gender Equality	4
● 6.3.1 Clean Water and Sanitation	4
● 8.5.1 Decent Work and Economic Growth	4
● 8.5.2 Decent Work and Economic Growth	4
● 12.5.1 Responsible Consumption and Production	2
● 12.6.1 Responsible Consumption and Production	4

Storebrand

Norwegian financial services firm Storebrand is a well capitalised provider of long-term saving products and insurance. Storebrand enables an accessible and affordable range of products that allow consumers to plan for the future with confidence.

Engagement summary	Engagements	Method	Leadership level
Not engaged within the year one timeframe.			

Engagement progress profiles (cont'd)

Suez

At the heart of the circular economy Suez is a global leader in the waste and water sectors. A great track record of maintaining resilient water networks across both developed (Europe, Chile) and developing countries (China, India, North Africa) and helping combat issues like excess plastic waste by striking waste treatment and recycling facilities globally.

Engagement summary	Engagements	Method	Leadership level
Suez have been very open to engagement, and we have met with management, operational specialists, their water governance partners and hosted and event with them. Engagement has predominantly been around how it can improve access to water and its role in increasing waste management infrastructure in less developed countries.	9	Conference / Seminar 1 Email 2 Letter 1 Meeting 5	Investor Relations 1 Operational Specialist 5 Senior Executives 3
SDG targets discussed			Progress
● 6.1 Clean Water and Sanitation			7
● 6.2 Clean Water and Sanitation			3
● 6.3 Clean Water and Sanitation			4
● 6.4 Clean Water and Sanitation			2
● 6.a Clean Water and Sanitation			1
● 8.8 Decent Work and Economic Growth			2
● 12.4 Responsible Consumption and Production			2
● 12.5 Responsible Consumption and Production			2
● 12.6 Responsible Consumption and Production			1
Progress against relevant SDG indicators			Progress
● 6.1.1 Clean Water and Sanitation			4
● 6.2.1 Clean Water and Sanitation			4
● 6.3.1 Clean Water and Sanitation			3
● 6.4.1 Clean Water and Sanitation			3
● 6.a.1 Clean Water and Sanitation			4
● 8.8.1 Decent Work and Economic Growth			4
● 12.4.2 Responsible Consumption and Production			4
● 12.5.1 Responsible Consumption and Production			4
● 12.6.1 Responsible Consumption and Production			4

SVB Financial Group

Founded in 1983, SVB Financial Group have made it their mission to be at the centre of venture backed start-ups, and increase their clients' odds of success, where across the market 90% of seed round funded start ups fail. SVB now has a 50% market share of US venture backed start ups and are expanding their footprint into international markets. Given SVB's market positioning, they sit in a unique situation where they can influence developing businesses, and advocate for the innovation economy to enable entrepreneurs to build companies and create jobs, and look to ensure strong corporate governance practices within those businesses they support.

Engagement summary	Engagements	Method	Leadership level
We wrote to the company on several occasions to encourage it to consider addressing business-relevant SDG targets, to enhance shareholder value creation whilst maximising the potential for positive impact. The company's IR function has been understaffed and scheduling time for discussions has been difficult. A brief call was held ahead of the company's AGM and a plan was set up to re-connect during August/September 2020 to discuss SDG targets.	2	Email 1 Letter 1	Investor Relations 1 Senior Executives 1
SDG targets discussed			Progress
● 5.5 Gender Equality			1
● 9.4 Industry, Innovation and Infrastructure			1
● 10.2 Reduced Inequalities			1

Tecan Group

Tecan is benefitting from healthcare mega-trends around personalised medicine, with an ever increasing number of diagnostic tests leading to a need for more automation. Tecan has a reputation for excellence and partnering with global life sciences firms in designing and manufacturing equipment to very exacting standards. Sits squarely in the realm of SDG3.

Engagement summary	Engagements	Method	Leadership level
We have had two calls with Tecan - including one with the CEO - and another is scheduled in August this year. We discussed the company's manufacturing footprint, and learned that some components are manufactured in Vietnam. We are going to follow-up with the company about its disclosure on supply chain risk management and Health & Safety. One key environmental issue we are focusing on is plastic packaging, and we asked about the company's initiatives to reduce waste and cut plastic consumption. Although Tecan is working on mitigating its environmental impact, there is scope for improvement on this front. Finally, we raised our concerns over the lack of women in senior leadership positions. The company recognises that this is an issue, and has introduced a strategy to boost diversity.	3	Letter 1 Meeting 2	Investor Relations 1 Senior Executives 2
SDG targets discussed			Progress
● 3.4 Good Health and Well-Being			1
● 3.8 Good Health and Well-Being			2
● 5.5 Gender Equality			1
● 8.2 Decent Work and Economic Growth			2
● 12.5 Responsible Consumption and Production			2
Progress against relevant SDG indicators			Progress
● 3.4.1 Good Health and Well-Being			4
● 5.5.2 Gender Equality			3
● 8.2.1 Decent Work and Economic Growth			4
● 12.5.1 Responsible Consumption and Production			3

Tractor Supply

US retailer focused on the needs of rural America, through the provision of farm and ranch products, through to residential pet and lawn supplies. They are a highly responsible operator, with best in class employee retention, and operate a clear focus on broader stakeholder attention, from customers to suppliers and employees.

Engagement summary	Engagements	Method	Leadership level
We engaged with the company on modern slavery, the promotion of safe working environments and to integrate climate change in to their broader business strategy. From the company's responses, it is clear that they have mitigation policies and processes in place, but encouraged enhanced disclosure. We recommended the company to map its supply chain to identify and remedy potential pockets of poor labour standard or human rights abuse. We also engaged on employee retention and engagement.	2	Meeting 2	Corporate Secretary 1 Senior Executives 1
SDG targets discussed			Progress
● 8.7 Decent Work and Economic Growth			1
● 8.8 Decent Work and Economic Growth			2
● 13.2 Climate Action			1
Progress against relevant SDG indicators			Progress
● 8.7.1 Decent Work and Economic Growth			2
● 8.8.1 Decent Work and Economic Growth			3
● 8.8.2 Decent Work and Economic Growth			3
● 13.2.1 Climate Action			1

Umicore

Market leader in the provision of cathode materials making their way into electric batteries for EVs. Electric Vehicles are seeing material growth as the world looks to alternative powertrain technology with lower environmental footprint, and the cathode materials that go into those batteries are critical input for the battery reliability and longevity. Umicore's strong entrenched position within this specific market means they are well situated to benefit from the emerging growth of EVs.

Engagement summary	Engagements	Method	Leadership level
We had a meeting with the CEO to discuss Umicore's ethical cobalt sourcing given the high levels of recent competition from artisanal cobalt from the DRC. The company is putting in place stringent due diligence on cobalt sourcing, as it owns some of the major refineries in the world, which is where unethical cobalt usually enters the chain. We also discussed the objective of the company to become the leading recycler of end-of-life EV batteries.	1	Meeting 1	Senior Executives 1

Engagement progress profiles (cont'd)

Umicore (cont'd)

SDG targets discussed	Progress
● 8.8 Decent Work and Economic Growth	1
● 12.6 Responsible Consumption and Production	1
Progress against relevant SDG indicators	Progress
● 8.8.1 Decent Work and Economic Growth	4
● 8.8.2 Decent Work and Economic Growth	3
● 12.6.1 Responsible Consumption and Production	5

Vitasoy International

Vitasoy International are a food and beverage manufacturer, with strong presence across China as well as the sale of soy-related products internationally. With a strong brand presence in China selling products such as soymilk, tea and juices, they continue to benefit from the emerging trend for milk-based alternatives, including soymilk.

Engagement summary	Engagements	Method	Leadership level
We had a call with the newly-appointed head of sustainability to discuss the company's approach to managing ESG risks in its agricultural supply chains. We were positively impressed with the progress made over the past year, which includes dedicated policies, a more robust governance framework and undertaking assessments to map and identify risks in areas such as water availability, deforestation and labour standards.	5	Email 3 Meeting 1 Vote against management communication 1	Investor Relations 4 Operational Specialist 1
SDG targets discussed	Progress		
● 6.1 Clean Water and Sanitation	1		
● 12.2 Responsible Consumption and Production	1		
● 12.6 Responsible Consumption and Production	1		
● 13.1 Climate Action	1		
● 15.2 Life on Land	1		
Progress against relevant SDG indicators	Progress		
● 12.2.1 Responsible Consumption and Production	3		
● 12.2.2 Responsible Consumption and Production	4		
● 12.6.1 Responsible Consumption and Production	4		
● 15.2.1 Life on Land	3		

Waste Connections

Waste Connections is the third largest full-service waste management company in North America and provides non-hazardous solid waste collection, transfer, recycling and landfill disposal services in the U.S. and Canada. The industry is benefitting from ongoing consolidation, and Waste Connection's strong market position derived from high barriers to entry and their expansive network, enables them to grow over time as they participate in that industry consolidation.

Engagement summary	Engagements	Method	Leadership level
We have been in regular contact with senior management for the last two years and have been pleased to see them improve their sustainability reporting over that period, particular on its environmental, safety and diversity performance.	5	Email 1 Letter 1 Meeting 3	Board Directors, Non-Executives 1 Investor Relations 1 Senior Executives 3
SDG targets discussed	Progress		
● 1.1 No Poverty	1		
● 5.5 Gender Equality	4		
● 8.8 Decent Work and Economic Growth	2		
● 12.6 Responsible Consumption and Production	1		
● 13.2 Climate Action	1		

Waste Connections (cont'd)

Progress against relevant SDG indicators	Progress
● 5.5.2 Gender Equality	3
● 8.8.1 Decent Work and Economic Growth	3
● 8.8.2 Decent Work and Economic Growth	3
● 11.6.1 Sustainable Cities and Communities	2
● 11.6.2 Sustainable Cities and Communities	2
● 12.6.1 Responsible Consumption and Production	4
● 13.2.1 Climate Action	4

Milestones	1	Milestone rating	★	● 8.8 Decent Work and Economic Growth

Wex

WEX are a provider of corporate payment solutions in the US, across Fleet Solutions [for government and commercial fleets], Travel and Corporate Solutions [enabling business-to-business payments], and Health and Employee Benefits [enabling healthcare payments and payroll related benefits]. The efficiency of WEX's offering enables a much easier process for corporates to manage their back-office infrastructure and systems, enabling a more efficient solution for businesses and employees alike.

Engagement summary	Engagements	Method	Leadership level
We have had an introductory call with the company on how it views sustainability within its business. Although the company appears convinced that it needs to take sustainability seriously, by their own admission they disclose very little information on the subject. We are pleased to note their intention to scale up their reporting over the period, but it remains unclear how this will look. Our intention is to continue encouraging the company to prioritise this.	2	Letter 1 Meeting 1	Investor Relations 1 Senior Executives 1
SDG targets discussed	Progress		
● 10.4 Reduced Inequalities	1		
● 12.6 Responsible Consumption and Production	2		
● 13.2 Climate Action	1		
Progress against relevant SDG indicators	Progress		
● 10.4.1 Reduced Inequalities	1		
● 12.6.1 Responsible Consumption and Production	3		
● 13.2.1 Climate Action	2		

Engagement progress profiles (cont'd)

Wolters Kluwer

Netherlands-based Wolters Kluwer is a global provider of professional information and software solutions, designed to deliver better outcomes, analytics, and improved productivity for their customers. By delivering informational tools and databases online and in the Cloud, Wolters Kluwer are able to improve customer outcomes, as well as productivity by making tools and resources more comprehensive and easily accessible whilst users are on the move. Of particular interest to us is Wolter Kluwer's work within the Health vertical, with UpToDate providing clinicians with the tools required to make quicker and more accurate diagnoses, Emmi enabling better patient engagement to drive better ongoing treatment, and Drug Data supporting safer medication decisions. All of these applications offer clear links to SDG 8, and more specifically SDG target 8.2.

Engagement summary	Engagements	Method	Leadership level
Having discussed the SDG framework with senior management on several occasions, it is clear that they understand its significant and usefulness to investors. The company had confirmed SDG alignment in its reporting but it remains too high-level to provide a meaningful breakdown of their impact in our view. We raised this concern with the company and were pleased to hear that they have established a workstream internally to improve their reporting for 2021. We extended an invitation to help with this work which was warmly received.	4	Letter 1 Meeting 3	Investor Relations 1 Senior Executives 3
SDG targets discussed	Progress		
● 3.8 Good Health and Well-Being	1		
● 3.b Good Health and Well-Being	1		
● 5.5 Gender Equality	1		
● 8.3 Decent Work and Economic Growth	1		
● 9.1 Industry, Innovation and Infrastructure	1		
● 10.2 Reduced Inequalities	1		
● 12.6 Responsible Consumption and Production	1		
Progress against relevant SDG indicators	Progress		
● 3.8.1 Good Health and Well-Being	3		
● 3.8.2 Good Health and Well-Being	3		
● 3.b.1 Good Health and Well-Being	3		
● 5.5.2 Gender Equality	2		
● 8.3.1 Decent Work and Economic Growth	2		
● 9.1.1 Industry, Innovation and Infrastructure	2		
● 9.1.2 Industry, Innovation and Infrastructure	2		
● 10.2.1 Reduced Inequalities	1		
● 12.6.1 Responsible Consumption and Production	3		

Xylem

Xylem, whose mission statement is "Let's Solve Water" helps companies acquire, move, treat and test water efficiently, minimising losses. Driving resource efficiency not only brings about a more sustainable planet; it can also make businesses less wasteful and more profitable. Through Xylem's broad product offering, they are able to address a multitude of water-related challenges, from flooding to drought, and to a more efficient use of this critical resource.

Engagement summary	Engagements	Method	Leadership level
We reached out to Xylem a couple times to discuss its developing market strategy to increase water availability for the under-served population. Whilst a major part of the conversation was held directly between the company and our portfolio managers, we had a meeting with Xylem's CEO and the management team in April 2020 for a deep dive discussion (which falls into our next annual reporting). Overall, Xylem has been very open to our engagements, and has set themselves a clear strategy in the least-developed markets, for example Africa. The company has also hired local representatives to help explore opportunities to expand its service focusing on the hydro power and water treatment segments, which we think would help strengthen its SDG credentials in the future. The company has also comprehensive COVID-19 workforce protection initiatives to help address the impact on individuals, including those affected by the necessary layoffs and furlough.	2	Email 1 Letter 1	Investor Relations 1 Senior Executives 1
SDG targets discussed	Progress		
● 3.9 Good Health and Well-Being	1		
● 6.1 Clean Water and Sanitation	1		
● 6.3 Clean Water and Sanitation	1		
● 6.4 Clean Water and Sanitation	1		
● 8.4 Decent Work and Economic Growth	1		
● 8.8 Decent Work and Economic Growth	1		
● 12.2 Responsible Consumption and Production	2		
Progress against relevant SDG indicators	Progress		
● 6.1.1 Clean Water and Sanitation	5		
● 6.3.1 Clean Water and Sanitation	4		
● 6.3.2 Clean Water and Sanitation	4		
● 6.4.1 Clean Water and Sanitation	4		
● 6.4.2 Clean Water and Sanitation	4		
● 8.8.1 Decent Work and Economic Growth	5		
● 8.8.2 Decent Work and Economic Growth	3		
● 12.2.1 Responsible Consumption and Production	5		
● 12.2.2 Responsible Consumption and Production	2		

Leaders in responsible investment

From the launch of Europe's first ethically screened fund in 1984 and our position as a founding signatory of the UN PRI, to the comprehensive suite of ESG specialist funds and services available today, we have a strong heritage in responsible investment.

"Boldly Grow the Good in Business and Life: this is how we sum up BMO's Purpose. By attaching intention to our strategic priorities, our Purpose informs every action we take to foster and accelerate positive change."

Darryl White, Chief Executive Officer, BMO Financial Group

A history of innovation

A growing range of ESG orientated and client focused solutions

- **20 sustainability experts** within our Responsible Investment team¹
- **A+ Rated** for strategy and governance by UN Principles for Responsible Investment
- **35+ years** of investing responsibly
- **USD\$6.3bn²** 31 July under management in ESG specialist funds



Award winning



¹ As at September 2020.

² As at 31 July 2020.

³ This is the second consecutive year that we have won this award

We believe that responsible investment is a mindset: as asset managers, we have a privileged and trusted position as stewards of capital, which gives us both influence and responsibility.

We take this responsibility seriously. We consider the impact of our investments on society and the environment, and the extent to which it affects long-term value creation. We work closely with the companies we invest in as active owners, to improve the management of ESG issues. We support this work with the thoughtful exercise of our voting rights. We strive to be thought leaders on these issues and their relevance to us as investors.

- **Thought leadership** – promoting and encouraging the development of responsible investment across the broader marketplace and industries.
- **Active ownership** – using our position as an asset owner to drive positive change through engagement and proxy voting.
- **ESG integration** – ensuring financially material ESG issues are considered within our active investment processes.
- **Funds and solutions** – offering a range of ESG orientated investment solutions built around a clear sustainability philosophy.



Photography: richardjohnson.ca

Fund at a glance

	Fund weight		Fund weight
Americold Realty Trust	3.3%	Clicks Group Ltd	1.8%
Mettler-Toledo International Inc	3.1%	A O Smith Corp	1.7%
Aptiv PLC	3.0%	Suez SA	1.6%
Xylem Inc	3.0%	Sakata Seed Corp	1.6%
Wolters Kluwer NV	3.0%	Credicorp Ltd	1.6%
Hoya Corp	2.9%	Genus PLC	1.6%
Waste Connections Inc	2.9%	China Resources Gas Group Ltd	1.6%
Shimadzu Corp	2.8%	Mowi ASA	1.5%
Halma PLC	2.7%	DNB ASA	1.5%
Tractor Supply Co	2.7%	Anta Sports Products Ltd	1.5%
Kerry Group PLC	2.6%	Daiseki Co Ltd	1.4%
Smurfit Kappa Group PLC	2.6%	Mohawk Industries Inc	1.3%
Descartes Systems Group Inc	2.6%	Principal Financial Group Inc	1.3%
Encompass Health Corp	2.5%	Kontoor Brands Inc	1.3%
Japan Exchange Group Inc	2.5%	Kasikornbank PCL	1.2%
Alleghany Corp	2.4%	Rotork PLC	1.1%
CCL Industries Inc	2.2%	Bank Mandiri Persero Tbk PT	1.1%
Vitasoy International Holdings Ltd	2.1%	Wex Inc	1.0%
Tecan Group AG	2.1%	Storebrand ASA	1.0%
Kubota Corp	2.1%	Rational AG	0.9%
QIAGEN NV	2.1%	Guaranty Trust Bank PLC	0.7%
Dali Foods Group Co Ltd	2.1%		
Icon PLC	2.1%		
Steris PLC	2.1%		
Umicore SA	2.0%		
ComfortDelGro Corp Ltd	1.8%		
SVB Financial Group	1.8%		
Cognex Corp	1.8%		

Source: BMO Global Asset Management. Data as at 31 March 2020.

“The status quo is clearly unsustainable. It is our duty as active and responsible investors to make sure we use our influence to shepherd a positive change. I firmly believe better outcomes for the planet equates better outcomes for shareholders.”

Nick Henderson, Director, Portfolio Manager, Global Equities

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