

## Responsible finance is leading sustainability theme for BMO Responsible Global Emerging Market Equity Strategy

**London, 16 September 2019** – In its annual ESG Profile and Impact Report, the BMO Responsible Global Emerging Market Equity strategy highlights that responsible finance was the leading sustainability theme for the portfolio, aligning to over two fifths (41%) of its holdings.

The majority of the strategy's financial holdings have developed approaches to drive improvements in financial inclusion in the countries they operate, including:

- **Bank Rakyat**, which runs financial education programmes across Indonesia, having reached at least nine million people;
- **HDFC Bank's** Sustainable Livelihood Initiative, which promotes financial literacy in India and has provided access to financial services to over 8 million rural households in the past five years.
- **Kasikornbank** and **Guaranty Trust Bank**, which have introduced savings accounts that customers can apply for themselves via their mobile phones without minimum deposit amounts, the need to travel to a bank branch or submit any documents.

Over a quarter (26%) of the companies invested in can be linked to food and nutrition, and 13% to health and well-being as sustainable themes, including:

- **Vitasoy**, the plant-based beverage manufacturer, which produces drinks that are high in polyunsaturated fats and fibre and have a lower impact on land and water use compared to dairy products;
- Chinese company **AK Medical**, which, through its 3D imaging, modelling and printing techniques, has produced a revolutionary solution for orthopaedic implant operations.

The report marks the first time that BMO's Responsible Global Emerging Market Equity team has mapped every one of the portfolio's holdings to the SDGs, with an estimated 60% of holdings positively aligned.

Over a quarter (26%) of the portfolio's holdings aligned to SDG 8, reflective of our banks' efforts to increase access to finance to underserved segments of the population.

Other SDGs that scored highly in the portfolio include SDG 2 – Zero Hunger, which links to food and beverage companies, SDG 3 – Good Health and Well-being, which includes holdings in the healthcare and personal care businesses, and SDG 9 – Industry, Innovation and Infrastructure, which links to banks' actions to expand access of small and medium enterprises to finance.

**Sam Mahtani, Portfolio Manager of Responsible Global Emerging Market Equity Strategy, comments:**

“We strive to measure the impact we have, both positive and negative, through the companies we invest in and the way we act as investors. The SDGs provide a common language with which to shape and articulate our Strategy’s aim to invest in companies providing solutions to sustainability challenges.

“A large number of our holdings relate to responsible finance. Financial inclusion is clearly one of the most important factors in ending global poverty and a powerful opportunity for long-term investors to participate in. We seek to invest in high quality financial institutions for which securing access to finance for underbanked communities is a strategic imperative. However, responsible finance goes far beyond financial inclusion. For example, AIA, the life and health insurance group, is a holding of ours which actively promotes the adoption of healthy lifestyle choices to manage risks associated with disease.”

**Kristi Mitchem, CEO of BMO Global Asset Management, adds:**

“Responsible Investing is a significant and long-term commitment for BMO, with responsible finance being at the heart of what we do as a company. The BMO Responsible Global Emerging Market Equity strategy is aligned to our long-term commitments for a thriving economy, sustainable future and an inclusive society.

“For over 35 years we have seen continued demand from clients who want the values that they hold dear expressed through their investments. Through our strict voting policies and engagement with the companies we invest in, we seek to drive targeted improvement on how companies address ESG risks, opportunities and impacts. It’s hugely important to measure this so that we, and our clients, can truly understand the positive impact that our investments and ongoing active engagement is having.”

By 2025, BMO will mobilise CAD\$400 billion for sustainable finance, increase support for small businesses and women entrepreneurs, and commit to zero barriers to inclusion.

Additional impact reporting highlights for the BMO Responsible Global Emerging Market Equity Strategy in 2018 include:

- Carbon intensity in the portfolio is 83% below the MSCI World benchmark;
- Average water use is 67% below the benchmark;
- Average representation of women on boards within holdings is 20%;
- Investee companies reach over 70 million people through access to finance programmes; and
- 30 companies engaged with in 2018.

You can download a copy of the ESG Profile and Impact Report 2019 for the BMO Responsible Global Equity Strategy [here](#).

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

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

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

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

BMO Global Asset Management is a part of BMO Financial Group, a highly diversified financial services provider based in North America with total assets of CDN \$830 billion as of 30 April 2019.