Responsible Investment Strategies

Summary Criteria

BMO Global Asset Management

Responsible investment strategies

Performance with principles

With 35 years' experience in responsible investing, we know how to invest in a way that matches our clients' financial goals as well as their values.

Philosophy

Our Responsible product range offers customers a way to invest in shares and bonds of companies that adhere to certain values and standards, and are managed to provide capital growth and income. We do this by applying ethical and environmental, social and governance (ESG) principles to the selection of investments, having a robust approach to portfolio construction and management, and using our influence as shareholders to encourage more ethically, socially responsible and environmentally sustainable behaviour by companies.

The philosophy for these products is based on three pillars:

Avoid investments in companies with activities that harm society or the environment;

Invest in companies that demonstrate responsible business practices, and support those whose activities make a positive contribution to society and the environment; and

Improve: use our influence as an investor to encourage companies in their efforts to improve their management of ethical and ESG issues through engagement and voting.

Our investors are increasingly asking us about how they can better understand the positive impact the strategies are having. In response, we now publish annual ESG profile and impact reports to share more information with our customers on the ESG performance of the underlying holdings.

Overview

We provide a range of responsible products for the diverse demands of investors, which has evolved over time to include a mix of asset classes and geographic coverage. Our dedicated Responsible Investment (RI) team is involved in analysing each company proposed for this product range. In addition, we have an independent Responsible Investment Advisory Council (RIAC) that works with the RI team to provide input on key ESG trends and engagement priorities.

We have two sets of criteria, one that applies to our Global, European and UK strategies, and another set for our Emerging Markets strategies. BMO Global Asset Management's range of Responsible strategies includes:

Global strategies	BMO Responsible Global Equity
European Strategies	BMO Responsible Euro Corporate Bond
UK strategies	BMO Responsible UK Equity
	BMO Responsible UK Income
	BMO Responsible Sterling Corporate Bond
Emerging Market strategies	BMO Responsible Global Emerging Markets Equity BMO Responsible Asian Equity BMO Responsible China A-Shares Equity

The value of investments and any income derived from them can go down as well as up as a result of market or currency movements and investors may not get back the original amount invested.

I. Global, European and UK strategies

- BMO Responsible Global Equity
- BMO Responsible Euro Corporate Bond
- BMO Responsible UK Equity
- BMO Responsible UK Income
- BMO Responsible Sterling Corporate Bond

Avoid

BMO Global Asset Management has developed stringent ethical and ESG criteria to determine the eligibility of companies for investment in the strategies. We review the criteria and indicators on a regular basis to ensure they reflect evolving responses to critical issues, emerging issues and changes in regulation, among others. A summary of our screening criteria is below – they are grouped into product-based and conduct-based criteria. Our internal Responsible Investment (RI) team conducts an in-depth review of every company considered for inclusion in the product range. We exclude companies which do not meet sufficiently high standards in how they operate.

Invest

The Responsible strategies seek to invest in companies that meet high standards in how they operate, based on a detailed assessment of their policies and performance with respect to overall sustainability management. In addition, we have established positions on a range of relevant issues, such as climate change, and what we consider to be progressive approaches to these issues by companies. These positions are based on a range of inputs that include evolving international norms and agreements, extensive primary research, and the input of our Responsible Investment Advisory Council.

Improve

We believe we have a responsibility as investors to exercise the rights of ownership, and that through engagement and active voting we can encourage companies towards meeting or setting best practices in the management of ESG issues. This should ultimately support long-term performance, reduce risk and contribute to promoting a fairer and more sustainable world.

Companies must meet our product- and conduct-based criteria. However, despite meeting the criteria we do sometimes identify weaknesses in some areas of their sustainability management practices. In such cases, we will enter a programme of engagement to encourage companies to improve their sustainability management. As part of such a programme, we will define clear objectives, communicate directly with companies, track progress and measure success.

Positive themes of Responsible Global Equity strategy

Our Responsible Global Equity strategy is a bottom-up stock picking strategy with exposure to sustainability themes:

- Access to finance
- Energy transition
- Health & wellbeing
- Resource efficiency
- Sustainable mobility
- Technological innovation

Our themes are well aligned with the UN Sustainable Development Goals (SDGs).

Screening criteria

Our in-house Responsible Investment team conducts in-depth research into every company considered for the Responsible strategies. The RI team also draws on an independent Responsible Investment Advisory Council, a group of experts who are leaders in their fields, bringing international experience across responsible investment, environmental, social and ethical issues. The Council is presided over by Justin Welby, Archbishop of Canterbury, and chaired by Howard Pearce, a leading figure in the responsible investment world. Screening out sectors or companies may result in less diversification and hence more volatility in investment values.

a) Product-based exclusions

We review whether companies are involved in providing activities and services that are deemed to be negative from an ethical or sustainability perspective. Many of the products and services excluded are in line with traditional 'sin stocks'.

Screening criteria

Issue	Criteria
Alcohol	Exclude companies that derive: • Any revenue from the production of alcoholic beverages. • >33% of revenue from selling alcohol (companies in the hotel, restaurant or leisure industries). • >10% of revenue from bottling, wholesale or sale (other industries).
Deforestation	Exclude companies that derive: • >10% of revenue from the production of palm oil – or sales/product ranges reliant on palm oil – and are not members of the Roundtable on Sustainable Palm Oil (RSPO)*. • >10% of revenue from the production of soy and are not members of the Roundtable on Responsible Soy (RTRS)*. • >10% of revenue from the production of sugar and are not members of Bonsucro*. • >10% of revenue from timber-related activities and do not use FSC-/PEFC-certified timber*[1].
Fossil fuels	Achieving the Paris goal of keeping climate change below 2 degrees Celsius requires transformational change in the way the world produces and uses energy. We exclude companies: • With ownership of geological reserves of oil/gas/coal. • That derive >50% of revenue from oil refining or equipment and services for the exploration and production of oil, and/or any revenue from exploration and production in areas of high environmental sensitivity, including the Arctic.

* As members, if companies become involved in any significant environmental and/or social controversies then they need to take adequate corrective action.

[1] Timber companies, homebuilding companies, and paper products companies are in-scope. NB. Retirement housing developers and housing associations are not in-scope.

Screening criteria

Issue	Criteria
Electricity generation	For all Responsible Funds, we exclude: • Electricity utilities with coal in their electricity generation mix, unless they commit to the objective of phasing out unabated* coal-fired power by 2030 for OECD countries and 2050 for non-OECD countries. In addition, for the BMO Responsible Global Equity Fund we also exclude electricity utilities: • With a carbon intensity greater than 393 gCO_2/kWh. The maximum carbon intensity permitted will be reviewed on an annual basis and revised downwards in accordance with a below 2 degrees scenario. • With expansion plans that would increase their negative environmental impact(s) and/or are contrary to a below 2 degrees scenario. • Constructing any coal-fired power stations. In the event that carbon intensity data are not available, we do not invest in electricity utilities for these Funds where: • >10% of the power production is based on coal. In line with the criteria outlined above, if a company has any coal-fired power production, we need it to commit to a phase out by 2030 for OECD countries and 2050 for non-OECD countries. • >30% of the power production is based on oil and gas.
Fur	Exclude companies that: • Produce fur. • Derive >1% of revenue from the sale of fur products.
Gambling	Exclude companies: • Whose core business is gambling, such as casinos and betting shops. • That derive >10% of revenue from gambling, such as hotels.
Genetic Modification (GM)	Exclude companies involved in the manufacture of genetically modified seeds or crops.
High interest rate lending	Exclude companies that derive >10% of revenue from the provision of home-collected credit ('doorstep lending') or unsecured short-term loans ('payday loans') with triple-digit or close to triple-digit Annual Percentage Rates (APR).
Nuclear energy	Significant concerns persist around the serious risks associated with nuclear power, including nuclear waste, safety, and nuclear proliferation. Exclude companies that: • Own or operate nuclear power stations. • Are constructing any nuclear power stations. • Derive >3% of revenue from selling products or services to the nuclear power industry, except those that provide standard, non-customised or safety-related products/services. • Own or operate active uranium mines.
Pornography, harmful and violent materials	Exclude: • Companies involved in the production or distribution of pornographic, harmful or violent materials. • Retailers and telecom companies that derive >3% of revenue from the sale of pornographic or violent material.

* Please note that the use of the word "unabated" is to leave open the possibility of the use of Carbon Capture and Storage to remove carbon dioxide at source, although at this point this looks very unlikely to emerge as an environmentally viable option. This is also the same language as used in the Powering Past Coal Alliance (PPCA).

Screening criteria

Issue	Criteria
Transport	Transport is responsible for a substantial portion of global carbon dioxide emissions [1]. Exclude: • Companies whose core business is the operation of commercial airlines or airports[2]. • Companies that operate railways deriving >33% of revenue from the transportation of coal and/or oil[2]. • Shipping companies that derive >10% of revenue from the transportation of coal and/or oil. • Companies running cruise lines. • Companies that derive >33% of revenue from building roads in developed markets.
Tobacco	Exclude companies that: • Derive any revenue from the manufacture of tobacco products. • Derive >10% of revenue from the sale of tobacco products (includes electronic nicotine delivery systems). • Derive >10% of revenue from the supply of machinery and packaging materials to companies in the tobacco industry.
Toxic chemicals	A wide range of synthetic chemicals are used to manufacture everyday products that can cause environmental or public health damage. Of particular concern are persistent organic compounds (POPs), which include endocrine disrupting chemicals (EDCs). Exclude companies: • Involved in Polyvinyl Chloride (PVC) manufacturing if they derive >10% of revenue from PVC. • Involved in the manufacturing or trading of POPs and other substances banned or restricted under international conventions.
Weapons	Exclude companies that: • Derive any revenue from the manufacture or sale of weapons, weapons systems or platforms, including products or services specific to such systems. • Supply goods and services designed for strategic military use. • Produce cluster bombs or landmines.

[1] Source: International Energy Agency

[2] We do not exclude companies that only own the infrastructure.

N.B.: The Responsible Funds do not invest in derivatives of any kind other than the occasional use of interest rate futures for risk management purposes.

b) Conduct-based exclusions

In addition to the above criteria, the strategies will exclude companies that fail to address the key ethical, environmental and social impacts of their operations.

Screening criteria

Issue	Criteria
Social	
Human rights	• Exclude companies whose activities clearly infringe international agreements (such as the International Bill of Human Rights) and which are complicit in human rights abuses, either deliberately or through neglect. • Exclude companies whose operations directly and significantly contribute to the persistence of an oppressive regime, e.g. by generating a meaningful part of government income or being complicit in human rights violations. Reference may also be made to a regime's use of the death penalty. • Exclude companies that fail to cooperate in legitimate remediation. • Exclude companies that fail to respond to significant concerns of local communities, including indigenous communities, or that have very poor relations with them.
Labour standards	Companies are responsible for providing fair and safe working conditions for employees. The International Labour Organisation (ILO)'s Declaration on Fundamental Principles and Rights at Work sets out basic principles and rights at work. Exclude companies with repeated and significant violations or fines related to the below where there has been inadequate remedial action: • Equal opportunities • Diversity • Health and safety Exclude companies with no evidence of response to repeated allegations of breaches of core ILO conventions on: child labour in their own operations; child labour in their supply chain; forced labour in their own operations; forced labour in their supply chain; and international labour standards.
Product safety	To ensure product safety, some companies are required to conduct tests and research as part of product development. They should ensure these processes are conducted safely and in an ethical manner. Exclude companies with: • Repeated and significant violations related to product safety and failure to take adequate corrective action. • Significant and repeated controversies related to the management of clinical trials and failure to take adequate corrective action.
Animal testing and welfare	**Animal testing** is still needed to meet regulatory requirements, especially in the approval of new medicines. It is important, however, that such use of animals, even where mandatory, be subject to careful scrutiny, and carried out in accordance with appropriate standards of animal housing and care. • Exclude cosmetics manufacturers that conduct animal testing. For all other companies, exclude those conducting mandatory animal testing that: • Do not adopt and apply the three Rs – that is, they should replace, reduce and refine animal testing, where possible, to minimise harm and enhance welfare. • Test on great apes, due to their closeness to humans in social and cognitive capacities. **Animal welfare:** Companies using animals to produce food should have robust systems to uphold good standards for breeding, rearing, transport, housing and slaughter. • Exclude companies involved in significant or repeated controversies related to animal welfare.
Responsible sales and marketing	Exclude companies with repeated or significant prosecutions related to mis-selling and/or mis-advertising products.

Screening criteria

Issue	Criteria
Governance	
Bribery and corruption	Exclude companies with repeated and significant violations related to bribery and corruption.
Compliance and ethics	Internal controls and a company's culture are key to managing conflicts of interest, preventing violations and managing business ethics. • Exclude companies with a fundamental regulatory breach or a pattern of significant/persistent breaches. • Exclude companies with a track record of unfair or inappropriate practices towards customers. • Exclude financial institutions where management has failed to take effective measures to respond to incidents of misconduct and/or unethical behaviour, or those where these are persistent. • We expect companies to pay fair and appropriate taxes.
Environment	
Climate change	Exclude companies in high impact sectors that do not have comprehensive climate change strategies that seek to measure and control their greenhouse gas emissions, as well as those in their supply chains, and demonstrate an understanding of the impact of climate change on their business strategy.
Biodiversity loss	Exclude companies if they are high impact and are not able to demonstrate an understanding of their negative impacts on biodiversity and an intention, such as an appropriate management system, to reduce this impact to acceptable levels.
Waste management	• Exclude companies with a poor track record in complying with national regulations and international agreements regarding managing waste in the countries where they operate. • Exclude companies that generate waste deemed high-risk or hazardous unless the company has evidence of strong policies and an effective record of implementation. • Exclude companies that dispose of tailings into rivers or seas. • Exclude companies involved in leaching methods that are particularly damaging to the environment, e.g. in-situ, heap or tank leaching.
Water consumption	Exclude companies with a poor track record in complying with national regulations and international agreements regarding managing water consumption in the countries where they operate.

International codes and standards

In assessing business conduct we refer to international codes and standards where relevant, such as the International Labour Organization (ILO) Core Conventions, UN Guiding Principles on Business and Human Rights, the Norges Bank excluded companies list and the UN Global Compact.

Ongoing monitoring

To ensure companies held in the Responsible strategies continue to meet our criteria, we conduct ongoing monitoring of all held companies. Each quarter we review whether companies continue to meet the criteria; any involvement in recent controversies that might indicate poor ESG practices; and any merger and acquisition activity that might change our ratings. Furthermore, held companies are monitored quarterly for new or ongoing UN Global Compact breaches. All breaches are assessed by the Responsible Investment team. If a breach is assessed as genuine, the issuer is re-rated as "Unacceptable" and must be sold within 6 months. If a breach is not assessed as genuine, the issuer is engaged by the Responsible Investment team in order to evaluate and improve the management of the underlying issue(s). Failure to respond to engagement would result in an issuer being re-rated as "Unacceptable".

II. Emerging Markets strategies

- BMO Responsible Global Emerging Markets Equity
- BMO Responsible Asian Equity
- BMO Responsible China A-Shares Equity

The Responsible Emerging Markets strategies have different criteria to the Global, European and UK strategies, reflecting the earlier stage of development of ESG policies for many emerging market companies.

Avoid

a) Product-based exclusions

Screening criteria

Issue	Criteria
Alcohol	Exclude companies that derive: • Any revenue from the production of alcoholic beverages. • >33% of revenue from selling alcohol (companies in the hotel, restaurant or leisure industries). • >10% of revenue from bottling, wholesale or sale (other industries).
Deforestation	Exclude companies that derive: • >10% of revenue from the production of palm oil – or >30% of revenue from sales/product ranges reliant on palm oil – and are not members of the Roundtable on Sustainable Palm Oil (RSPO)[*1]. • >10% of revenue from the production of soy and are not members of the Roundtable on Responsible Soy (RTRS)[*]. • >10% of revenue from the production of sugar and are not members of Bonsucro[*]. • >10% of revenue from timber-related activities and do not use FSC-/PEFC-certified timber[*2].
Fossil fuels	Exclude companies: • With ownership of geological reserves of oil/gas/coal. • That derive >50% of revenue from oil refining or equipment and services for the exploration and production of oil, and/or any revenue from exploration and production in areas of high environmental sensitivity, including the Arctic.

[*] As members, if companies become involved in any significant environmental and/or social controversies then they need to take adequate corrective action.

[1] We have set a 2-year transition period (starting on 31/10/2020 and ending on 31/10/2022), during which held companies which breach this criteria point will be engaged and monitored. These companies will be re-rated as "Unacceptable" on 31/10/2022 if they continue to breach this criteria point.

[2] Timber companies, homebuilding companies, and paper products companies are in-scope.

Issue	Criteria
Electricity generation	• Exclude electricity utilities with coal in their electricity generation mix, unless they commit to the objective of phasing out unabated* coal-fired power by 2030 for OECD countries and 2050 for non-OECD countries. We also exclude electricity utilities: • With a carbon intensity greater than 393 gCO_2/kWh. The maximum carbon intensity permitted will be reviewed on an annual basis and revised downwards in accordance with a below 2 degrees scenario. • With expansion plans that would increase their negative environmental impact(s) and/or are contrary to a below 2 degrees scenario. • Constructing any coal-fired power stations. In the event that carbon intensity data are not available, we do not invest in electricity utilities where: • >10% of the power production is based on coal. In line with the criteria outlined above, if a company has any coal-fired power production, we need it to commit to a phase out by 2030 for OECD countries and 2050 for non-OECD countries. • >30% of the power production is based on oil and gas.
Gambling	• Exclude companies that derive >10% of revenue from gambling.
Nuclear energy	Exclude companies that: • Own or operate any nuclear power stations. • Are constructing any nuclear power stations. • Own or operate active uranium mines.
Pornography, harmful and violent materials	Exclude: • Companies involved in the production or distribution of pornographic, harmful or violent materials. • Retailers and telecom companies that derive >3% of revenue from the sale of pornographic or violent material.
Tobacco	Exclude companies that: • Derive any revenue from the manufacture of tobacco products. • Derive >10% of revenue from the sale of tobacco products (includes electronic nicotine delivery systems). • Derive >10% of revenue from the supply of machinery and packaging materials to companies in the tobacco industry.
Weapons/ weapons systems	• Exclude companies that derive any revenue from the production of weapons and/or tailor-made weapons components. • Exclude companies that produce cluster bombs or landmines.

* Please note that the use of the word "unabated" is to leave open the possibility of the use of Carbon Capture and Storage to remove carbon dioxide at source, although at this point this looks very unlikely to emerge as an environmentally viable option. This is also the same language as used in the Powering Past Coal Alliance (PPCA).

N.B.: The Responsible Funds do not invest in derivatives of any kind other than the occasional use of interest rate futures for risk management purposes.

b) Conduct-based exclusions

In addition to the above criteria, the strategies will exclude companies that fail to address the key ethical, environmental and social impacts of their operations.

Screening criteria

Issue	Criteria
Social	
Human rights	• Exclude companies whose activities clearly infringe international agreements (such as the International Bill of Human Rights) and which are complicit in human rights abuses, either deliberately or through neglect. • Exclude companies that fail to cooperate in legitimate remediation. • Exclude companies that fail to respond to significant concerns of local communities including indigenous communities, or that have very poor relations with them.
Labour standards	Exclude companies with repeated and significant violations or fines related to labour standards where there has been inadequate remedial action: • Equal opportunities • Diversity • Health and safety Exclude companies with no evidence of response to repeated allegations of breaches of core ILO conventions on: child labour in their own operations; child labour in their supply chain; forced labour in their own operations; forced labour in their supply chain; and international labour standards.
Product safety	Exclude companies with: • Repeated and significant violations related to product safety and failure to take adequate corrective action.
Responsible sales and marketing	• Exclude companies with repeated or significant prosecutions related to mis-selling and/or mis-advertising products.
Governance	
Governance standards	• Exclude companies that fail to meet standards of good governance in their countries of domicile covering issues such as board independence, shareholder rights, transparency and disclosure.
Bribery and corruption	• Exclude companies with repeated and significant violations related to bribery and corruption.
Compliance and ethics	Internal controls and a company's culture are key to managing conflicts of interest, preventing violations and managing business ethics. • Exclude companies with a fundamental regulatory breach or a pattern of significant/persistent breaches. • Exclude companies with a track record of unfair or inappropriate practices towards customers. • Exclude financial institutions where management has failed to take effective measures to respond to incidents of misconduct and/or unethical behaviour, or those where these are persistent. • We expect companies to pay fair and appropriate taxes.

Screening criteria

Issue	Criteria
Environment	
Climate change	• Exclude companies in high impact sectors that do not have adequate climate change strategies that seek to measure and control their greenhouse gas emissions, as well as those in their supply chains, and demonstrate an understanding of the impact of climate change on their business strategy.
Biodiversity loss	• Exclude companies if they are high impact and are not able to demonstrate an understanding of their negative impacts on biodiversity and an intention, such as an appropriate management system, to reduce this impact to acceptable levels.
Waste management	• Exclude companies with a poor track record in complying with national regulations and international agreements regarding managing waste in the countries where they operate.
Water consumption	• Exclude companies with a poor track record in complying with national regulations and international agreements regarding managing water consumption in the countries where they operate.

International codes and standards

In assessing business conduct we refer to international codes and standards where relevant, such as the International Labour Organization (ILO) Core Conventions, UN Guiding Principles on Business and Human Rights, the Norges Bank excluded companies list and the UN Global Compact.

Ongoing monitoring

To ensure companies held in the Responsible strategies continue to meet our criteria, we conduct ongoing monitoring of all held companies. Each quarter we review whether companies continue to meet the criteria; any involvement in recent controversies that might indicate poor ESG practices; and any merger and acquisition activity that might change our ratings. Furthermore, held companies are monitored quarterly for new or ongoing UN Global Compact breaches. All breaches are assessed by the Responsible Investment team. If a breach is assessed as genuine, the issuer is re-rated as "Unacceptable" and must be sold within 6 months. If a breach is not assessed as genuine, the issuer is engaged by the Responsible Investment team in order to evaluate and improve the management of the underlying issue(s). Failure to respond to engagement would result in an issuer being re-rated as "Unacceptable".

Invest

These strategies seek to invest in companies that meet high standards in how they operate, based on a detailed assessment of their policies and performance with respect to overall sustainability management.

Improve

We believe we have a responsibility as investors to exercise the rights of ownership, and that through engagement and active voting we can encourage companies towards meeting or setting best practices in the management of ESG issues. This should ultimately support long-term performance, reduce risk and contribute to promoting a fairer and more sustainable world.

Companies must meet our product- and conduct-based criteria. However, despite meeting the criteria we do sometimes identify weaknesses in some areas of their sustainability management practices. In such cases, we will enter a programme of engagement to encourage companies to improve their sustainability management. As part of such a programme, we will define clear objectives, communicate directly with companies, track progress and measure success.

III. Addendum

• Criteria updates in 2020:

Screening criteria

Issue	Criteria
Deforestation	Exclude companies that derive: • >10% of revenue from the production of palm oil – or sales/product ranges reliant on palm oil – and are not members of the Roundtable on Sustainable Palm Oil (RSPO)*. – For the BMO Responsible Emerging Markets strategies, exclude companies that derive >10% of revenue from the production of palm oil – or >30% of revenue from sales/product ranges reliant on palm oil – and are not members of the Roundtable on Sustainable Palm Oil (RSPO)*. NB. We have set a 2-year transition period (starting on 31/10/2020 and ending on 31/10/2022), during which held companies that breach this criteria point will be engaged and monitored. These companies will be re-rated as "Unacceptable" on 31/10/2022 if they continue to breach this criteria point. • >10% of revenue from the production of soy and are not members of the Roundtable on Responsible Soy (RTRS)*. • >10% of revenue from the production of sugar and are not members of Bonsucro*. • >10% of revenue from timber-related activities and do not use FSC-/PEFC-certified timber*[1].
Fossil Fuels	We exclude companies that derive >50% of revenue from oil refining or equipment and services for the exploration and production of oil.
Electricity generation	For the BMO Responsible Global Equity strategy and the BMO Responsible Emerging Markets strategies, we exclude electricity utilities: • With a carbon intensity greater than 408 gCO2/kWh. The maximum carbon intensity permitted will be reviewed on an annual basis and revised downwards in accordance with a below 2 degrees scenario.[2] • With expansion plans that would increase their negative environmental impact(s) and/or are contrary to a below 2 degrees scenario. • Constructing any coal-fired power stations. • In the event that carbon intensity data are not available, we do not invest in electricity utilities for these Funds where: – >10% of the power production is based on coal. – >30% of the power production is based on oil and gas.
Nuclear energy	Exclude companies that own or operate uranium mines
Transport	The following criteria points were added to the transport criteria for the Global, European and UK strategies – Exclude: • Companies that operate railways deriving >33% of revenue from the transportation of coal and/or oil.[3] • Shipping companies that derive >10% of revenue from the transportation of coal and/or oil. • Companies running cruise lines.

• Over the past year to 31 December 2020, there were no active criteria breaches in any of our pooled funds. If a company is re-rated as "Unacceptable" for the Responsible strategies, the Portfolio Managers have six months to disinvest from their holding. If this does not happen within six months, a passive breach is defined as an active breach.

• For more information, please contact your client representative or RISupport@bmogam.com.

* As members, if companies become involved in any significant environmental and/or social controversies then they need to take adequate corrective action.

[1] Timber companies, homebuilding companies, and paper products companies are in-scope. NB. Retirement housing developers and housing associations are not in-scope.
[2] In 2021, the maximum carbon intensity permitted has been revised downwards to 393 gCO_2/kWh.
[3] We do not exclude companies that only own the infrastructure.

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