



BMO SDG Engagement Global Equity Strategy

Engagement progress
profiles – 2021

Engagement progress profiles

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.

1 Acuity Brands
Distributor of energy efficient indoor and outdoor lighting and control systems delivering energy savings through higher efficiencies, longer source life and smaller form factors.

2 Engagement summary

Engagements	Method	Leadership level
3	Email 1 Meeting 2	Senior Executives 1 Investor Relations 2

Against a backdrop of continuing positive dialogue with the company, we saw it improve its in its second year of ESG reporting this year, quantifying the positive environmental impact and carbon emissions avoided from its products. We also saw improvements to the board as it was refreshed and female representation significantly increased. We were invited to speak with their sustainability council and will aim to make further inroads into engagement now we have begun going deeper.

5 SDG targets discussed

Progress	
● 5.5 Gender Equality	2
● No SDG	1

6 Progress against relevant SDG indicators

Progress	
● 5.5.2 Proportion of women in managerial positions	1

7 Milestones | 1 | Milestone rating | ★ ★ | ● No SDG

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 explain 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 the 1st April 2020 - 31st March 2021, 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 whether 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.

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.

Engagement progress profiles (cont'd)

A. O. Smith

Water heaters and boilers play into energy efficiency and water conservation thematics. Water filtration systems replace the need for single-use plastic bottles. Also attractive linkage to rising Chinese middle class.

Engagement summary	Engagements	Method	Leadership level
A. O. Smith has been making some improvements from an ESG perspective rather than SDG alignment specifically, so crucial to step up engagement.	2	Email 1 Letter 1	Investor Relations 2
SDG targets discussed			Progress
● 12.6 Responsible Consumption and Production			1
● No SDG			1
Progress against relevant SDG indicators			Progress
● 12.6.1 Responsible Consumption and Production			3

Acuity Brands

Distributor of energy efficient indoor and outdoor lighting and control systems delivering energy savings through higher efficiencies, longer source life and smaller form factors.

Engagement summary	Engagements	Method	Leadership level
Against a backdrop of continuing positive dialogue with the company, we saw it improve its in its second year of ESG reporting this year, quantifying the positive environmental impact and carbon emissions avoided from its products. We also saw improvements to the board as it was refreshed and female representation significantly increased. We were invited to speak with their sustainability council and will aim to make further inroads into engagement now we have begun going deeper.	3	Email 1 Meeting 2	Senior Executives 1 Investor Relations 2
SDG targets discussed			Progress
● 5.5 Gender Equality			2
● No SDG			1
Progress against relevant SDG indicators			Progress
● 5.5.2 Proportion of women in managerial positions			1
Milestones	1	Milestone rating	★ ★ ● No SDG

Alleghany

As a specialist provider of property & casualty insurance and reinsurance, Alleghany is a part of the financial system helping society distribute the costs and risks of climate change, the increased instances of extreme weather, and energy transition. It balances the net exposure they take and the fees that they charge clients so as to try to limit the capital cost of catastrophe losses.

Engagement summary	Engagements	Method	Leadership level
In the reporting period we had six engagement interactions with the company, usually with the CFO, general Counsel and an ESG expert. The company has shown substantial progress in how it approaches climate risk management, and how integrated sustainability considerations in business management are. We have seen laudable progress in establishing a governance structure up to the board around ESG topics, and this year have applauded the inaugural ESG report, which discloses a good level of depth of their sustainability efforts.	6	Email 5 Meeting 1	Senior Executives 5 Investor Relations 1
SDG targets discussed			Progress
● 12.6 Responsible Consumption and Production			1
● 13.a Climate Action			5
Progress against relevant SDG indicators			Progress
● 12.6.1 Number of companies publishing sustainability reports			5
● 13.a.1 Mobilised amount of United States dollars per year			4
Milestones	1	Milestone rating	★ ● 12.6 Responsible Consumption and Production

Americold Realty Trust

Largest listed cold and frozen food storage and logistics firm, structured as a REIT. Sustainability focused on reducing global food waste and switching facilities to use renewable power.

Engagement summary	Engagements	Method	Leadership level
Having met with the company to discuss their sustainability strategy, we were pleased with their receptive attitude to develop and improve in this area. Progress has been made at various facilities in the US already which we welcome particularly around energy efficiency and water usage. We continue to see developing countries as a huge area of potential for the company, particularly South America.	3	Email 1 Meeting 2	Investor Relations 2 Board director(s), non-executive(s) 1
SDG targets discussed			Progress
● 8.8 Decent Work and Economic Growth			1
● 9.1 Industry, Innovation and Infrastructure			1
● 12.3 Responsible Consumption and Production			1
● 12.6 Responsible Consumption and Production			3
Progress against relevant SDG indicators			Progress
● 12.3.1 Global food loss index			2
● 12.6.1 Number of companies publishing sustainability reports			4
● 8.8.1 Frequency rates of fatal and non-fatal occupational injuries			4
● 8.8.2 Increase in national compliance of labour rights (freedom of association and collective bargaining)			4

ANTA Sports Products

Strong brand presence in active leisurewear, driving strong domestic Chinese demand, particularly as consumers consider a more active lifestyle.

Engagement summary	Engagements	Method	Leadership level
Our engagement with the company during the year centred on sustainability governance, materials stewardship & product sustainability, and labour standards in the supply chain. We welcomed the progress Anta Sports Products has made in strengthening management practices for the first two areas, whilst urging improvements in the existing approach to addressing labour and human rights issues along the entire supply chain.	5	Email 3 Meeting 1 Letter 1	Senior Executives 1 Investor Relations 4
SDG targets discussed			Progress
● 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
● 12.6 Responsible Consumption and Production			2
Progress against relevant SDG indicators			Progress
● 12.4.1 Number of parties to international multilateral environmental agreements on hazardous waste, and other chemicals			3
● 12.4.2 Hazardous waste generated per capita and proportion of hazardous waste treated			3
● 12.5.1 National recycling rate, tons of material recycled			3
● 12.6.1 Number of companies publishing sustainability reports			3
● 8.7.1 Proportion and number of children aged 5-17 years engaged in child labour			1
● 8.8.1 Frequency rates of fatal and non-fatal occupational injuries			2
● 8.8.2 Increase in national compliance of labour rights (freedom of association and collective bargaining)			2

Milestones	1	Milestone rating	★ ★	● 12.5 Responsible Consumption and Production
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Engagement progress profiles (cont'd)

Aptiv

Provider of mission critical software and hardware into the auto industry, particularly into structurally growing end markets of EVs and autonomous driving.

Engagement summary	Engagements	Method	Leadership level
We continue to engage with some suggestions about how its reporting couple be better tailored to material issues investors care mostly about. We have been observing the improvements in its disclosure framework, and will follow up with the company in the future.	1	Email 1	Investor Relations 1
SDG targets discussed			Progress
● 12.6 Responsible Consumption and Production			1
Progress against relevant SDG indicators			Progress
● 12.6.1 Number of companies publishing sustainability reports			3
Milestones	1	Milestone rating	★ ★ ● 12.6 Responsible Consumption and Production

Bank Mandiri

As a leading Indonesian private bank, Bank Mandiri has the capacity to extend financial services to a growing number of individuals and companies that have previously had no access to finance.

Engagement summary	Engagements	Method	Leadership level
Survey to assess impact of previous engagement.	5	Email 2 Meeting 3	Investor Relations 2 Operational Specialist 3
SDG targets discussed			Progress
● 1.4 No Poverty			1
● 5.5 Gender Equality			1
● 8.5 Decent Work and Economic Growth			1
● 8.8 Decent Work and Economic Growth			1
● 10.2 Reduced Inequalities			1
● 12.6 Responsible Consumption and Production			2
● 13.2 Climate Action			1
● 14.1 Life Below Water			1
● 15.2 Life on Land			1
● 15.a Life on Land			1
● 16.6 Peace, Justice and Strong Institutions			1
Progress against relevant SDG indicators			Progress
● 1.4.1 Proportion of population living in households with access to basic services			2
● 1.4.2 Proportion of total adult population with secure tenure rights to land, with legally recognized documentation and who perceive their rights to land as secure, by sex and by type of tenure			2
● 10.2.1 Proportion of people living below 50 per cent of median income			2
● 12.6.1 Number of companies publishing sustainability reports			3
● 13.2.1 [Companies] have communicated the establishment or operationalization of an integrated policy/strategy/plan which increases their ability to adapt to the adverse impacts of climate change, foster climate resilience and low greenhouse gas emissions			2
● 14.1.1 Index of coastal eutrophication and floating plastic debris density			1
● 15.2.1 Progress towards sustainable forest management			2
● 15.a.1 Official development assistance and public expenditure on conservation and sustainable use of biodiversity and ecosystems"			2
● 16.6.1 Primary government [company] expenditures as a proportion of original approved budget, by sector			4
● 16.6.2 Proportion of the population satisfied with their last experience of public services [company services]			4
● 5.5.2 Proportion of women in managerial positions			1
● 8.5.2 Unemployment rate, by sex, age and persons with disabilities			3

Bank Mandiri (cont'd)

● 8.5.1 Average hourly earnings of female and male employees, by occupation, age and persons with disabilities	3
● 8.8.1 Frequency rates of fatal and non-fatal occupational injuries	2
● 8.8.2 Increase in national compliance of labour rights (freedom of association and collective bargaining)	2

CCL Industries

Strong market position in specialty packaging, particularly product labelling, consumer electronics and automotive markets. This competitive moat driving strong earnings accretion.

Engagement summary	Engagements	Method	Leadership level
Survey to assess impact of previous engagement.	1	Email 1	Investor Relations 1
SDG targets discussed			Progress
● 12.6 Responsible Consumption and Production			1
Progress against relevant SDG indicators			Progress
● 12.6.1 Number of companies publishing sustainability reports			4

China Resources Gas Group

As a local gas distribution business, China Resources Gas both constructs gas pipelines and sells/distributes gas fuel for residential, commercial and industrial use. Within the Chinese market, gas remains a less environmentally damaging fuel source relative to other fossil fuels

Engagement summary	Engagements	Method	Leadership level
Despite multiple attempts the company was not responsive to our engagement request. We will continue to explore different avenues.	4	Email 3 Meeting 1	Investor Relations 2 Corporate Secretary 1
SDG targets discussed			Progress
● 12.6 Responsible Consumption and Production			2
● No SDG			1
Progress against relevant SDG indicators			Progress
● 12.6.1 Number of companies publishing sustainability reports			1
● 13.2.1 [Companies] have communicated the establishment or operationalization of an integrated policy/strategy/plan which increases their ability to adapt to the adverse impacts of climate change, foster climate resilience and low greenhouse gas emissions			1

Clicks Group

Clicks Group is the largest personal goods retailer and pharmacy chain in South Africa. It has a strong, dedicated management team which serves customers via its Clicks (health and beauty, including pharmacy) and UPD (pharmaceutical wholesale) channels. Clicks Group has a store presence in many townships across South Africa and has a key role to play in improving access to medicine and reducing communicable diseases.

Engagement summary	Engagements	Method	Leadership level
We engaged extensively with Clicks Group over the past year, including with senior executives. Our discussions focused on issues related to diversity and inclusion, response to the pandemic, and communicable disease mitigation. We called for a more robust gender and racial diversity strategy, welcomed the significant efforts made by the company to support its customers during the pandemic, and encouraged the development of a strategy to help tackle the rise of communicable diseases.	5	Email 2 Meeting 3	Senior Executives 2 Investor Relations 3
SDG targets discussed			Progress
● 3.3 Good Health and Well-Being			2
● 3.8 Good Health and Well-Being			1
● 8.5 Decent Work and Economic Growth			1
● 8.8 Decent Work and Economic Growth			1
● 10.2 Reduced Inequalities			1

Engagement progress profiles (cont'd)

Clicks Group (cont'd)

● 12.6 Responsible Consumption and Production	1
Progress against relevant SDG indicators	Progress
● 10.2.1 Proportion of people living below 50 per cent of median income	4
● 12.5.1 National recycling rate, tons of material recycled	2
● 3.3.1 Number of new HIV infections per 1,000 uninfected population	1
● 3.3.3 Malaria incidence per 1,000 population	1
● 3.3.2 Tuberculosis incidence per 1,000 population	1
● 3.3.4 Hepatitis B incidence per 100,000 population	1
● 3.3.5 Number of people requiring interventions against neglected tropical diseases	1
● 3.8.1 Coverage of essential health services	4
● 8.5.2 Unemployment rate, by sex, age and persons with disabilities	4
● 8.5.1 Average hourly earnings of female and male employees, by occupation, age and persons with disabilities	4
● 8.8.1 Frequency rates of fatal and non-fatal occupational injuries	4
● 8.8.2 Increase in national compliance of labour rights (freedom of association and collective bargaining)	4

Cognex

The medium-term structural driver for Cognex is that installing machine vision systems leads to manufacturing productivity gains, which in turn reinforces good sustainability side-effects including reduced wastage, improved accuracy, lower energy consumption and higher quality assurance.

Engagement summary	Engagements	Method	Leadership level
Having discussed their sustainability strategy with the company, we were pleased at their receptive attitude to improve, as they look to improve how to better communicate and quantify the positive impact that their products and services. In particular how it improves the health and safety of those factors in which they automate, as well as improving the quality of work of those working within those areas.	3	Email 2 Meeting 1	Senior Executives 1 Investor Relations 2
SDG targets discussed			Progress
● 5.5 Gender Equality			1
● 8.2 Decent Work and Economic Growth			1
● 8.8 Decent Work and Economic Growth			1
● 12.6 Responsible Consumption and Production			1
● No SDG			1
Progress against relevant SDG indicators			Progress
● 12.6.1 Number of companies publishing sustainability reports			4
● 5.5.2 Proportion of women in managerial positions			1
● 8.2.1 Annual growth rate per employed person [corporate]			2
● 8.8.1 Frequency rates of fatal and non-fatal occupational injuries			2
● 8.8.2 Increase in national compliance of labour rights (freedom of association and collective bargaining)			2

ComfortDelGro

Provider of land transportation across Singapore, the UK, Australia and China, with the potential for long term structural growth in passenger numbers as people move towards mass transportation.

Engagement summary	Engagements	Method	Leadership level
We discussed ComfortDelGro's sustainability programme links to 10 SDGs. Most of the programme relate to operational targets like reduction of CO ₂ emissions, education of employees and road safety. As public transport and taxi company, the company is important for achieving SDG 11, which the company acknowledges with accessibility targets. We asked the company to be more explicit about its programme to maximize contribution to this SDG. We also asked for more quantitative SDG-related targets, Paris aligned climate targets and integration of the sustainability programme into the executive remuneration policy.	2	Email 1 Meeting 1	Senior Executives 1 Investor Relations 1

ComfortDelGro (cont'd)

SDG targets discussed	Progress
● 12.6 Responsible Consumption and Production	1
Progress against relevant SDG indicators	Progress
● 12.6.1 Number of companies publishing sustainability reports	3

Daiseki

A leading player in Japan in the treatment and recycling of waste oil, waste water, and industrial sludge. Based in Nagoya, central Japan, Daiseki has a track record of steadily growing its market share through both organic growth and tuck-in deals. Recovering usable materials from industrial sludge, water and oil places Daiseki as a key player in the pivot to a more circular, sustainable economy. The drive from Japanese clients to be carbon neutral and less polluting is providing a boost to Daiseki.

Engagement summary	Engagements	Method	Leadership level
We reached out to the Company in Q1 to outline our plan of engagement for the year ahead. We noted our intention to discuss their management of GHG emissions and toxic waste, with a view to setting reduction targets. In addition, we would like to encourage them to seek a recognised health & safety certification across its operations.	3	Email 2 Meeting 1	Senior Executives 1 Investor Relations 2
SDG targets discussed	Progress		
● 5.1 Gender Equality	1		
● 5.5 Gender Equality	1		
● 8.8 Decent Work and Economic Growth	2		
● 12.4 Responsible Consumption and Production	1		
● 12.6 Responsible Consumption and Production	1		
● 13.2 Climate Action	1		
Progress against relevant SDG indicators	Progress		
● 12.4.1 Number of parties to international multilateral environmental agreements on hazardous waste, and other chemicals	1		
● 12.4.2 Hazardous waste generated per capita and proportion of hazardous waste treated	1		
● 12.6.1 Number of companies publishing sustainability reports	1		
● 13.2.1 [Companies] have communicated the establishment or operationalization of an integrated policy/strategy/plan which increases their ability to adapt to the adverse impacts of climate change, foster climate resilience and low greenhouse gas emissions	1		
● 5.1.1 Whether or not legal frameworks are in place to promote, enforce and monitor equality and non discrimination on the basis of sex"	1		
● 5.5.2 Proportion of women in managerial positions	1		
● 8.8.1 Frequency rates of fatal and non-fatal occupational injuries	1		
● 8.8.2 Increase in national compliance of labour rights (freedom of association and collective bargaining)	1		

Dali Foods Group

Strong market shares in Chinese Food and Beverage markets, benefitting from emerging consumer spending patterns across China.

Engagement summary	Engagements	Method	Leadership level
This year, our dialogue with the company touched upon several environmental and social issues. While Dali Foods Group has come a long way in its approach to ESG management and reporting, there is still ample room for improvement. Specifically, we asked the company to strengthen its approach to managing environmental risks in the supply chain – climate-related, i.e. deforestation and water, in particular; work with farmers to promote sustainable agricultural practices; and improve sustainability of packaging. We also discussed diversity and inclusion issues.	6	Email 5 Meeting 1	Investor Relations 6
SDG targets discussed	Progress		
● 2.1 Zero Hunger	2		
● 2.4 Zero Hunger	1		
● 5.5 Gender Equality	1		
● 6.4 Clean Water and Sanitation	2		



Dali Foods Group (cont'd)

● 12.2 Responsible Consumption and Production	1
● 12.5 Responsible Consumption and Production	2
● 12.6 Responsible Consumption and Production	2
● 15.2 Life on Land	2
● 15.a Life on Land	1
● No SDG	1
Progress against relevant SDG indicators	Progress
● 12.2.1 Material footprint, material footprint per capita (corporate)	2
● 12.5.1 National recycling rate, tons of material recycled	2
● 12.6.1 Number of companies publishing sustainability reports	2
● 15.2.1 Progress towards sustainable forest management	1
● 15.a.1 Official development assistance and public expenditure on conservation and sustainable use of biodiversity and ecosystems	1
● 2.1.1 Prevalence of undernourishment	4
● 2.1.2 Prevalence of moderate or severe food insecurity	4
● 2.4.1 Proportion of agricultural area under productive and sustainable agriculture	4
● 5.5.2 Proportion of women in managerial positions	4
● 6.4.1 Change in water-use efficiency over time freshwater resources	3
● 6.4.2 Level of water stress: freshwater withdrawal as a proportion of available	2

“As responsible investors it is our fiduciary duty to engage with companies to encourage positive change. We see our engagement driving such change in a meaningful way, across sectors and geographies.”

**Nina Roth, Director, Analyst,
Responsible Investment**

Fish ponds between Hong Kong and Shenzhen, China.

Descartes Systems

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.

Engagement summary	Engagements	Method	Leadership level
Having engaged senior management previously, we engaged the board this year on ESG matters, emphasising the need to expand reporting alongside the size of the business, with a particular focus on human capital management and how it presents the environmental benefits provided for customers.	3	Email 1 Meeting 1 Letter 1	Investor Relations 1 Board director(s), non-executive(s) 2
SDG targets discussed			Progress
● 5.5 Gender Equality			1
● 10.2 Reduced Inequalities			1
● 12.6 Responsible Consumption and Production			2
● 13.2 Climate Action			1
Progress against relevant SDG indicators			Progress
● 10.2.1 Proportion of people living below 50 per cent of median income			2
● 12.6.1 Number of companies publishing sustainability reports			3
● 13.2.1 [Companies] have communicated the establishment or operationalization of an integrated policy/strategy/plan which increases their ability to adapt to the adverse impacts of climate change, foster climate resilience and low greenhouse gas emissions			3
● 5.5.2 Proportion of women in managerial positions			2

Engagement progress profiles (cont'd)

DNB

Largest financial services provider in Norway, DNB is at the forefront of digital banking (Norway leads the world) making it one of the most efficient global banks. Low risk and highly capitalised.

Engagement summary	Engagements	Method	Leadership level
The company seems convinced about the relevance of the SDG Framework using it to guide its corporate social responsibility strategy.	3	Email 1 Meeting 1 Letter 1	Senior Executives 1 Investor Relations 2
SDG targets discussed			Progress
● 8.1 Decent Work and Economic Growth			1
● 8.8 Decent Work and Economic Growth			1
● 9.3 Industry, Innovation and Infrastructure			1
● 12.6 Responsible Consumption and Production			1
● 16.5 Peace, Justice and Strong Institutions			1
Progress against relevant SDG indicators			Progress
● 12.6.1 Number of companies publishing sustainability reports			4
● 16.5.2 Proportion of businesses that had at least one contact with a public official and that paid a bribe to a public official, or were asked for a bribe by those public officials during the previous 12 months			4
● 8.8.2 Increase in national compliance of labour rights (freedom of association and collective bargaining)			4
● 9.3.2 Proportion of small-scale industries with a loan or line of credit			1

Encompass Health

Encompass Health is a key provider of post-acute healthcare services in the United States. It runs inpatient rehabilitation facilities as well as home health and hospice services. Operating across 39 states, Encompass Health is well positioned to benefit from shifting healthcare provision trends among an aging US demographic.

Engagement summary	Engagements	Method	Leadership level
We had two in-depth calls with Encompass Health about environmental and social issues linked to SDG targets. We continued to encourage the company to publish the data points – e.g. age/ethnicity/gender – in its Inclusion and Diversity Annual Report over a 5-year period, and questioned the company about its recent efforts to advance diversity and inclusion and initiatives to increase the number of indigenous employees in the United States. We also discussed Encompass Health's measures to mitigate the risks of opioid abuse, and recommended enhanced disclosure on the dangers of opioids and opioid risk management measures. With regard to Encompass Health's approach to managing environmental issues, we think there is scope for improvement. The company could increase its use of renewable energy, and we would welcome quantitative information about waste recycling. Overall, our dialogue with Encompass Health has been insightful, but we are yet to see progress on our key engagement asks.	3	Email 1 Meeting 2	Investor Relations 3
SDG targets discussed			Progress
● 3.5 Good Health and Well-Being			1
● 5.5 Gender Equality			1
● 10.2 Reduced Inequalities			2
● 12.6 Responsible Consumption and Production			3



Effective engagement requires persistence, an understanding of the relevant issues, and an accumulation of trust with investee companies. This is one of the reasons why we aim to take long-term positions in companies, giving us the space we need to engineer meaningful change.

Harry Waight, Senior Associate, Portfolio Manager, Global Equities

Encompass Health (cont'd)

Progress against relevant SDG indicators	Progress
● 12.6.1 Number of companies publishing sustainability reports	2
● 5.5.2 Proportion of women in managerial positions	4

Genus

Genus is a world-leading animal genetics company. They partner with farmers to transform how they nourish the world – a mission that is important to a sustainable future.

Engagement summary	Engagements	Method	Leadership level
We had three in-depth calls with senior management at Genus about environmental and social issues linked to SDG targets. We continued to engage the company on strategies to mitigate its environmental impacts, and are encouraged by the breadth of its initiatives and progress towards net zero greenhouse gas emissions by 2050. We expressed our view that the company could disclose its environmental impacts via CDP and transition its vehicle fleet to electric vehicles. We also questioned the company about its approach to mitigating Health & Safety risks and responsible antibiotic use. We think that Genus could enhance its disclosure on material ESG issues, and would welcome the publication of both quantitative and qualitative data. Overall, our dialogue with Genus has been very positive, and we think that the Global Lead of Sustainability & Environment, who joined the company in October 2020, will continue to drive progress.	4	Email 1 Meeting 3	Senior Executives 1 Investor Relations 1 Corporate Secretary 2
SDG targets discussed	Progress		
● 3.3 Good Health and Well-Being	1		
● 8.7 Decent Work and Economic Growth	1		
● 8.8 Decent Work and Economic Growth	2		
● 9.4 Industry, Innovation and Infrastructure	1		
● 12.6 Responsible Consumption and Production	4		
Progress against relevant SDG indicators	Progress		
● 12.6.1 Number of companies publishing sustainability reports	4		
● 8.8.1 Frequency rates of fatal and non-fatal occupational injuries	4		

Halma

Halma's purpose is to grow a safer, cleaner and healthier future for all. Their companies develop technologies which save lives and protect critical infrastructure and services. And these are some of the world's most pressing problems, from air quality and clean water to fire safety and eyecare.

Engagement summary	Engagements	Method	Leadership level
Over the past year we have emphasised with senior management on several occasions the importance of measuring and reporting the positive impact from the company's products relating to health and safety, hazardous materials management and environmental monitoring. The company seems convinced about the relevance of the SDG Framework and saw more tangible and measurable metrics on the positive impact that specific products made published in 2020.	4	Email 1 Meeting 1 Letter 2	Investor Relations 1 Operational Specialist 2 Board director(s), non-executive(s) 1
SDG targets discussed	Progress		
● 1.1 No Poverty	1		
● 8.8 Decent Work and Economic Growth	2		
● 12.4 Responsible Consumption and Production	1		
● 12.6 Responsible Consumption and Production	1		
Progress against relevant SDG indicators	Progress		
● 1.1.1 Proportion of population below the international poverty line	3		
● 12.4.1 Number of parties to international multilateral environmental agreements on hazardous waste, and other chemicals	3		
● 12.4.2 Hazardous waste generated per capita and proportion of hazardous waste treated	3		
● 12.6.1 Number of companies publishing sustainability reports	3		
● 8.8.1 Frequency rates of fatal and non-fatal occupational injuries	2		
● 8.8.2 Increase in national compliance of labour rights (freedom of association and collective bargaining)	2		

Engagement progress profiles (cont'd)

Hoya

Hoya has two major verticals: its lifecare business focuses on supporting the vision of people around the world through production of eyeglass lenses, contact lenses and intraocular lenses used for cataract operations, combatting the leading cause of blindness worldwide. Its IT business has dominant market positions in HDD glass disks and semiconductor mask blanks, helping store data and push cutting edge chip technology.

Engagement summary	Engagements	Method	Leadership level
We had one in-depth call with Hoya about environmental and social issues linked to SDG targets. We discussed Hoya's initiatives to mitigate its environmental impacts, and encouraged the company to set a new emissions reduction target and to increase transparency about its efforts to reduce water consumption. Regarding diversity and inclusion, we learned that Hoya is striving to increase the percentage of women in managerial positions, a key area for improvement, and we will continue to monitor progress on this front. In addition, we discussed the company's office where people with disabilities support the recycling of empty disposable contact lens cases. Finally, we encouraged Hoya to identify potential partnerships with charitable organisations to increase access to glasses in low-income countries. We look forward to continuing our dialogue with Hoya, which remains receptive to dialogue and on a positive sustainability trajectory.	3	Email 1 Meeting 2	Investor Relations 3
SDG targets discussed			Progress
● 4.6 Quality Education			1
● 5.5 Gender Equality			2
● 6.4 Clean Water and Sanitation			1
● 8.5 Decent Work and Economic Growth			1
● 8.7 Decent Work and Economic Growth			1
● 9.4 Industry, Innovation and Infrastructure			1
● 12.4 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
● 12.4.2 Hazardous waste generated per capita and proportion of hazardous waste treated			3
● 12.5.1 National recycling rate, tons of material recycled			3
● 12.6.1 Number of companies publishing sustainability reports			4
● 4.6.1 Percentage of population in a given age group achieving at least a fixed level of proficiency in functional (a) literacy and (b) numeracy skills, by sex."			2
● 5.5.2 Proportion of women in managerial positions			3
● 6.4.1 Change in water-use efficiency over time freshwater resources			3
● 6.4.2 Level of water stress: freshwater withdrawal as a proportion of available			3
● 8.5.2 Unemployment rate, by sex, age and persons with disabilities			4
● 8.5.1 Average hourly earnings of female and male employees, by occupation, age and persons with disabilities			3
● 8.7.1 Proportion and number of children aged 5-17 years engaged in child labour			2
● 9.4.1 CO ₂ emission per unit of value added			3

ICON

ICON is a leading Contract Research Organisation, providing outsourced services to help pharmaceutical and biotechnology companies run clinical research trials. Its trials span from very early stage development through to phases I-IV of drug trials. It also manages outsourced development for medical device companies. ICON is a trusted partner, this past year helping pharmaceutical companies develop COVID-19 vaccines. ICON aids the research and development of critical medicines in an efficient and safe way.

Engagement summary	Engagements	Method	Leadership level
We had two in-depth calls with ICON about environmental and social issues linked to SDG targets. Prior to the publication of the company's inaugural sustainability report in November 2020, we highlighted the importance of publishing ESG data and flagged that we would welcome disclosure on human capital management, which we think is a material issue for the company. We also questioned ICON about measures to protect the Health & Safety of employees during the COVID-19 pandemic and initiatives to advance diversity and inclusion. We think the company could expand an existing partnership with an organisation which provides educational and employment opportunities for those living with intellectual disabilities. Regarding ICON's initiatives to mitigate its environmental impacts, we encouraged the company to publish its Scope 3 emissions data and to reduce waste via increasing the number of recycling facilities. Overall, our dialogue with ICON has been positive, and we have seen definite progress in recent months.	3	Email 1 Meeting 2	Senior Executives 2 Investor Relations 1

ICON (cont'd)

SDG targets discussed		Progress		
● 3.8 Good Health and Well-Being		1		
● 5.1 Gender Equality		1		
● 5.5 Gender Equality		1		
● 8.5 Decent Work and Economic Growth		1		
● 8.8 Decent Work and Economic Growth		1		
● 12.5 Responsible Consumption and Production		1		
● 12.6 Responsible Consumption and Production		3		
Progress against relevant SDG indicators		Progress		
● 12.5.1 National recycling rate, tons of material recycled		2		
● 12.6.1 Number of companies publishing sustainability reports		4		
● 5.1.1 Whether or not legal frameworks are in place to promote, enforce and monitor equality and non discrimination on the basis of sex"		4		
● 5.5.2 Proportion of women in managerial positions		4		
● 8.5.2 Unemployment rate, by sex, age and persons with disabilities		3		
● 8.5.1 Average hourly earnings of female and male employees, by occupation, age and persons with disabilities		3		
● 8.8.1 Frequency rates of fatal and non-fatal occupational injuries		4		
Milestones	1	Milestone rating	★	● 8.5 Decent Work and Economic Growth
Milestones	2	Milestone rating	★★	● 12.6 Responsible Consumption and Production

International Flavors & Fragrances

Following the merger with Dow Dupont's Nutrition & Biosciences business, IFF is now the largest specialist ingredient provider to the food, beverage, home care and personal care end markets with unparalleled portfolio breadth. IFF acts as an R&D outsourcer and supplier of innovative solutions to address challenges such as lowering sugar, salt and fat content and cleaning up labels, whilst also lowering the environmental impact of end products.

Engagement summary	Engagements	Method	Leadership level
We met with the Head of Sustainability on human rights, biodiversity and the COVID-19 response with a particular focus on its supply chain. IFF has a strong ESG and sustainability team and their depth of knowledge is apparent during engagement. They report extensively, highlighting their transparency. The company appears to have the right policies, standards and resources to manage all the issues present across the vastly complex supply chains that they have across different segments. We will, however, continue to engage here as the increasing complexity of their supply chains is significant, especially in lieu of the recently announced merger.	1	Meeting 1	Senior Executives 1
SDG targets discussed			Progress
● 15.1 Life on Land			1
Progress against relevant SDG indicators			Progress
● 15.1.2 Proportion of important sites for terrestrial and freshwater biodiversity that are covered by protected areas, by ecosystem type			3

Japan Exchange Group

Provides stable backdrop facilitating efficient capital raising for Japanese corporates whilst also in a strong position to promote sustainability practices and bridge the gap between governance standards in Japan and the West.

Engagement summary	Engagements	Method	Leadership level
We continue to push the company to use its position in the market as a flagbearer of good sustainability management. We met with representatives to provide input on 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. We continue to encourage the company to develop internal diversity initiatives to ensure they remain industry leading.	2	Email 1 Meeting 2	Senior Executives 1 Investor Relations 1
SDG targets discussed			Progress
● 5.5 Gender Equality			1

Engagement progress profiles (cont'd)

Japan Exchange Group (cont'd)

● 10.5 Reduced Inequalities	1
● 12.6 Responsible Consumption and Production	2
Progress against relevant SDG indicators	Progress
● 10.5.1 Financial Soundness Indicators	3
● 12.6.1 Number of companies publishing sustainability reports	3
● 5.5.2 Proportion of women in managerial positions	3

Kasikornbank

As a leading private bank in Thailand, Kasikornbank has the capacity to extend financial services to a growing number of individual and corporate customers, who have previously had no access to finance. Kasikornbank has focused on making progress towards nine SDGs it has identified as being relevant to their business model.

Engagement summary	Engagements	Method	Leadership level
In this reporting cycle we had seven engagement interactions with the company. All ESG-related engagement dialogues were with senior executives. While green business opportunities are well strategized, the bank's approach regarding climate risk management is still not very progressed. In comparison with their domestic and regional peers a holistic climate strategy needs to be accelerated.	7	Email 5 Meeting 1 Company consultation 1	Senior Executives 4 Investor Relations 2 Corporate Secretary 1
SDG targets discussed			Progress
● 12.6 Responsible Consumption and Production			1
● 13.a Climate Action			6
Progress against relevant SDG indicators			Progress
● 12.6.1 Number of companies publishing sustainability reports			5
● 13.a.1 Mobilised amount of United States dollars per year			3

Kerry Group

Kerry Group is a leading specialty ingredients company supplying key nutritional solutions. Based in Ireland, it primarily services the food and beverage end markets where their customers depend on their innovative solutions to drive better nutrition, clean up labels and lower their ingredients' environmental footprint. It targets lower sugar, salt and calorie levels, as well as improving nutrition properties in general. With 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
We met with the new Head of Sustainability and the Sustainability Director on a number of topics. We were encouraged by the company's efforts to improve and integrate sustainability in an explicit way in to every part of their business. We recognised the good progress made on water but still encouraged further steps to be taken within its supply chains. We discussed with the company a report on human rights in the supply chain where they scored poorly, and understood the good rationale for this as provided by the company, so therefore any concerns here were assuaged. We discussed reflecting the new sustainability strategy and targets in the executive team's remuneration and KPI's. We will continue to engage with the company around key topics such water, plastic, raw material sourcing, nutrition and biodiversity.	7	Email 1 Meeting 4 Letter 2	Senior Executives 1 Investor Relations 1 Operational Specialist 2 Board director(s), non-executive(s) 2 Corporate Secretary 1
SDG targets discussed			Progress
● 2.1 Zero Hunger			1
● 2.2 Zero Hunger			1
● 2.4 Zero Hunger			1
● 5.5 Gender Equality			1
● 6.3 Clean Water and Sanitation			1
● 6.4 Clean Water and Sanitation			1
● 8.7 Decent Work and Economic Growth			1
● 8.8 Decent Work and Economic Growth			1

Kerry Group (cont'd)

● 12.6 Responsible Consumption and Production	2
No SDG	4
Progress against relevant SDG indicators	Progress
● 12.6.1 Number of companies publishing sustainability reports	4
● 2.1.1 Prevalence of undernourishment	4
● 2.2.2 Prevalence of malnutrition	4
● 2.4.1 Proportion of agricultural area under productive and sustainable agriculture	4
● 5.5.2 Proportion of women in managerial positions	3
● 6.3.1 Proportion of wastewater safely treated	4
● 6.3.2 Proportion of bodies of water with good ambient water quality	4
● 6.4.1 Change in water-use efficiency over time freshwater resources	4
● 6.4.2 Level of water stress: freshwater withdrawal as a proportion of available	3
● 8.8.1 Frequency rates of fatal and non-fatal occupational injuries	4
● 8.8.2 Increase in national compliance of labour rights (freedom of association and collective bargaining)	4

Kontoor Brands

Owner of Lee and Wrangler jeanswear brands. Now an independent business (previously part of VF Corp), allowing refocused capital allocation decisions towards these brands, enabling an enhanced growth algorithm.

Engagement summary	Engagements	Method	Leadership level
We have begun utilising our involvement in the Platform Living Wage Financials collaborative investor group to engage the Company on its programme to assess living wage gaps in its operations and supply chains. We will reach out to the Company as part of the group in Q2 2021. Other areas of focus for the year ahead include supply chain due diligence and human rights risk mitigation.	2	Email 1 Meeting 1	Senior Executives 1 Investor Relations 1
SDG targets discussed			Progress
● 8.5 Decent Work and Economic Growth			1
● 8.8 Decent Work and Economic Growth			1
● 12.6 Responsible Consumption and Production			1
Progress against relevant SDG indicators			Progress
● 12.6.1 Number of companies publishing sustainability reports			2
● 8.5.2 Unemployment rate, by sex, age and persons with disabilities			3
● 8.5.1 Average hourly earnings of female and male employees, by occupation, age and persons with disabilities			2
● 8.8.1 Frequency rates of fatal and non-fatal occupational injuries			3
● 8.8.2 Increase in national compliance of labour rights (freedom of association and collective bargaining)			3

Kubota

A leading global maker of agricultural equipment. Its products improve food production and security, through more efficient technology, raising farming yields and significantly contributing towards SDG 2, Zero Hunger. Kubota is at the forefront of mechanising farming in South East Asia, which will be essential for supporting a global population that the UN estimates will approach 10bn people by 2050, with global food demand expected to be 1.7x 2010 levels. Kubota's water infrastructure products help protect, transport and minimise wastage of water, one of the world's most vital resources.

Engagement summary	Engagements	Method	Leadership level
During the year we met with the company to emphasise our investment drivers our perspectives on the company's ability to make a positive impact. Having established a relationship with the company on sustainability matters, we are aware that there is a continuing drive internally to improve disclosure. We are continuing to discuss the electrification of machinery and how the company's global supply chain is managed. Governance and gender diversity initiatives within the company continue to an area of focus for engagement.	4	Email 1 Meeting 3	Senior Executives 1 Investor Relations 3

Engagement progress profiles (cont'd)

Kubota (cont'd)

SDG targets discussed		Progress		
● 2.4 Zero Hunger		1		
● 5.5 Gender Equality		1		
● 12.2 Responsible Consumption and Production		2		
● 12.6 Responsible Consumption and Production		1		
● 13.2 Climate Action		1		
Progress against relevant SDG indicators		Progress		
● 12.6.1 Number of companies publishing sustainability reports		3		
● 13.2.1 [Companies] have communicated the establishment or operationalization of an integrated policy/strategy/plan which increases their ability to adapt to the adverse impacts of climate change, foster climate resilience and low greenhouse gas emissions		3		
● 5.5.2 Proportion of women in managerial positions		2		
● 8.6.1 Proportion of youth (aged 15-24 years) not in education, employment or training		2		
Milestones	1	Milestone rating	★ ★	● 5.5 Gender Equality

Largan Precision

Largan Precision is the world leader in making lenses for smartphone cameras, and is a major beneficiary of the constant camera upgrade cycle, with higher pixelation, more lenses per camera, bigger apertures, more cameras and better zooms driving improvement. As mobile phones become an ever more critical part of the way we communicate, connect, work and discover information, high quality optical components are important pieces within the technological, innovation economy. Largan Precision is also investigating the use of its cameras within self-driving cars, as well as for medical use.

Engagement summary	Engagements	Method	Leadership level
Having established a relationship with the company on sustainability matters, we are aware that work is going on behind the scenes to improve their disclosure, with the anticipation that reporting will be improved later this year. Once their inaugural report is published, we intend to help them refine their output going forward.	1	Meeting 1	Investor Relations 1
SDG targets discussed			Progress
● 8.2 Decent Work and Economic Growth			1
● 8.7 Decent Work and Economic Growth			1
● 12.5 Responsible Consumption and Production			1
● 12.6 Responsible Consumption and Production			1
Progress against relevant SDG indicators			Progress
● 12.5.1 National recycling rate, tons of material recycled			1
● 12.6.1 Number of companies publishing sustainability reports			3
● 8.2.1 Annual growth rate per employed person [corporate]			1
● 8.7.1 Proportion and number of children aged 5-17 years engaged in child labour			1

Mettler-Toledo International

Laboratory and industrial equipment driving better healthcare and enabling precision manufacturing. Good sustainability practices, including a recent commitment to reduce water intensity by 20%, and achieve zero waste to landfill.

Engagement summary	Engagements	Method	Leadership level
We had two calls with Mettler-Toledo International, one focusing on the company's new Corporate Responsibility Report and another on a range of ESG issues. We discussed diversity and inclusion at different levels in the company's hierarchy and encouraged it to consider disclosing employee ethnicity data, in addition to the high-level results of employee surveys, which can provide valuable insights into a company's culture. Furthermore, we think that Mettler-Toledo International could improve support for disabled employees. Regarding waste intensity, although the COVID-19 pandemic has hindered the company's progress on this front, we are encouraged by its robust waste-related targets, including achieving zero waste to landfill. We also questioned Mettler-Toledo International about supply chain risk management, focusing on the mitigation of Modern Slavery risks. We are encouraged by the publication of new Responsible Sourcing Guidelines and will continue to monitor the company's progress. Overall, our dialogue with Mettler-Toledo International has been informative and insightful. We recognise that the company is particularly focused on environmental risk management and that there is scope for improvement in social risk management.	4	Email 1 Meeting 3	Senior Executives 1 Investor Relations 2 Operational Specialist 1

Saint Mary Lake in
Glacier National Park,
Montana, US.

“Time is running out and we can no longer afford to sit idly by. As the entire world mobilises, it is our duty as investors to actively use our voice to effect positive change through proper allocation of capital as well as constructive engagement.”

**Sacha El Khoury, Director, Portfolio Manager,
European Equities**

Engagement progress profiles (cont'd)

Mettler-Toledo International (cont'd)

SDG targets discussed		Progress	
● 5.2 Gender Equality		1	
● 5.5 Gender Equality		2	
● 6.4 Clean Water and Sanitation		1	
● 8.5 Decent Work and Economic Growth		3	
● 8.7 Decent Work and Economic Growth		1	
● 8.8 Decent Work and Economic Growth		2	
● 10.2 Reduced Inequalities		1	
● 12.5 Responsible Consumption and Production		1	
● 12.6 Responsible Consumption and Production		2	
Progress against relevant SDG indicators		Progress	
● 12.5.1 National recycling rate, tons of material recycled		4	
● 12.6.1 Number of companies publishing sustainability reports		4	
● 5.2.2 Proportion of women and girls aged 15 years and older subjected to sexual violence by persons other than an intimate partner in the previous 12 months, by age and place of occurrence		2	
● 5.5.2 Proportion of women in managerial positions		3	
● 6.4.1 Change in water-use efficiency over time freshwater resources		3	
● 6.4.2 Level of water stress: freshwater withdrawal as a proportion of available		3	
● 8.5.2 Unemployment rate, by sex, age and persons with disabilities		2	
● 8.5.1 Average hourly earnings of female and male employees, by occupation, age and persons with disabilities		2	
● 8.7.1 Proportion and number of children aged 5-17 years engaged in child labour		3	
● 8.8.1 Frequency rates of fatal and non-fatal occupational injuries		4	
Milestones	1	Milestone rating	★ ★ ● 12.5 Responsible Consumption and Production
Milestones	1	Milestone rating	★ ● 12.6 Responsible Consumption and Production

Mohawk Industries

As one of the largest flooring providers in the world, including hardwood, carpet, laminates and vinyl, Mohawk Industries can use recycled PET bottles as a feedstock, making it one of the largest consumers of plastic waste. This places them at the forefront of demands for a more circular economy.

Engagement summary	Engagements	Method	Leadership level
We had a call with the CFO on topics relating to sustainability risk management. We discussed, at a high level, their programme to manage their environmental footprint as well as timber sourcing and disclosure.	2	Email 1 Meeting 1	Senior Executives 1 Investor Relations 1
SDG targets discussed			Progress
● 12.6 Responsible Consumption and Production			1
● 15.2 Life on Land			1
Progress against relevant SDG indicators			Progress
● 12.6.1 Number of companies publishing sustainability reports			1
● 15.2.1 Progress towards sustainable forest management			1

Mowi

Mowi is the global leader in salmon aquaculture. Salmon is a more sustainable alternative to other animal based proteins, in that not only is it healthier for human health, but it also carries a lower impact on the environment. The supply of salmon is biologically and geographically constrained globally as a highly regulated industry with high barriers to entry. Coupled with the rising demand for more sustainable sources of food protein, the long term economics for high quality operator Mowi look very well underpinned.

Engagement summary	Engagements	Method	Leadership level
We are a member of the Global Investor Collaboration on Farm Animal Welfare, a collaborative engagement between investors and food companies on farm animal welfare. We were encouraged to see that Mowi significantly improved its ranking in the 2019 BBFAW, and we look forward to seeing further progress here. We also engaged on fish oil substitutes for the fish feed given their vertical integration, and they are considering alternatives, like insect meal. The main hurdles here are cost, scale and industrialisation. We will continue to engage on these themes, as well as climate change and fish escapes.	3	Email 1 Meeting 1 Letter 1	Senior Executives 2 Investor Relations 1
SDG targets discussed			Progress
● 2.4 Zero Hunger			1
● 12.6 Responsible Consumption and Production			2
● No SDG			1
Progress against relevant SDG indicators			Progress
● 12.6.1 Number of companies publishing sustainability reports			3
● 2.4.1 Proportion of agricultural area under productive and sustainable agriculture			4
Milestones	1	Milestone rating	★ ★ ● 12.6 RESPONSIBLE CONSUMPTION AND PRODUCTION

Principal Financial Group

Provides broad range of financial services globally with focus on health and savings products to underserved small businesses in North America and pension products to Latin America. Developing suite of ESG offerings.

Engagement summary	Engagements	Method	Leadership level
Against a backdrop of continuing positive dialogue with the company, we saw it improve its ESG reporting and provide good access to management. We also welcomed advances in female representation across the company.	1	Email 1	Investor Relations 1
SDG targets discussed			Progress
● 12.6 Responsible Consumption and Production			1
Progress against relevant SDG indicators			Progress
● 12.6.1 Number of companies publishing sustainability reports			4

Rotork

Rotork is a manufacturer of electronic, hydraulic and pneumatic actuators and valves to a wide range of customers in a large number of end markets. Its advanced flow technology reduces leaks that could damage the environment.

Engagement summary	Engagements	Method	Leadership level
October saw Rotork hold their inaugural meeting of their ESG sub-committee to agree their sustainability vision, including ratifying the use of the UN SDGs to guide their strategy and the undertaking of a mapping exercise to identify the most relevant SDGs for Rotork to support. IR and management are very accessible and it would be great to engage more with them, particularly given the nature of Rotork's industrial (oil&gas centric) business model.	2	Email 1 Meeting 1	Senior Executives 1 Investor Relations 1
SDG targets discussed			Progress
● 12.6 Responsible Consumption and Production			2
Progress against relevant SDG indicators			Progress
● 12.6.1 Number of companies publishing sustainability reports			2

Engagement progress profiles (cont'd)

Sakata Seed

Sakata Seed is a big player in a niche area of the global vegetable seed market, dominating the broccoli seed market with a ~60% global share. Broccoli is seeing better-than average growth as rising household incomes across the world enable consumers to seek more nutritious vegetables. Through advanced R&D Sakata Seed allows farmers to enjoy higher-yielding, more resilient crops, contributing to a world of Zero hunger and better food security.

Engagement summary	Engagements	Method	Leadership level
We engaged with Sakata Seed on child labour auditing in India, as well as seed resilience to an increasingly volatile climate, where water scarcity is of ever growing importance. The company said they would put more R&D resources towards seed resilience and make new efforts to audit child labour, especially in light of covid disruption, and we will continue to engage on these areas.	2	Email 1 Meeting 1	Investor Relations 2
SDG targets discussed			Progress
● 2.3 Zero Hunger			1
● 2.4 Zero Hunger			1
● 6.4 Clean Water and Sanitation			1
● 8.7 Decent Work and Economic Growth			1
● 12.6 Responsible Consumption and Production			1
● 13.2 Climate Action			1
Progress against relevant SDG indicators			Progress
● 12.6.1 Number of companies publishing sustainability reports			2
● 13.2.1 [Companies] have communicated the establishment or operationalization of an integrated policy/strategy/plan which increases their ability to adapt to the adverse impacts of climate change, foster climate resilience and low greenhouse gas emissions			2
● 2.3.2 Average income of small-scale food producers			4
● 2.4.1 Proportion of agricultural area under productive and sustainable agriculture			3
● 6.4.1 Change in water-use efficiency over time freshwater resources			3
● 6.4.2 Level of water stress: freshwater withdrawal as a proportion of available			3
● 8.7.1 Proportion and number of children aged 5-17 years engaged in child labour			2

Shimadzu

Shimadzu is a scientific tools and instruments maker. The company develops, manufactures, and sells analytical and measuring instruments, into various end markets, such as healthcare, food and pharma, as well as to check the purity of water and air to combat pollution. Its products help ensure the molecular integrity, quality and purity of products, protecting human health and the environment.

Engagement summary	Engagements	Method	Leadership level
The company has embraced sustainability and provided detailed integrated reporting. We continue to challenge the company on governance practices and encourage faster change with regard to diversity in the workforce. CO ₂ emissions, water efficiency and resource use continue to be topics of discussion. The company continues to be open to dialogue with the team and we will look to build on this relationship going forward.	3	Email 1 Meeting 2	Investor Relations 2 Operational Specialist 1
SDG targets discussed			Progress
● 5.1 Gender Equality			1
● 5.5 Gender Equality			1
● 12.6 Responsible Consumption and Production			1
● 13.2 Climate Action			1
● 14.1 Life Below Water			1
Progress against relevant SDG indicators			Progress
● 12.6.1 Number of companies publishing sustainability reports			4
● 13.2.1 [Companies] have communicated the establishment or operationalization of an integrated policy/strategy/plan which increases their ability to adapt to the adverse impacts of climate change, foster climate resilience and low greenhouse gas emissions			4

Shimadzu (cont'd)

● 5.1.1 Whether or not legal frameworks are in place to promote, enforce and monitor equality and non discrimination on the basis of sex"	3
● 5.5.2 Proportion of women in managerial positions	3

Smurfit Kappa Group

Smurfit Kappa Group is exposed to a number of megatrends, such as eCommerce, and is leading the way in the shift from plastic packaging to paper, with a management that is committed to sustainability.

Engagement summary	Engagements	Method	Leadership level
Engagement on GHG emission reductions targets, company committed to SBT and underway to set absolute targets. Opened to conversation on biodiversity impact, company positive to dialogue.	9	Email 3 Meeting 2 Letter 3 Company consultation 1	Investor Relations 3 Operational Specialist 2 Board director(s), non-executive(s) 4
SDG targets discussed			Progress
● 1.1 No Poverty			1
● 8.2 Decent Work and Economic Growth			1
● 8.8 Decent Work and Economic Growth			1
● 12.6 Responsible Consumption and Production			2
● 13.2 Climate Action			2
● No SDG			2
Progress against relevant SDG indicators			Progress
● 1.1.1 Proportion of population below the international poverty line			3
● 12.6.1 Number of companies publishing sustainability reports			4
● 13.2.1 [Companies] have communicated the establishment or operationalization of an integrated policy/strategy/plan which increases their ability to adapt to the adverse impacts of climate change, foster climate resilience and low greenhouse gas emissions			4
● 8.2.1 Annual growth rate per employed person [corporate]			3
● 8.8.1 Frequency rates of fatal and non-fatal occupational injuries			5
● 8.8.2 Increase in national compliance of labour rights (freedom of association and collective bargaining)			3

Milestones	2	Milestone rating	★	● No SDG
Milestones	1	Milestone rating	★★	● 13.2 CLIMATE ACTION

Steris

Steris is a key source of infection prevention and sterilisation products, as well as surgical equipment critically needed within the health care industry. It serves hospitals, providers, pharmaceuticals and medical device companies in more than 100 countries. The COVID-19 pandemic has highlighted the importance of hygiene in healthcare; as such, Steris is well-placed to cater to long-term demand.

Engagement summary	Engagements	Method	Leadership level
We had three calls with Steris about environmental and social issues linked to SDG targets. We continued to encourage the company to improve its disclosure on ESG issues, and wrote a letter to its Board of Directors setting out our key recommendations. We expressed our view that the company should focus on increased transparency about diversity and inclusion at this stage. We think that flexible work arrangements and mentoring programmes could – over the medium-term – improve gender diversity in senior management. Regarding Steris' efforts to mitigate its environmental impacts, we gained insights into various initiatives and acknowledge that progress is being made. We encouraged the company to disclose its environmental impacts through CDP and to set a packaging reduction goal. Overall, our dialogue with Steris remains positive, although progress has been fairly slow.	6	Email 1 Meeting 4 Letter 1	Senior Executives 1 Investor Relations 4 Board director(s), non-executive(s) 1



“It is extremely encouraging to see the increasing awareness of the SDGs by senior management teams across sectors; particularly the acknowledgement that it is their responsibility to integrate these into their operating models.”

**Andy Penman, Director, Analyst,
Global Equities**

Lofoten Islands,
Norway.

Steris (cont'd)

SDG targets discussed		Progress		
● 3.9 Good Health and Well-Being		1		
● 5.5 Gender Equality		1		
● 8.5 Decent Work and Economic Growth		2		
● 12.4 Responsible Consumption and Production		1		
● 12.5 Responsible Consumption and Production		1		
● 12.6 Responsible Consumption and Production		5		
Progress against relevant SDG indicators		Progress		
● 12.4.2 Hazardous waste generated per capita and proportion of hazardous waste treated		3		
● 12.5.1 National recycling rate, tons of material recycled		2		
● 12.6.1 Number of companies publishing sustainability reports		3		
● 3.9.1 Mortality rate attributed to household and ambient air pollution		2		
● 5.5.2 Proportion of women in managerial positions		4		
● 8.5.2 Unemployment rate, by sex, age and persons with disabilities		3		
● 8.5.1 Average hourly earnings of female and male employees, by occupation, age and persons with disabilities		3		
Milestones	1	Milestone rating	★	● 12.6 Responsible Consumption and Production

Storebrand

Storebrand is a well capitalised provider of long-term savings and insurance products, enabling access to an affordable range of products that allows customers to save and provision for the future.

Engagement summary	Engagements	Method	Leadership level
The company seems convinced about the relevance of the SDG Framework using it to guide its corporate social responsibility strategy. The company have demonstrated they are leaders on deforestation issues.	1	Email 1	Investor Relations 1
SDG targets discussed		Progress	
● 12.6 Responsible Consumption and Production			1
Progress against relevant SDG indicators		Progress	
● 12.6.1 Number of companies publishing sustainability reports			4

Suez

Suez is a global provider of water and waste services, with a clear vision to advance environmental sustainability. Its main operations are in Europe and North America, with additional footprints across Asia, Latin America and Africa. Its investment thesis is predicated on the transition of governments and commercial stakeholders towards a more circular economy. It recently accepted Veolia's takeover offer at an increased price and is currently in consolidation discussions, with a targeted completion date of autumn 2021.

Engagement summary	Engagements	Method	Leadership level
The year was dominated for this company by the takeover battle with Veolia. Our engagement included an in-depth call on the company's creation of a Dutch holdings company as an anti-takeover defence. After protracted and difficult discussions, a merger was finally announced in April 2021. Suez's work on sustainability did not stand still, however, and it reported in May 2021 a set of new sustainability indicators. Whilst recognising the company's progress, and the challenges of major corporate change, we engaged on the topic of climate change - where the company has set a science-based target, but we still see room for improvement. We called in particular for the adoption of a long term net zero emissions target.	3	Email 2 Meeting 1	Investor Relations 3
SDG targets discussed		Progress	
● 12.6 Responsible Consumption and Production			1
● 13.2 Climate Action			1
● No SDG			1
Progress against relevant SDG indicators		Progress	
● 12.6.1 Number of companies publishing sustainability reports			4

Engagement progress profiles (cont'd)

Suez (cont'd)

● 13.2.1 [Companies] have communicated the establishment or operationalization of an integrated policy/strategy/plan which increases their ability to adapt to the adverse impacts of climate change, foster climate resilience and low greenhouse gas emissions	4
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SVB Financial Group

Specialist lender to the innovation economy is the key attraction whilst the company's impressive track record on delivering growth without meaningful loan losses speaks to its underwriting and relationship management skills.

Engagement summary	Engagements	Method	Leadership level
Over the past year we have had productive conversations on corporate governance, and on diversity and inclusion within that context. The company is open to engagement, and is ahead of peers on supporting female start-up founders. The company seems convinced about the relevance of the SDG Framework.	2	Email 1 Meeting 1	Senior Executives 1 Investor Relations 1
SDG targets discussed			Progress
● 8.1 Decent Work and Economic Growth			1
● 8.8 Decent Work and Economic Growth			1
● 12.6 Responsible Consumption and Production			1
Progress against relevant SDG indicators			Progress
● 12.6.1 Number of companies publishing sustainability reports			4
● 8.8.2 Increase in national compliance of labour rights (freedom of association and collective bargaining)			3

Tecan Group

Tecan Group is well placed with the global IVD market expected to grow by 5% on average, driven by an ageing population, improved technology, and increased wealth standards in emerging markets, with growth in some segments exceeding 10%, driven by a high pace of innovation.

Engagement summary	Engagements	Method	Leadership level
We had one in-depth call with Tecan Group's CEO and an Investor Relations representative about environmental and social issues linked to SDG targets. We questioned the company about its environmental targets and gained insights into its robust strategy for reducing greenhouse gas emissions. We also discussed supply chain risk management, focusing on oversight and the mitigation of Modern Slavery risks in Vietnam. Regarding employee engagement, it is positive that the CEO recognises the critical importance of this issue, and we flagged that we would welcome the disclosure of the high-level results of employee surveys. It is encouraging that progress is being made on gender and ethnic diversity. Overall, our dialogue with Tecan Group has been very positive, and the CEO is clearly committed to improving the company's management of environmental and social issues.	2	Email 1 Meeting 1	Senior Executives 1 Investor Relations 1
SDG targets discussed			Progress
● 5.1 Gender Equality			1
● 8.7 Decent Work and Economic Growth			1
● 12.6 Responsible Consumption and Production			2
Progress against relevant SDG indicators			Progress
● 12.6.1 Number of companies publishing sustainability reports			4
● 5.1.1 Whether or not legal frameworks are in place to promote, enforce and monitor equality and non discrimination on the basis of sex"			4
● 8.7.1 Proportion and number of children aged 5-17 years engaged in child labour			4

Tractor Supply

High quality US retailer focused on rural consumers, seen as a destination store for a range of shopping requirements. Recent internal initiatives driving further sales and earnings growth.

Engagement summary	Engagements	Method	Leadership level
Our engagement focused on the companies governance structure. We place particular value on the independence of the board and highlighted the potential positive impact of increased board refreshment. We will pick up on additional sustainability matters in Q2 2021. Specifically, the Company's diversity programs, the programme to assess carbon energy reduction for core products and supply chain due diligence.	1	Email 1 1	Investor Relations 1
SDG targets discussed			Progress
● 12.6 Responsible Consumption and Production			1

Tractor Supply (cont'd)

Progress against relevant SDG indicators	Progress
● 12.6.1 Number of companies publishing sustainability reports	3

Umicore

From manufacturing automotive catalysts that deliver emission reductions, to the complex recycling of precious metals and the chemistry behind cathode materials required for EV batteries, Umicore is a sustainability leader.

Engagement summary	Engagements	Method	Leadership level
Engagement on new measures to address legacy contamination issues, labour conditions in the cobalt supply chain, and development of new sustainability targets.	2	Email 1 Meeting 1	Senior Executives 1 Investor Relations 1
SDG targets discussed			Progress
● 12.4 Responsible Consumption and Production			1
● 12.6 Responsible Consumption and Production			1
Progress against relevant SDG indicators			Progress
● 12.4.1 Number of parties to international multilateral environmental agreements on hazardous waste, and other chemicals			3
● 12.4.2 Hazardous waste generated per capita and proportion of hazardous waste treated			4
● 12.6.1 Number of companies publishing sustainability reports			4

Vitasoy International Holdings

Structural growth derived from increasing customer appreciation for the superior human health and lower environmental impact from plant-based food and beverages.

Engagement summary	Engagements	Method	Leadership level
Our engagement with the company this year allowed us to learn about the significant progress made across several areas of environmental and social management as well as performance. Areas include climate and water risk management, deforestation, supply chain E&S audits, and packaging.	5	Email 2 Meeting 3	Senior Executives 1 Investor Relations 2 Operational Specialist 2
SDG targets discussed			Progress
● 5.2 Gender Equality			1
● 5.5 Gender Equality			1
● 10.2 Reduced Inequalities			1
● 12.2 Responsible Consumption and Production			1
● 12.6 Responsible Consumption and Production			2
● 13.2 Climate Action			1
● No SDG			2
Progress against relevant SDG indicators			Progress
● 10.2.1 Proportion of people living below 50 per cent of median income			3
● 12.2.1 Material footprint, material footprint per capita (corporate)			4
● 12.6.1 Number of companies publishing sustainability reports			5
● 13.2.1 [Companies] have communicated the establishment or operationalization of an integrated policy/strategy/plan which increases their ability to adapt to the adverse impacts of climate change, foster climate resilience and low greenhouse gas emissions			3
● 5.2.2 Proportion of women and girls aged 15 years and older subjected to sexual violence by persons other than an intimate partner in the previous 12 months, by age and place of occurrence			3
● 5.5.2 Proportion of women in managerial positions			3

Waste Connections

Waste Connections is the third largest full service waste management company in North America. It provides non-hazardous solid waste collection, transfer, recycling and landfill disposal services to municipalities across the United States and Canada. Waste Connection's robust market position in dedicated markets, a solid industry backdrop, and its strong management team makes it well positioned to deliver free cash flow growth going forwards.

Engagement progress profiles (cont'd)

Waste Connections (cont'd)

Engagement summary	Engagements	Method	Leadership level
We spoke with the Company following the publication of its 2020 sustainability report. We appreciate their intention to increase board gender diversity following the refreshment of long-tenured directors. The company has begun reporting on its sustainability priorities and management under the SASB framework, we additionally encouraged them to complete the Workforce Disclosure Initiative survey in order to provide further detail on human capital management topics in a standardised way. In addition, we encouraged them to further incorporate diversity efforts in to senior leadership programs.	4	Email 2 Meeting 1 Letter 1	Senior Executives 2 Investor Relations 1 Board director(s), non-executive(s) 1
SDG targets discussed			Progress
● 5.5 Gender Equality			2
● 8.5 Decent Work and Economic Growth			1
● 12.2 Responsible Consumption and Production			1
● 12.6 Responsible Consumption and Production			2
● 13.2 Climate Action			1
● No SDG			1
Progress against relevant SDG indicators			Progress
● 12.2.1 Material footprint, material footprint per capita (corporate)			2
● 12.6.1 Number of companies publishing sustainability reports			3
● 13.2.1 [Companies] have communicated the establishment or operationalization of an integrated policy/strategy/plan which increases their ability to adapt to the adverse impacts of climate change, foster climate resilience and low greenhouse gas emissions			3
● 5.5.2 Proportion of women in managerial positions			2
● 8.5.2 Unemployment rate, by sex, age and persons with disabilities			3
● 8.5.1 Average hourly earnings of female and male employees, by occupation, age and persons with disabilities			2
Milestones	1	Milestone rating	★ ★ ● 8.5 Decent Work and Economic Growth

WEX

Innovative software solutions aimed at simplifying complex business payment systems; ranging from fleet management, corporate payments, and health and benefits plans.

Engagement summary	Engagements	Method	Leadership level
Through previous conversations with the company we learned that the company is at an early stage in considering how to better disclose and report on its sustainability performance and pressed them to improve. The company's first ESG report will be released in 2021, which is a substantial step forward, and we will work with the company to shape and refine their future output. We have also seen formal designation of ESG matters at board level.	1	Email 1	Investor Relations 1
SDG targets discussed			Progress
● 12.6 Responsible Consumption and Production			1
Progress against relevant SDG indicators			Progress
● 12.6.1 Number of companies publishing sustainability reports			4

Wolters Kluwer

Wolters Kluwer provide their clients in the health, tax & accounting, governance, risk & compliance and legal & regulatory with expert solutions and productivity tools, which empower customers to make better decisions when it matters most. 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
In our dialogue with senior management we have continued to push for better clarity on the positive impact their products have, how its can lead to an expansion of access to information and improve healthcare. Although ahead of many other companies in this regard, they did not progress much over the last year and a renewed push for improvement is underway.	6	Email 1 Meeting 5	Investor Relations 4 Board director(s), non-executive(s) 2
SDG targets discussed			Progress
● 5.5 Gender Equality			1

Wolters Kluwer (cont'd)

● 9.1 Industry, Innovation and Infrastructure	1
● 10.2 Reduced Inequalities	2
● 12.6 Responsible Consumption and Production	2
● No SDG	2
Progress against relevant SDG indicators	Progress
● 10.2.1 Proportion of people living below 50 per cent of median income	4
● 12.6.1 Number of companies publishing sustainability reports	3
● 5.5.2 Proportion of women in managerial positions	3
● 9.1.1 Proportion of the rural population who live within 2 km of an all-season road	3

Zebra Technologies

Global leader in design and manufacture of enterprise mobile computers, advanced data capture systems and specialty printers. Their products enable businesses in ecommerce/retail, logistics, manufacturing and healthcare to achieve greater accuracy and efficiency of both human capital and natural resource usage. The increasing shift to digitise the global economy plays right into Zebra Technologies' strengths.

Engagement summary	Engagements	Method	Leadership level
Over the course of the year we engaged with the company's newly appointed Head of Sustainability, as it looked for formalise and improve on its sustainability strategy. We focused our asks around where their products can improve productivity through automation, promoting a safe work environment and reduce waste. These align with company's own priorities of human capital management, resource conservation and climate change, although we are asking for more reporting going forward.	2	Email 1 Meeting 1	Investor Relations 2
SDG targets discussed			Progress
● 8.2 Decent Work and Economic Growth			1
● 12.5 Responsible Consumption and Production			1
● 12.6 Responsible Consumption and Production			1
● No SDG			1
Progress against relevant SDG indicators			Progress
● 12.5.1 National recycling rate, tons of material recycled			2
● 12.6.1 Number of companies publishing sustainability reports			3
● 8.2.1 Annual growth rate per employed person [corporate]			2

Xylem

Strong and diverse portfolio addressing global water challenges, such as improving water efficiency and accessibility in local communities. Structural growth driven by the need to address scarcity by delivering operational efficiencies.

Engagement summary	Engagements	Method	Leadership level
Xylem has been known as leader in many areas across different ESG topics. We had an engagement with the management during summer 2020 when the impact of the pandemic started to be observable. We discussed Xylem's business outlook, COVID-19 response and the new SDG goal to address water affordability and scarcity issues for the underserved communities in developing or least developed countries. The company has a robust and early response to the inevitable pandemic disruption, having set up a dedicated employee support programme on protective equipment and flexible working arrangements. We have confidence in the way the management is dealing with the COVID impact. We also discussed its new sustainability goal to develop water solutions for 20 million people living at the base of the global economic pyramid. The management team has a clear plan to explore opportunities in least developed countries, for example, those in Africa, to help with the water accessibility issue.	2	Email 1 Meeting 1	Senior Executives 1 Investor Relations 1
SDG targets discussed			Progress
● 8.2 Decent Work and Economic Growth			1
● 12.6 Responsible Consumption and Production			1
Progress against relevant SDG indicators			Progress
● 12.6.1 Number of companies publishing sustainability reports			4
● 8.2.1 Annual growth rate per employed person [corporate]			4

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