

Responsible investment: public policy

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Telephone calls may be recorded.

Public policy engagement is a critical tool for responsible investors aiming to contribute toward a long-term, sustainable financial system and economy. Through our policy work BMO Global Asset Management seeks to be a constructive investor voice, and to advocate policies that raise the bar for the management of environmental, social and governance (ESG) risks faced by the companies in which we invest.

We see participation in the public policy process as a central part of being a responsible investor. While a few forward-looking companies will voluntarily take a leadership position on issues such as climate change, corruption or labour standards, it is often only when the playing field is levelled through regulation that a step change occurs. As investors, we can communicate to governments and regulators what type of policies will improve ESG standards in a way that also enhances competitiveness and long-term value for investors.

Recent public policy submissions

Please contact us at governance@bmogam.com if you would like further information on any of the submissions below.

2018

June

- MSCI Consultation on the Treatment of Unequal Voting Structures.
- Signed investor statement to The European Commission supporting the alignment of due diligence frameworks in the garment and footwear sectors .

May

- Investor statement to Government of Canada supporting the introduction of legislation on modern slavery.
- Submission to the Financial Services Agency for the Japan Corporate Governance Code revision.

March

- FRC Consultation on Proposed Revisions to the UK Corporate Governance Code, UK.
- Response to Consultation Paper on Recommendations of the Corporate Governance Council, Singapore.

January

- Canadian Securities Administrators (CSA) consultation on the Approach to Director and Audit Committee Member Independence.
- Co-signed Access to Medicine Index letter to the Sustainability Accounting Standard Board on Biotechnology and Pharmaceutical Industries.

2017

December

- Hong Kong Stock Exchange consultation on changes to the Corporate Governance Code.

November

- Eumedion Stewardship Code consultation, Netherlands.

October

- Response to Bursa Malaysia consultation on the proposed revamped corporate governance guide.

September

- Submission to the London Stock Exchange regarding proposed changes to AIM Index rules.
- Responded to corporate Governance Survey of the Santiago Stock Exchange (Chile).
- FTSE and MSCI consultations on dual-class share structures with differential voting rights.
- Signed up as a signatory to the Workforce Disclosure Initiative (WDI).

August

- Submitted our Statement of Intent to the 30% Club with regard to board diversity.
- Submission to the Tokyo Stock Exchange views on disclosures in English.

May

- Letter from global investors to governments of the G7 and G20 reiterating support for implementing the Paris climate agreement.
- Investor statement in favour of the Australian Modern Slavery Act.
- Investor expectations statement on sugar, obesity and non-communicable diseases.
- Letter to Securities Exchange Board of India on the Influence of

Promoter Companies.

- Letter to Singapore Stock Exchange on Possible Listing Framework for Dual Class Share (DCS) Structures.
- Co-signed the ICGN Letter to the Dutch Commission of Economic Affairs on Dutch anti-takeover bill May 2017.

March

- Joint investor letter to the US Securities and Exchange Commission supporting the continuation of current policies on transparency around conflict minerals.

February

- Response to consultation by the Financial Stability Board's Task Force on Climate-related Financial Disclosures.

2016

December

- Submitted a response to amendments to German Corporate Governance Code proposed by the German Corporate Governance Code Commission.
- Submission to the Green Bond Principles' annual consultation of members.

November

- Submitted a response to a joint consultation by the Hong Kong Stock Exchange (HKEx) and Hong Kong's Securities and Futures Commission on reforms to HKEx's decision-making and governance structure for listing regulation.

October

- Submitted a response to proposals for revision of the New Zealand Corporate Governance Code put forward by the New Zealand Stock Exchange.

August

- Signed a global investor letter to G20 leaders encouraging the ratification of the COP21 Paris Agreement on climate change.
- Signed a letter to the Senate Banking Committee relating to proposed legislation affecting proxy advisory firms and which would be contrary to investors' interests.

July

- Submitted a response to a consultation solicited by the US Securities and Exchange Commission on reforms to companies' sustainability disclosures.

June

- Provided comments to Asian Corporate Governance Association's submission to the Malaysian Corporate Governance Code.

April

- Submitted response to the Monitoring Committee of the Dutch Corporate Governance Code on proposed revisions to Code.
- Co-signed letter with other investors to the German Bundestag urging it to refrain from legal changes which can erode governance standards in Germany.
- World Bank survey to approaches on measuring green finance.
- Responded to consultation questionnaire regarding corporate governance enhancements to Brazil's BM&F Bovespa's Novo Mercado segment.
- Responded to a consultation by the Securities and Exchange Board of India regarding the adoption of a clearer definition of control in the context of a corporate takeover.
- Submitted response to consultation by the Task Force on Climate-Related Financial Disclosures (TCFD) set up by the UK's Financial Stability Board (FSB).
- Endorsed a [PRI-coordinated Investor Expectations Statement](#) on Labour Practices in Agricultural Supply Chains.

March

- Initiated a collaborative investor submission to the U.S. Securities and Exchange Commission (SEC) in support of strong disclosure rules for payments by extractives companies.
- Submitted feedback to Sustainability Reporting Guidance developed by the World Federation of Exchanges (WFE).

2015

December

- Signed Paris Pledge for Action for non-state participants demonstrating support for action towards limiting global temperature rise to less than 2°C at the UN Climate Summit in Paris.

October

- Submitted comments to the EU Institutions in advance of their trilogue discussions on revisions to the Shareholder Rights Directive.

September

- Responded to the consultation paper by the Hong Kong Stock Exchange on disclosure of ESG performance by listed companies. We supported the Exchange's proposal to upgrade

certain environmental disclosures from voluntary to comply-or-explain, and urged the Exchange to ensure listed companies focus on reporting ESG matters that are material to their businesses.

- Co-authored paper on Climate Finance: 'Five Recommendations to Catalyse Institutional Investment', describing the key barriers faced by institutional investors in deploying capital in developing countries and ways to overcome them.

August

- Signed a letter along with other investors to 77 EU companies on their positions and lobbying activities regarding EU climate and energy policy.
- Signed a letter to the US Environmental Protection Agency (EPA) along with other investors on combatting climate change, reducing air pollution and providing greater certainty about the Clean Air Act requirements.
- Contributed to the Modern Slavery and Supply Chains UK government consultation. The Modern Slavery Act passed in early 2015. We have provided input on the level of disclosure that companies should be asked for. The government response to the consultation was published this summer: <https://www.gov.uk/government/consultations/modern-slavery-and-supply-chains>.

June

- Co-drafted and sent document to EU Commission on EU Emissions Trading Scheme reform.

May

- Response to consultation on responsible ownership by the Hong Kong securities regulator.
- Wrote letter on climate to G7 finance ministers which was signed.

March

- Response to the proposed amendments to the German corporate governance code.
- Letter to the French state shareholding agency on double voting rights.
- Co-drafted and sent document on aligning the Juncker investment plan with EU climate objectives.

February

- Japan corporate governance code submission.

January

- Supported IIGCC letter in support of early adoption of the Market Stability Reserve (EU-ETS reform).

2014

December

- Signed investor statement supporting the development of a robust market for climate and green bonds.
- Supported the European Commission's proposal to seek shareholder approval for material Related Party Transactions under the Shareholder Rights Directive.
- Engagement with Brazilian regulator to strengthen and ease the proxy voting process.

October

- Joined investor call for the US Environmental Protection Agency (EPA) to regulate methane emissions from the oil and gas industry.
- Signed letter by the Institutional Investors Group on Climate Change (IIGCC) calling for strong EU 2030 climate change targets.

September

- Contributed to the drafting of the Global Investor Statement on Climate Change, sent to heads of state at the UN Secretary General's Climate Summit in New York.

August

- Supported investor statement directed at the International Organization of Securities Commissions (IOSCO) to improve global corporate disclosure on environmental social and governance (ESG) issues.

June

- Endorsed World Bank call for putting a price on carbon.

April

- Signatory to two joint investor letters to the SEC on Section 1504 of the Dodd Frank Act in support of robust transparency rules for extractives companies.
- Sent submission to the Ontario Securities Commission regarding the proposed amendment on diversity disclosure among Toronto Stock Exchange listed companies.

March

- Joined an investor meeting with German Corporate Governance Code Commission to discuss issues related to director nomination and appointment process.
- Endorsed joint investor letter to the UK government calling for the inclusion of supply chain reporting requirements in the Modern Slavery Bill.

February

- Endorsed joint investor letter to EU heads of state to support an ambitious 2030 emission reduction goal.