

Focus List 2024

A guide to our responsible investment themes and the companies we're talking to this year



As responsible investors, our goal is to grow long-term sustainable value for our clients. We believe one of the most effective ways to pursue that goal is to exercise our rights as shareholders, using corporate engagement and proxy voting to influence corporate direction. In a spirit of collaboration, we discuss with companies how they can improve their environmental, social and governance performance to achieve long-term sustainability.

For 2024, NEI's corporate dialogues will centre around three key themes: social capital, natural capital, and net-zero alignment.

Social capital

We strongly believe that businesses have a responsibility to respect the rights of stakeholders. Globally held laws, standards and perspectives on human rights, workers' rights, community relations, and Indigenous rights and reconciliation reinforce the fact that the values attached to these dimensions of social capital form a strong basis for the functioning of our society—and of business. This year we will continue our longstanding stewardship initiatives across various social capital issues, focusing on human rights in the supply chain, digital rights, human capital, equitable compensation, and equitable access. Companies in focus include **AbbVie**, **JPMorgan Chase**, **Alphabet**, and **Newmont**.

Our top three areas of focus are: impact and dependency assessment, deforestation, and water. Companies in focus include **TD Bank**, **LVMH**, **Amazon**, and **Sony**.

Net-zero alignment

The energy transition continues along its bumpy road and the growing polarization around how best to tackle it is something we will keep a wary eye on this year. The presidential election in the U.S. adds uncertainty around whether the clean energy momentum of the Biden administration's Inflation Reduction Act will continue to be a dominant theme, while in Canada, the political environment has companies wondering which way the regulatory winds will blow. If anything, the constant churn of the climate news cycle just emphasizes the importance of focusing on the most material issues when it comes to climate and driving long-term sustainable and resilient change that sets companies up for the transition. Our top three areas of focus are: net-zero commitments and just transition plans, reducing methane emissions, and responsible mining. Companies in focus include **Enbridge**, **Vestas Wind Systems**, and **AltaGas**.

Natural capital

Natural capital is a global asset that all businesses rely on to one degree or another. The complex array of a company's impacts and/or dependencies on nature creates risks and opportunities. In order to deliver sustainable value for our clients, we continue to build and refine our approach to understanding those risks and helping companies manage them appropriately while taking advantage of opportunities as they arise.

We have identified 11 UN Sustainable Development Goals related to these themes:



Companies in focus

The companies identified below represent the starting point for our 2024 engagements. Typically, as a result of this engagement work and through our ongoing evaluations and holdings analysis, we will engage additional companies on these and other issues as the year progresses. Companies are selected based on multiple criteria, including their connection to our identified themes, our exposure within our investment portfolios, and the materiality of the risk. With respect to their non-financial performance, companies may be ahead of peers, behind them, or in the middle of the pack.

Communication services

Alphabet
Meta Platforms
Tencent Holdings

Consumer discretionary

Amazon
Canadian Tire
Gildan Activewear
LVMH
Magna International
Sony

Consumer staples

DSM-Firmenich
Loblaw Companies
Metro

Energy

Canadian Natural Resources
Enbridge
Suncor Energy

Financials

Bank Central Asia
CIBC
JPMorgan Chase
Scotiabank
Toronto-Dominion Bank

Health care

AbbVie
Roche
UnitedHealth Group

Industrials

Canadian National Railway
GFL Environmental
Mullen Group
Vestas Wind Systems

Information technology

Apple
CGI
Microsoft

Materials

Agnico Eagle Mines
Newmont
Teck Resources

Utilities

AltaGas
NextEra Energy

Talk to your advisor today about how investing responsibly can help you achieve your goals.

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