

Q3 2023

ACTIVE OWNERSHIP REPORT

*Tracking the progress of our corporate engagement
and policy activity*

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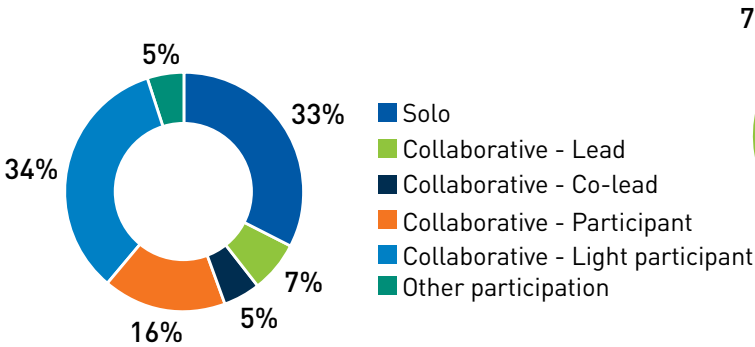
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SUMMARY OF ACTIVITIES

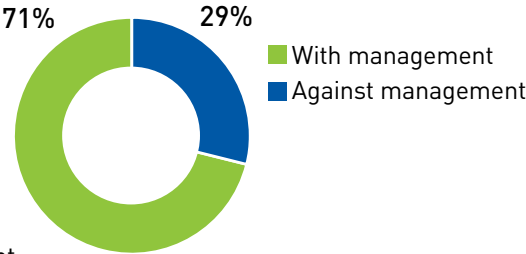
NEI engagement role

We led 45% of our engagements in Q3, meaning that we either conducted the engagements ourselves, or led or co-led a collaborative engagement with other investors. The relatively high number of collaborations where we were a light participant was a result of our support for the Business Benchmark on Farm Animal Welfare outreach that occurred in the quarter, which represented over 37% of our total engagements. Human rights and net-zero alignment were the next two themes we engaged on the most, representing roughly 20% of our dialogues each. Our net-zero engagements covered topics from plastics packaging and circularity to net-zero transition plans, while our human rights dialogues centred on supply chain risks, human rights due diligence and digital rights.



Vote instruction

We voted 74 meetings in the quarter, which is a significant drop from the previous quarter as peak proxy season has passed. We supported management on 71% of the ballot items. The votes against management representing 29% of total ballot items related mostly to concerns on director elections. Only eight shareholder resolutions were on the ballot at five company meetings. We supported five of these resolutions, including one that encouraged FedEx to adopt a paid sick leave policy; one asking the company to produce a report on how its climate efforts promote a just transition; and another asking FedEx to produce a report on climate risk considerations in retirement plan options.

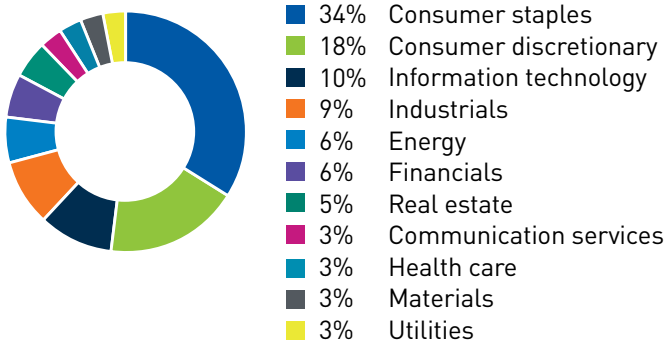


What is active ownership?

Our RI team actively engages the companies in our funds to protect and grow value for investors while influencing accountability to all stakeholders. We talk directly with companies to alert them to environmental, social and governance risks, and we propose solutions that may help them improve. We also vote at annual general meetings on matters such as board appointments, good governance, and shareholder proposals.

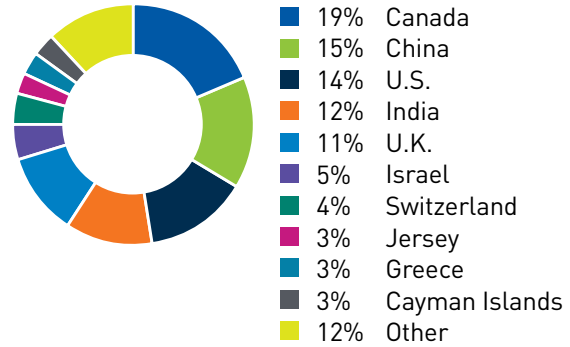
Engagement by sector

The consumer discretionary and consumer staples sectors represented the majority of engagement targets in the quarter, with 52% of engagements with companies from those two sectors. The majority of those engagements were related to farm animal welfare and the Business Benchmark on Farm Animal Welfare, while plastics circularity and human capital were also topics of discussion. The information technology and industrials sectors were the next biggest sectors of focus, with human rights issues such as digital rights and human rights due diligence dominating the information technology dialogues, while engagement with the industrials covered a range of issues from net-zero alignment to business ethics and human rights due diligence.



Votes by country

68% of the meetings voted during the quarter were in international markets, led by meetings in Asia (36%) and Europe (26%). Meetings at North American companies dropped to 32% since we are past peak proxy season. All eight shareholder resolutions voted during the quarter were filed at U.S. companies; five were at FedEx alone.



FOCUS THEME SPOTLIGHT: NATURE

Nature Action 100 tackles investment risks of natural capital depletion

Michela Gregory, Director, Responsible Investing

The critical importance of nature to the world economy is finally being recognized. In fact, it's now understood to be so fundamental, the phrase "natural capital" has been introduced to the investment industry lexicon to give it the relevance it deserves.

“With more than half of the world's GDP reliant on nature and its services, depleting natural capital creates significant operational, regulatory, litigation, and reputational risk for investors and businesses alike, and negative economic repercussions globally. Hundreds of billions of global crop outputs are at risk annually from pollinator loss, posing operational risk for companies sourcing agricultural commodities. According to some estimates, tens of billions of dollars in assets could be at risk of stranding over the next 5 to 10 years if companies continue to produce deforestation-linked commodities.”¹

To help manage these risks to our clients' capital, NEI has joined Nature Action 100, a global engagement initiative with 190 investment firms participating. The initiative was launched in December 2022, and in September this year, the list of 100 companies selected for engagement was announced.² While NEI has expressed interest in being involved with a handful of the engagements, specifics have yet to be determined.

As of June 30, 2023, NEI's portfolio held 44 of the names on the list for total portfolio exposure of almost half a billion dollars, or 4.8%. Many of those companies we already engage with, either on the topic of nature or on other key themes such as net zero, human rights, and inequality. Under the main theme

of nature, our primary focus area for engagement to date has been deforestation. We've spoken with 17 companies on that topic including **Lowe's, Kraft Heinz, Home Depot, Walmart, Kellogg's, and Unilever**, all through collaborative engagements as part of the Finance Sector Deforestation Action. Those companies are also on the Nature Action 100 list.

In our May 2023 article about engaging on biodiversity,³ we explained the objective of our work:

“The objective of our corporate outreach to date has been to establish a baseline for ongoing dialogue with portfolio companies that rely heavily upon, or have a significant impact upon, the natural environment. Among other things, we are asking select companies across a range of sectors how they are assessing their impact, what their dependencies are, and what challenges they are facing. The answers will help us determine which companies are leading and which have a longer way to go.”

We continue to develop a comprehensive framework for assessing investment risks and opportunities tied to the depletion—and protection—of natural capital. With the publication of the recommendations authored by the Taskforce on Nature-related Financial Disclosures in September,⁴ we now have an industry standard designed to guide this project. We look forward to sharing our framework in the coming months, and to working with our sub-advisors to improve the resilience of our investment portfolio through consideration of nature-related factors.

¹ <https://www.natureaction100.org/>.

² <https://www.natureaction100.org/nature-action-100-announces-companies-start-of-investor-engagement-process-to-catalyze-greater-action-on-nature-loss/>.

³ <https://www.neiinvestments.com/insights/laying-the-foundation-of-an-effective-approach.html>.

⁴ <https://tnfd.global/tnfd-publications/>.

PROGRESS REPORT: U.S. BANKS

Sector

Financial services

Focus theme; sub-theme(s)

Net-zero alignment; net-zero commitments and transition plans

Related UN Sustainable Development Goal(s)



Engagement activity

Investor collaboration

Responsiveness

Responsive

Holding status (subject to change without notice)

NEI Global Sustainable Balanced Fund, NEI Global Equity RS Fund, NEI Canadian Equity Fund, NEI Canadian Dividend Fund, NEI U.S. Dividend Fund, NEI Global Total Return Bond Fund

Objective: Encourage U.S. regional banks to push forward on net-zero commitments and share our climate expectations.

We met with three super-regional banks⁵ over the quarter as part of an investor collaboration spearheaded by Ceres and the Interfaith Center on Corporate Responsibility. The investor group is seeking to raise urgency around the topic of net zero at banks, noting that smaller lenders are generally seen as lagging their larger peers in formalizing their commitments.

Climate change poses a material investment risk for banks. While they have relatively low operational carbon footprints, banks have significant financed emissions, i.e., the greenhouse gas emissions they finance through their lending and financing activities. Through this exposure, it is essential that banks integrate climate risks and opportunities in their business strategy. Otherwise, they might be exposed not only to major reputational risks but also to market and credit risks, which would ultimately impact their financial performance. Large lenders in Canada and the U.S. have already made headlines for the financial support they provide to oil and gas companies and other heavy emitters,⁶ and this has the potential to gain material relevance as climate change worsens. Further, if the companies on the receiving end of bank financing are not decarbonizing, the heightened risk of their inaction has the potential to flow back to the lender.

The larger firms we speak with have made net-zero commitments and have started to set interim targets for certain heavy emitting sectors. They have gradually built a system to better understand their clients' climate risk profiles, and some have started targeted client engagements—although even larger firms have work to do in articulating their transition plans.⁷ What we are learning is that smaller banks have barely begun to tackle the problem. They do not necessarily have a structured way to learn what their commercial clients are doing about their carbon emissions and have yet to define their climate expectations. This is one of our key requests of banks—that as a condition of financing, they know how their heavy-emitting clients intend to transition and are monitoring progress.

We do not expect banks to stop lending to heavy emitters. In fact, bank financing to those companies is a necessary component of a successful energy transition. What we do expect is that banks understand the climate-related risks in their loan portfolios and that they manage and disclose their plan on how to transition their clients to net zero. We feel that as it stands, smaller U.S. banks have some catching up to do.

Next steps: While we are pleased with the banks' engagement with the investor group's expectations, we are considering escalating the issue to the boards of the U.S. super-regionals to encourage them to step up their net-zero commitments and actions.

⁵ M&T Bank, Truist Bank, U.S. Bancorp

⁶ Banking on Climate Chaos Fossil Fuel Finance Report 2023: https://www.bankingonclimatechaos.org/wp-content/uploads/2023/08/BOCC_2023_vF.pdf.

⁷ We spoke with Citigroup in the quarter as part of the same collaboration and meet regularly with Canadian lenders on this topic.

PROGRESS REPORT: CIBC

Sector

Financial services

Focus theme; sub-theme(s)

Net-zero alignment; Inequality; Human rights; Nature

Related UN Sustainable Development Goal(s)



Engagement activity

Solo

Responsiveness

Highly responsive

Holding status (subject to change without notice)

NEI Canadian Bond Fund, NEI Canadian Dividend Fund, NEI Fixed Income Pool, NEI ESG Canadian Enhanced Index Fund

Objective: Discuss material risks facing the bank, such as those connected to net-zero alignment and inequality in the context of a rising cost of living.

CIBC reached out to NEI for feedback on what we believe are the near-term material risks facing the bank, the potential financial impacts, and the likelihood of those impacts materializing. The bank regularly assesses its material risks and given the long-standing relationship we have with CIBC, we look forward to this collaborative touchpoint. The issues we raised align with our focus themes.

As with many companies these days, and certainly with all banks, we consider the energy transition and tracking toward net zero to be a high impact concern. Given their critical role in the transition to a low-carbon economy, banks should demonstrate a credible transition plan, take concrete steps in client engagement, and leverage opportunities in sustainable finance. (See page 5 for more on climate-related risks in the banking industry.)

We also highlighted inequality as a material risk, specifically when considering the pay gap between executives and regular employees. This is familiar territory for our conversations with financial institutions, but it has taken on greater urgency in the context of higher inflation and the rising cost of living, making it a high impact issue in our view. We appreciate that CIBC has made wage commitments (minimum \$25/hr by the end of 2025), but we believe the bank (and its peers) should also adopt a cap on executive compensation to address the growing risks of inequalities.

Further, we stressed that we view nature-related risks as being relatively near-term, and that if not addressed, may have a high impact on the bank and its peers. As with the Task Force on Climate-related Financial Disclosures' primary focus on financial materiality, the Taskforce on Nature-related Financial Disclosures also addresses financial materiality in its approach to natural capital analysis. It is important to understand how banks can influence the allocation of capital within their lending portfolios to mitigate nature-related risks and capitalize on opportunities. CIBC has demonstrated the need to tackle these emerging topics and we welcomed the two-way conversation.

We also emphasized the long-running theme of human rights in lending, specifically with the prominent use of artificial intelligence. CIBC further developed its data ethics impact and risk assessment processes in 2022 to minimize bias, and we encouraged them to provide more disclosure on the findings.

Next steps: We will continue to track CIBC's progress on these topics, especially as they enhance their disclosures.

PROGRESS REPORT: STARBUCKS

Sector

Consumer discretionary

Focus theme; sub-theme(s)

Inequality; human capital

Related UN Sustainable Development Goal(s)



Engagement activity

Email correspondence following AGM

Responsiveness

Responsive

Holding status (subject to change without notice)

NEI Global Growth Fund

Objective: Ascertain the company's intentions following the success of a shareholder resolution regarding freedom of association and collective bargaining.

Starbucks responded in Q3 to a letter we sent them as a follow-up to their March AGM, where a shareholder proposal regarding labour practices garnered 52% investor support⁸ (including from NEI). The proposal asked the company to conduct an independent assessment of its practices, as employees sought the right of freedom of association and collective bargaining.

Our analyst team had already flagged Starbucks as stories rolled in about the labour controversies in the lead-up to the AGM. They were facing significant reputational damage that had the potential to erode brand value and negatively impact financial results. The company had been (and continues to be) accused of anti-union behaviour, and ex-CEO Howard Shultz was called to testify before a U.S. Senate committee regarding the matter. The U.S. National Labor Relations Board found Shultz guilty of violating labour laws,⁹ and the company continues to be investigated by the U.S. Department of Labor.¹⁰

The letter we sent informed Starbucks that we had voted in support of the resolution, and included three key follow-up questions: What is the company's short- and medium-term plan to respond to the shareholder proposal? What are the processes in place to respond to labour concerns beyond what's required by regulators? What is the structure of the labour relations team intended to lead that area within the company?

In their response, Starbucks provided information that answered two of the three questions, demonstrating to us they are taking concrete steps to address our concerns and their labour issues at large. They have retained an independent assessor to conduct the review, which is being led by a committee of the board—another positive sign. The company said they expect to make public some key takeaways from the assessment by the end of the year. We responded that we were pleased to see the actions taken, and that we look forward to the results.

Next steps: We will review the public disclosures of the company's independent assessment when they are made available and follow-up accordingly.

⁸ Vote result data from Institutional Shareholder Services.

⁹ <https://www.reuters.com/legal/government/ex-starbucks-ceo-schultz-illegally-threatened-union-supporter-nlr-judge-rules-2023-10-09/>

¹⁰ <https://www.reuters.com/legal/starbucks-must-disclose-spending-response-union-campaign-judge-rules-2023-10-06/>

PROGRESS REPORT: INNERGEX RENEWABLE ENERGY

Sector

Energy

Focus theme; sub-theme(s)

Human rights; human rights in the supply chain

Related UN Sustainable Development Goal(s)



Engagement activity

Solo

Responsiveness

Responsive

Holding status (subject to change without notice)

NEI Clean Infrastructure Fund,

NEI ESG Canadian Enhanced Index Fund

Objective: Discuss the current state of Innergex's oversight of human rights risks in their supply chain.

Innergex Renewable Energy is among the renewable energy companies on our 2023 Focus List that we have identified for engaging on the topic of human rights in the supply chain. They are headquartered in Quebec and are involved in wind, hydroelectric and solar power generation. The conditions of solar manufacturing supply chains have been a growing concern, as some of the world's polysilicon used in solar panels is sourced from the Uyghur region of China, which has been linked to cases of forced labour.¹¹ The headline risk to companies such as Innergex is substantial, and we are encouraging companies to ensure their oversight extends beyond the boardroom to ground-level operations.

The pressure to take accountability for activities throughout the supply chain is high, and has been amplified by the Uyghur Forced Labor Prevention Act that took effect in the U.S. in June 2022.¹² Canada passed Bill S-211, Fighting Against Forced Labour and Child Labour in Supply Chains Act, which comes into effect on January 1, 2024.¹³ These new regulations introduce policy risk that companies have to be prepared for to avoid violations, which could potentially delay projects and hinder operations. We discussed with Innergex how they are implementing solar industry regulations and what they are doing

to manage the risks in their supply chain. We want to know they are instilling a sense of accountability among their employees, and that they are also guiding their suppliers to adopt a similar stance.

Innergex tends to continue to use suppliers they already have a relationship with, which helps them maintain familiarity. These suppliers go through a third-party audit when they are onboarded; they know there is a possibility of random site visits, which speaks to Innergex's commitment to supply chain due diligence. They have a supplier code of conduct, which we view as a baseline governance element, and they are signatory to the Solar Industry Forced Labor Prevention Pledge.¹⁴ Regarding the potential for exposure to Uyghur forced labour in the chain, Innergex says they have a plan to enhance their due diligence process even further.

To encourage responsible mining practices among their raw material suppliers, we recommended that Innergex consider joining the purchasing sector working group through the Initiative for Responsible Mining Assurance. We also discussed their progress on biodiversity, and they said they expect to conduct an assessment of their operations soon.

Next steps: We will continue to follow up with Innergex on their planned human rights due diligence enhancements.

¹¹ <https://enduyghurforcedlabour.org/>

¹² <https://www.cbp.gov/trade/forced-labor/UFLPA>

¹³ <https://laws.justice.gc.ca/eng/acts/F-10.6/index.html>

¹⁴ <https://www.seia.org/sites/default/files/Solar%20Industry%20Forced%20Labor%20Prevention%20Pledge%20Signatories.pdf>

PROGRESS REPORT: DASSAULT SYSTÈMES

Sector

Information technology

Focus theme; sub-theme(s)

Human rights

Related UN Sustainable Development Goal(s)



Engagement activity

Solo

Responsiveness

Responsive

Holding status (subject to change without notice)

NEI Global Growth Fund

Objective: Encourage Dassault to enhance disclosure of their customer due diligence procedures as a way of managing the risk of client misuse of their products.

We met with Dassault Systèmes in September as a follow-up conversation to a letter we sent in February. The company had been named in a report that linked their 3D design software to the Myanmar military.¹⁵ After an internal review, Dassault confirmed in a statement¹⁶ they had not in fact sold their software to the Myanmar military, and that the entities named in the report were not on Dassault's client list.

The story led us to question Dassault about how they consider the potential for misuse of their products by their customers. The risk of significant reputational damage due to lack of oversight in this area is clear, and we wanted to better understand the company's internal controls. They explained the three main tools they use for conducting customer due diligence are export controls, acceptable use policies, and individual case review based on reports of controversial use. These tools allow for coordinated action to help the company prevent adverse human rights impacts.

The company was candid with us and provided examples of their policies in action. They were open to our recommendation that they improve public disclosure, as it appeared to us they had strong procedures in place; we explained it would be helpful to investors if they made that more explicit

in their materials. They were appreciative of the resources we provided related to the management of downstream human rights risks. We pointed them to an industry tool that outlines specific human rights considerations for enterprise software providers, and we supplied public policies from peer companies that include human rights assessments and due diligence procedures.

Downstream human rights impacts of highly sensitive technology applications are a growing risk for companies. For example, surveillance company Clearview AI neglected to protect against the risks to communities impacted by the sale of its faceprint database. The company was sued for violating Illinois state biometric law and was restricted from making its faceprint database available to private entities across the U.S. as part of the settlement.¹⁷ Cases such as this bring to the forefront the legal and operational risks when adequate due diligence is not performed. Business practices and their impact on customers, employees, communities and other stakeholders may have a material financial impact. Not only are litigation costs potentially incurred, a company could lose future orders and revenues.

Next steps: We will look for enhanced disclosure in this area, as the company said they were in the process of reshaping the sustainability section of their annual report.

¹⁵ <https://specialadvisorycouncil.org/2023/01/13-countries-enabling-weapon-manufacture-myanmar/>.

¹⁶ <https://www.3ds.com/newsroom/news-brief/dassault-systemes-statement>.

¹⁷ <https://www.aclu.org/cases/aclu-v-clearview-ai>

SUB-ADVISOR ENGAGEMENT HIGHLIGHTS

Impax Asset Management

The following engagement case study was provided to NEI by Impax Asset Management, sub-advisor to NEI Environmental Leaders Fund and NEI Global Sustainable Balanced Fund. Holdings are subject to change without notice.

Aptiv

Aptiv is a global technology company that develops safer, greener and more connected solutions that enable the future of mobility. The company provides the advanced smart vehicle architecture and the connected mobility ecosystem at the forefront of smarter, automated and autonomous driving, safety, and infotainment.

Topic: Human Capital Management (HCM) and Equity, Diversity & Inclusion (E,D&I)

Engagement objectives

1. Improve understanding of company HCM and E,D&I and risks (achieved)
2. Enhance disclosure of E,D&I data and targets (partially achieved, EEO-1 data disclosed in 2021, pay equity data disclosed in 2022)
3. Improve board diversity (ongoing)

Impax has engaged with Aptiv since 2019 on human capital and E,D&I, among other ESG topics. Initially, our engagements focused on understanding Aptiv's oversight of HCM and E,D&I across the organization, which includes over 180,000 employees globally. During and following from the COVID-19 pandemic, complex global challenges arose, including labour shortages, healthcare crises and access to family and dependent care. Impax engaged with and monitored companies exposed to these challenges, including Aptiv. Our efforts helped us understand how companies were managing risks and signalled that Impax appreciates the importance of these complex issues and highlighted the value of transparency, especially in times of crisis.

Progress and outcomes

As our dialogues have evolved over the years, we have found that Aptiv has made significant strides in establishing mentorship and leadership development programs and in collecting and analyzing E,D&I data. The company published its Employment Information Report data providing a breakdown of its workforce by race/ethnicity and sex in the U.S., provided similar data for its global workforce, and disclosed the results of its gender pay equity analysis. We have also engaged the company on strengthening board gender diversity. The company appointed a third female director to the board in 2021, and as of 2022, board gender diversity reached 30%. Engagement with Aptiv is ongoing, with a particular focus on wage inflation in Mexico (where 80,000 employees are based) and talent recruitment.

POLICY ADVOCACY

Influencing policy development for the benefit of our investors

Jamie Bonham, Head of Stewardship, Responsible Investing

Engagement with domestic and global policymakers and standard-setters has been a core part of NEI's stewardship program for close to 20 years now. The emphasis we've placed on this work is relatively unique in the industry, so what would lead an investment manager to dedicate significant time and resources to this task? It all comes back to our thesis that companies that incorporate best practices around the consideration of environmental, social and governance (ESG) factors have the potential to provide better returns to our investors over the long-term. Our policy work is focused on removing the barriers and systemic challenges that might get in the way of corporate performance, and of us realizing our goal of long-term sustainable value creation.

For example, a foundational challenge for investors seeking to integrate ESG information into their investment process has been a relative lack of data, or more accurately, a lack of *good* data. The absence of standardized, comparable, and most importantly public data leads to market inefficiencies and investor blind spots, as investors must make decisions based on an incomplete picture of corporate performance and strategy. Much of our policy work has been dedicated to addressing this weakness, and we have engaged with numerous governments, regulators, industry associations, voluntary reporting frameworks, and stock exchanges for most of the last two decades on this topic. By many measures, we have been successful.

It would be easy to take the availability of ESG data for granted these days, but a look at the S&P 500 shows how far we have come. In the decade between 2011 and 2021, the number of companies producing a sustainability report went from 20% to 96%.¹⁸ That means we are getting a lot more disclosure on material ESG risks that were previously unmeasured, likely unmanaged, and, for investors, unknown. Much of this improvement came from direct engagement

with companies, but the frameworks and standards that have guided the resulting disclosures have been formed through active engagement with standard-setters.

The fact that we are on the cusp of mandatory climate-related financial disclosure in North American markets is a significant policy win that was hard fought and the result of numerous interventions from investors, including NEI. Our recent submissions to the U.S. Securities Exchange Commission and the Canadian Securities Administrators¹⁹ on their respective proposed mandatory reporting frameworks are the culmination of years of advocacy, where we have highlighted the material nature of climate-related risks and the dearth of adequate disclosures. That the regulators are now proposing that climate-related disclosures be considered alongside traditional financial metrics means investors will be better able to navigate the many climate-related risks and opportunities they face now and in the future, as we will have better data to make our decisions. This is why engaging over policy development and standard-setting is so important to our stewardship program.

Another example would be board diversity. Our thesis, backed by numerous academic and industry studies, is that diverse boards lead to better financial outcomes. There are a host of reasons why this might be the case, and a 2021 study by the Financial Reporting Council and the London Business School Leadership Initiative²⁰ that looked specifically at gender diversity points to various factors, including increased decentralization of decision making, increased likelihood of reaching consensus and better collaboration among board members, and a reduction in overconfidence about the board's problem solving skills, all of which may contribute to higher stock price returns and lower shareholder dissent.

¹⁸ <https://www.ga-institute.com/research/ga-research-directory/sustainability-reporting-trends.html>

¹⁹ For a list of NEI policy submissions from 2018-2022, visit <https://www.neiinvestments.com/responsible-investing/responsible-investing-expertise/program-overview/advocacy-collaboration.html>

²⁰ https://media.frc.org.uk/documents/FRC_Board_Diversity_and_Effectiveness_in_FTSE_350_Companies.pdf

The lack of board-level diversity at Canadian companies is therefore a material concern for investors that could be directly impacting shareholder returns. That is why we have been engaging securities regulators for over 15 years on their role in encouraging greater board diversity for the benefit of investors. In 2015, the Ontario Securities Commission published new rules mandating the disclosure of key gender diversity metrics at the board and management level, including the presence of policies and targets for enhancing gender diversity. This was a substantial policy win that has resulted in greater scrutiny of board practices and overall improvement in gender diversity.

Here we would note the symbiotic nature of our policy work and corporate engagement. The policy developments we seek to influence have enabled us to increase the leverage of our corporate engagement and proxy voting programs with respect to material ESG issues. We have been able to clearly identify laggards, push companies on weak or non-existent strategies and targets, and track progress over the years. It is exactly these kinds of reinforcing synergies that our policy work seeks to create, and which ultimately help us to fully realize our investment thesis.



POLICY HIGHLIGHTS

Focus theme: Human rights

- Provided input to the UN Working Group on Business and Human Rights in response to their consultation on the intersection of investors, ESG and human rights

Focus theme: Inequality

- Provided comments to the Canadian Securities Administrators on the regulator's proposed pathways for enhancing diversity disclosure requirements for issuers to capture diversity characteristics beyond gender

Focus theme: Net-zero alignment

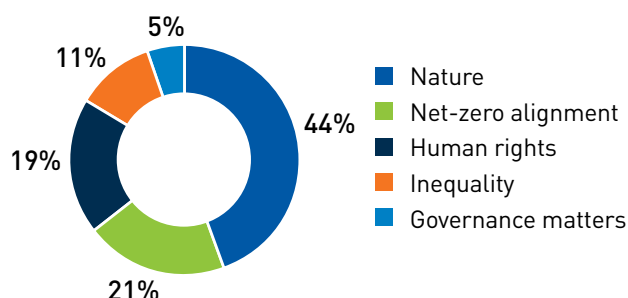
- Met with the Superintendent of the Office of the Superintendent of Financial Institutions (OSFI) to discuss the implications of OSFI Guideline B-15: Climate Risk Management for smaller financial institutions (credit unions), capital impacts and scope 3 measurement

Other

- Provided comments to the Canadian Sustainability Standards Board as it sought input on what Canadian investors believe should be the priority areas of focus for the International Sustainability Standards Board (ISSB) over the next two years
- Provided comments to the ISSB on priority areas of focus over the next two years, highlighting the implementation of existing standards as a top focus area
- Responded to the Canadian Association of Pension Supervisory Authorities' draft guidelines on pension plan risk management, highlighting the importance of incorporating ESG considerations into the investment process as part of a plan administrator's fiduciary duty

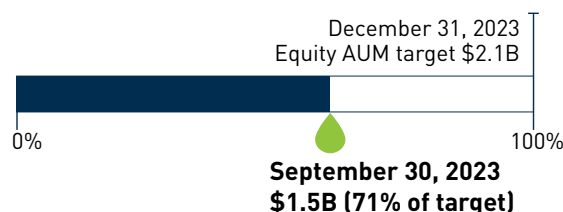
COMPANY ENGAGEMENT LIST

Engagements by focus theme



Progress toward 2023 engagement target

NEI has a goal of engaging companies representing at least 30% of equity assets under management by the end of 2023. As of September 30, 2023, NEI equity AUM was \$7.0B with an engagement target of \$2.1B.



Alphabetical list of companies engaged between July 1 and September 30, 2023

Most companies in the table below were among NEI’s holdings throughout the three-month period. Companies identified as “Not currently held” may have been sold in the period or any prior period, or may never have been owned. Engagement with companies NEI does not own should not be taken as an intent to invest by NEI or its sub-advisors. The list may not be exhaustive. Holding status is subject to change without notice.

Company	Sector	Focus theme	Sub-theme/topic	NEI holdings
Alimentation Couche-Tard	Consumer staples	Nature	Animal welfare	NEI Canadian Dividend Fund
Alphabet	Communication services	Human rights	Human rights due diligence	NEI U.S. Equity RS Fund; NEI Global Sustainable Balanced Fund; NEI Global Equity RS Fund; NEI Canadian Equity RS Fund; NEI Canadian Equity Fund; NEI Global Growth Fund; NEI Canadian Dividend Fund; NEI Global Value Fund; NEI Global Equity Pool
AltaGas	Energy	Net-zero alignment	Net-zero commitments and transition plans	NEI Canadian Small Cap Equity RS Fund; NEI Canadian Equity RS Fund; NEI Fixed Income Pool; NEI ESG Canadian Enhanced Index Fund
Amazon	Consumer discretionary	Nature; Inequality	Water; Human capital; Animal welfare	NEI U.S. Equity RS Fund; NEI Global Sustainable Balanced Fund; NEI Global Equity RS Fund; NEI Global Growth Fund; NEI Global Equity Pool

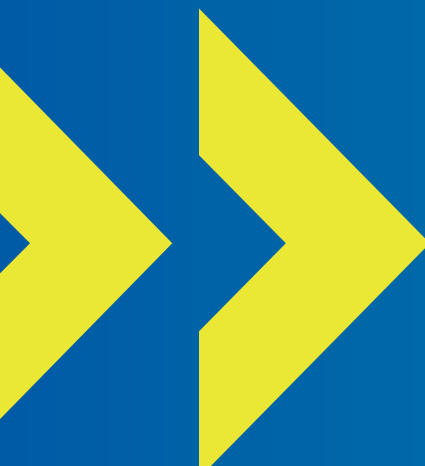
Company	Sector	Focus theme	Sub-theme/topic	NEI holdings
Amdocs	Information technology	Human rights	Digital rights - ethical AI	NEI U.S. Equity RS Fund; NEI Global Equity Pool
Andritz	Industrials	Human rights	Human rights due diligence	NEI Global Equity Pool
Applied Materials	Information technology	Nature	Water	NEI Environmental Leaders Fund
Aritzia	Consumer discretionary	Human rights	Supply chain risks	NEI Canadian Small Cap Equity RS Fund; NEI ESG Canadian Enhanced Index Fund
Ball Corp	Materials	Nature; Net-zero alignment	Impact and dependency assessment; Circularity	NEI Global Sustainable Balanced Fund; NEI Environmental Leaders Fund
Boardwalk Real Estate Investment Trust	Real estate	Human rights	Human rights due diligence	NEI Canadian Small Cap Equity Fund; NEI ESG Canadian Enhanced Index Fund
CAE	Industrials	Governance matters	ESG management and disclosure	NEI Fixed Income Pool
Campbell Soup	Consumer staples	Nature	Animal welfare	NEI Global Dividend RS Fund
Canadian Apartment Properties REIT	Real estate	Human rights	Human rights due diligence	NEI Canadian Dividend Fund; NEI ESG Canadian Enhanced Index Fund
Canadian Imperial Bank of Commerce	Financials	Governance matters	ESG management and disclosure	NEI Canadian Bond Fund; NEI Canadian Dividend Fund; NEI Fixed Income Pool; NEI ESG Canadian Enhanced Index Fund
CGI	Information technology	Human rights; Inequality	Digital rights; Diversity, equity and inclusion	NEI Canadian Equity RS Fund; NEI ESG Canadian Enhanced Index Fund; NEI Canadian Equity Pool; NEI Global Equity Pool
Citigroup	Financials	Net-zero alignment	Net-zero commitments and transition plans	NEI Global Sustainable Balanced Fund; NEI Global Equity RS Fund; NEI Canadian Equity Fund; NEI Global Total Return Bond Fund
Coca-Cola Co	Consumer staples	Net-zero alignment	Circularity	NEI U.S. Equity RS Fund; NEI Global Dividend RS Fund; NEI Global Equity Pool
Compass Group	Consumer staples	Nature	Animal welfare	NEI U.S. Equity RS Fund; NEI Global Equity Pool

Company	Sector	Focus theme	Sub-theme/topic	NEI holdings
Costco	Consumer discretionary	Nature	Animal welfare	NEI Global Equity RS Fund; NEI Canadian Dividend Fund
CrowdStrike Holdings	Information technology	Inequality	Equitable compensation	NEI Global Equity RS Fund
Daimler Trucks FI Canada	Industrials	Governance matters	Business ethics	NEI Fixed Income Pool
Danone	Consumer staples	Net-zero alignment; Nature	Circularity; Animal welfare	NEI International Equity RS Fund; NEI Global Dividend RS Fund
Dassault Systemes	Information technology	Human rights	Human rights due diligence	NEI Global Growth Fund
Delhaize Group	Consumer staples	Nature	Animal welfare	Not currently held
Electronic Arts	Communication services	Inequality	Diversity, equity and inclusion	NEI U.S. Equity RS Fund; NEI Global Dividend RS Fund; NEI Global Equity Pool
Empire Co.	Consumer staples	Nature	Animal welfare	NEI Canadian Equity RS Fund; NEI Growth & Income Fund; NEI Canadian Equity Fund; NEI Canadian Dividend Fund; NEI ESG Canadian Enhanced Index Fund; NEI Canadian Equity Pool
Freehold Royalties	Energy	Net-zero alignment	Net-zero commitments and transition plans	NEI Canadian Small Cap Equity RS Fund; NEI ESG Canadian Enhanced Index Fund
General Electric	Industrials	Human rights	Human rights due diligence	NEI Canadian Equity Fund
General Mills	Consumer staples	Nature	Animal welfare	NEI U.S. Equity RS Fund; NEI Global Equity RS Fund; NEI Global Dividend RS Fund
GFL Environmental	Industrials	Net-zero alignment	Net-zero commitments and transition plans	NEI Growth & Income Fund; NEI Canadian Equity Fund; NEI ESG Canadian Enhanced Index Fund
Henry Schein	Health care	Inequality	Equitable access	NEI Global Dividend RS Fund
Hershey Co	Consumer staples	Nature	Animal welfare	NEI Global Dividend RS Fund
Hormel Foods	Consumer staples	Nature	Animal welfare	Not currently held

Company	Sector	Focus theme	Sub-theme/topic	NEI holdings
Innergex Renewable Energy	Utilities	Human rights; Nature	Supply chain risks; Impact and dependency assessment	NEI Clean Infrastructure Fund; NEI ESG Canadian Enhanced Index Fund
Inner Mongolia Yili Industrial Group	Consumer staples	Nature	Animal welfare	NEI Emerging Markets Fund
InterRent Real Estate Investment Trust	Real estate	Human rights	Human rights due diligence	NEI Canadian Small Cap Equity Fund; NEI ESG Canadian Enhanced Index Fund
J.B. Hunt Transport Services	Industrials	Net-zero alignment	Net-zero commitments and transition plans	NEI Global Dividend RS Fund
Jeronimo Martins	Consumer staples	Nature	Animal welfare	NEI Global Equity Pool
Kerry Group	Consumer staples	Nature	Animal welfare	NEI International Equity RS Fund
Keurig Dr Pepper	Consumer staples	Net-zero alignment	Circularity	NEI Global Dividend RS Fund; NEI U.S. Dividend Fund
Killam Apartment REIT	Real estate	Human rights	Human rights due diligence	NEI ESG Canadian Enhanced Index Fund
Kingfisher	Consumer discretionary	Nature	Deforestation	Not currently held
Kraft Heinz Co	Consumer staples	Nature	Animal welfare	NEI Global Sustainable Balanced Fund
Kroger Co	Consumer staples	Nature	Animal welfare	NEI Canadian Dividend Fund; NEI U.S. Dividend Fund
Loblaw Cos	Consumer staples	Nature	Animal welfare	NEI Canadian Equity RS Fund; NEI Fixed Income Pool; NEI ESG Canadian Enhanced Index Fund; NEI Global Equity Pool
LVMH Moët Hennessy Louis Vuitton	Consumer discretionary	Human rights	Supply chain risks	NEI International Equity RS Fund
LyondellBasell Industries	Materials	Net-zero alignment	Circularity	NEI U.S. Equity RS Fund
M&T Bank Corp.	Financials	Net-zero alignment	Net-zero commitments and transition plans	NEI Global Equity RS Fund; NEI U.S. Dividend Fund

Company	Sector	Focus theme	Sub-theme/topic	NEI holdings
Maple Leaf Foods	Consumer staples	Nature	Animal welfare	NEI ESG Canadian Enhanced Index Fund
McDonald's	Consumer discretionary	Nature	Animal welfare	NEI Global Dividend RS Fund
MEIJI Holdings Co	Consumer staples	Nature	Animal welfare	Not currently held
Metro	Consumer staples	Net-zero alignment; Nature	Circularity; Animal welfare	NEI Canadian Equity RS Fund; NEI Global Dividend RS Fund; NEI Canadian Dividend Fund; NEI ESG Canadian Enhanced Index Fund; NEI Canadian Equity Pool
Microsoft	Information technology	Human rights	Digital rights	NEI U.S. Equity RS Fund; NEI Global Equity RS Fund; NEI Global Dividend RS Fund; NEI Environmental Leaders Fund; NEI Canadian Dividend Fund; NEI Global Equity Pool
Nestlé	Consumer staples	Nature	Deforestation; Animal welfare	NEI Global Equity RS Fund; NEI International Equity RS Fund; NEI Global Equity Pool
Norfolk Southern	Industrials	Governance matters	Business ethics	NEI Global Sustainable Balanced Fund
Novo Nordisk	Health care	Inequality	Equitable access	NEI Global Equity RS Fund; NEI International Equity RS Fund; NEI Global Equity Pool
NXP Semiconductor	Information technology	Human rights	Russia sanctions alignment	NEI Global Sustainable Balanced Fund
O'Reilly Automotive	Consumer discretionary	Inequality	Human capital	NEI U.S. Equity RS Fund; NEI Global Equity RS Fund; NEI Global Dividend RS Fund; NEI Global Equity Pool
Pembina Pipeline	Energy	Human rights; Net-zero alignment	Indigenous rights; Net-zero commitments and transition plans	NEI Canadian Bond Fund; NEI Canadian Dividend Fund; NEI Fixed Income Pool; NEI ESG Canadian Enhanced Index Fund
PepsiCo	Consumer staples	Nature	Access to Nutrition Index	NEI Global Dividend RS Fund; NEI U.S. Dividend Fund
Restaurant Brands International	Consumer discretionary	Nature	Animal welfare	NEI Canadian Dividend Fund; NEI ESG Canadian Enhanced Index Fund; NEI Canadian Equity Pool
Saputo	Consumer staples	Nature	Animal welfare	NEI ESG Canadian Enhanced Index Fund; NEI Canadian Equity Pool
Sodexo	Consumer discretionary	Nature	Animal welfare	NEI International Equity RS Fund

Company	Sector	Focus theme	Sub-theme/topic	NEI holdings
Starbucks	Consumer discretionary	Inequality; Nature	Human capital; Animal welfare	NEI Global Growth Fund
Suncor Energy	Energy	Net-zero alignment	Net-zero commitments and transition plans	NEI Canadian Bond Fund; NEI Canadian Dividend Fund; NEI Fixed Income Pool; NEI ESG Canadian Enhanced Index Fund
Superior Plus	Utilities	Net-zero alignment	Net-zero commitments and transition plans	NEI Growth & Income Fund; NEI Canadian Equity Fund; NEI Canadian Dividend Fund; NEI ESG Canadian Enhanced Index Fund
Sysco	Consumer staples	Nature	Animal welfare	NEI Global Dividend RS Fund; NEI U.S. Dividend Fund
Target	Consumer discretionary	Nature	Animal welfare	NEI U.S. Dividend Fund
Tencent Holdings	Information technology	Human rights	Digital rights	NEI Emerging Markets Fund
Tesla	Consumer discretionary	Inequality	Human capital	NEI Global Growth Fund
Truist Financial Corp	Financials	Net-zero alignment	Net-zero commitments and transition plans	NEI U.S. Dividend Fund
U.S. Bancorp	Financials	Net-zero alignment	Net-zero commitments and transition plans	NEI Canadian Dividend Fund; NEI U.S. Dividend Fund
Unilever	Consumer staples	Nature	Animal welfare	NEI U.S. Dividend Fund
Vermilion Energy Trust	Energy	Net-zero alignment	Net-zero commitments and transition plans; Reducing methane emissions	NEI ESG Canadian Enhanced Index Fund
Walmart	Consumer staples	Inequality; Nature	Human capital; Animal welfare	NEI U.S. Equity RS Fund; NEI Global Equity Pool
Whitbread	Consumer discretionary	Nature	Animal welfare	NEI Global Impact Bond Fund
Yum! Brands	Consumer discretionary	Nature	Animal welfare	NEI Global High Yield Bond Fund



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