

FOCUS LIST 2023



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

NEI

Our goal is to protect shareholder value while advocating for companies' accountability to all stakeholders. We believe the most effective way to achieve that goal is by exercising our rights as shareholders using three powerful tools: corporate dialogue, proxy voting, and shareholder proposals. These tools make up our active ownership program.

For 2023, NEI's corporate dialogues will centre around four key themes:

1. Human rights

We firmly believe there is an onus on businesses to integrate respect for human rights into their operations. Our discussions this year will be focused on two main areas: human rights in the supply chain, and digital rights. Companies in focus include **Alphabet, Apple, and Meta Platforms.**

2. Inequality

Inequality takes on different dimensions as it cuts across sectors in various ways. Over the years this systemic issue has required us to use the full suite of tools available to us as responsible investors. This year we will emphasize four core issues: human capital; diversity, equity and inclusion; equitable compensation; and equitable access. Companies in focus include **AbbVie, Johnson & Johnson, and JPMorgan Chase.**

3. Net-zero alignment

Last year was, to say the least, a tumultuous one for the energy transition, with war, precedent-setting climate legislation, and extreme weather events. Our core topics are net-zero commitments and transition plans, reducing methane emissions, circularity, and mitigating supply chain impacts. Companies in focus include **AltaGas, Canadian Natural Resources, and NextEra Energy.**

4. Nature

Our society has done a poor job acknowledging the value of natural capital, and of managing it. Over the past few years NEI has placed greater focus on nature and biodiversity in our approach to active ownership, so that we can have a positive influence on this growing area of concern. Our core topics for 2023 are impact and dependency assessment, and deforestation. Companies in focus include **Bank Rakyat Indonesia, Canadian Tire, and Taiwan Semiconductor.**

We have identified nine related UN Sustainable Development Goals:



Companies in focus

The companies identified below represent just the starting point for our 2023 engagements. Typically, as a result of this engagement work and through our ongoing ESG evaluations and holdings analysis, we will engage additional companies on these and other ESG issues as the year progresses. Companies are selected based on multiple criteria, including their connection to our identified themes, our exposure within our investment portfolio, the materiality of the ESG risk, and the company's ESG standing as determined by our evaluation process.

When a company appears on our list it does not necessarily mean they are behind their peers on ESG issues. In fact, the opposite may be true—some companies on our list we consider to be leaders in certain areas. We engage them to support and contribute to their ongoing improvement, and to encourage them to help facilitate positive change within their respective industries.

Communication Services

- Alphabet
- Electronic Arts
- Meta
- Tencent Holdings

Consumer Discretionary

- Amazon
- Canadian Tire
- Lowe's
- Magna International

Consumer Staples

- Empire Company
- Loblaw Companies
- Metro
- Saputo

Energy

- Canadian Natural Resources
- Enbridge
- Shell
- Suncor Energy

Financials

- Bank Rakyat Indonesia
- JPMorgan Chase
- Royal Bank of Canada
- Scotiabank
- Toronto-Dominion Bank

Health Care

- AbbVie
- Johnson & Johnson
- Roche

Industrials

- Canadian National Railway
- GFL Environmental
- Waste Management

Information Technology

- Apple
- CGI
- Microsoft
- Taiwan Semiconductor

Materials

- Agnico Eagle Mines
- Koninklijke
- Linde
- Nutrien
- Winpak

Real estate

- SmartCentres Real Estate Investment Trust

Utilities

- AltaGas
- American Waterworks
- NextEra Energy

Talk to your advisor today about how responsible investment solutions from NEI can help you achieve your goals.

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