



Every year on behalf of Ethical Funds' investors, the NEI Investments ESG Services team produces a Focus List. This list identifies companies that we target to encourage the adoption of sustainable and positive environmental, social and governance practices.

Companies listed here as part of our Corporate Engagement Program Report may or may not be held in Ethical Funds at this specific time. To confirm if a company listed is currently held in Ethical Funds please contact your Sales Representative.

Company	Company Overview	ESG Issues	Dialogue Update	Funds*
Energy				
Suncor	Suncor Energy Inc. is Canada's largest integrated energy company, focused on development of the Athabasca oil sands. www.suncor.com	<ul style="list-style-type: none"> Oil sands GHG emissions, climate policy and energy transition Unburnable carbon and stranded assets Oil-by-rail safety 	<p>In September 2015 we met with the company to resume our dialogue on innovation strategy and follow up on the idea of a company-supported shareholder proposal on carbon strategy and disclosure. The company reiterated its commitment to an innovation strategy, and did not envision budget cuts in an area that was seen as core to the long-term viability of the company: instead, it was continuing to build expertise and staffing. We expressed support for the exploration of long-term diversification opportunities.</p> <p>The executive leadership team had been involved in a carbon risk review and key players had been briefed on the concept of company-supported shareholder proposals on climate matters. The company was working on finalizing its next set of environmental targets, which would likely contain a target on GHG emissions. The company agreed to discussions on the idea of a company-supported resolution as the filing deadline approached.</p> <p>We raised crude-by-rail for the first time with Suncor, explaining that we were coordinating a cross-border collaborative engagement on this topic focusing on both shippers and carriers of crude. Suncor did not ship its own equity crude by rail, but received shipments of oil produced by other companies at its Montreal refinery. The company had recently created a new role focusing on rail business and was implementing a new management standard to address key risks.</p>	Ethical Canadian Equity Fund
Materials				
Agrium	Agrium is a global agricultural products and services company producing and marketing three critical crop nutrients: potash, nitrogen and phosphate. www.agrium.com	<ul style="list-style-type: none"> Respecting human rights 	<p>Following up on our 2014 participation in a collaborative engagement on human rights risks related to sourcing from the disputed territory of Western Sahara, we supported a shareholder proposal on human rights risk assessment at the 2015 Agrium AGM. We were also able to support Agrium's executive compensation plan, based on pay-for-performance alignment, and explicit linkages between pay and ESG performance.</p>	Ethical Canadian Equity Fund

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			<p>We wrote to the board in September 2015 to provide feedback on our proxy voting at the 2015 AGM. We outlined our rationale for supporting the human rights shareholder proposal. We also commended the company for its strategy and performance on board diversity, while querying its approach on diversity targets. The company indicated it would respond to our letter.</p> <p>In September 2015, we attended Agrium's stakeholder panel and provided feedback on the company's sustainability materiality assessment. We highlighted the importance of diversity, product stewardship, climate change and human rights.</p>	
Teck	<p>Teck is Canada's largest diversified resource company, producing metallurgical coal, copper, zinc and energy.</p> <p>www.teck.com</p>	<ul style="list-style-type: none"> • GHG emissions and climate policy • Responsible water use • Respecting human rights 	<p>In July 2015 we participated in a feedback session on the effectiveness and ease of use of Teck's sustainability disclosures. We gave our perspective on the issues that we considered most material and how we would prefer to see them disclosed.</p>	
Healthcare & Pharmaceuticals				
Baxalta	<p>Baxalta Incorporated is a U.S. biopharmaceutical company.</p> <p>www.baxalta.com</p>	<ul style="list-style-type: none"> • Clinical trials transparency 	<p>This dialogue was added for 2015 in response to recent portfolio changes and emerging ESG risks and opportunities.</p> <p>We had earlier joined a global investor collaboration on clinical trials transparency – an important measure to promote safer and more effective drug development and usage, and ensure the continuing confidence and cooperation of volunteer trial participants. In July 2015 one of the companies targeted for dialogue, Baxter International, spun off its biopharmaceutical division into a separate corporate entity, Baxalta. Given Baxalta's focus on biopharmaceuticals, we felt clinical trials transparency to be especially relevant. As such, we wrote to the company in September 2015 to explain the perspective of the collaboration on the importance of clinical trials transparency, and invited Baxalta to begin a dialogue.</p>	Ethical Global Dividend Fund
Baxter International	<p>Baxter International Inc. is a U.S. healthcare company producing medical devices, pharmaceuticals and biotechnology.</p> <p>www.baxter.com</p>	<ul style="list-style-type: none"> • Compensation linked to ESG performance • Clinical trials transparency 	<p>We joined a global investor collaboration on clinical trials transparency – an important measure to promote safer and more effective drug development and usage, and ensure the continuing confidence and cooperation of volunteer trial participants. We wrote to Baxter International in July 2015 in support of this collaboration and to follow-up on our earlier letter. We outlined the perspective of the collaboration on the importance of clinical trial transparency and invited engagement. The company had recently spun off its biopharmaceuticals division into a separate corporate entity, Baxalta, which substantially reduced its exposure to the clinical trials issue. Nevertheless, the company indicated that it was open to dialogue.</p>	Ethical Global Dividend Fund

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Johnson & Johnson	Johnson & Johnson is an American multinational medical devices, pharmaceutical and consumer packaged goods manufacturer founded in 1886. www.jnj.com	<ul style="list-style-type: none"> Clinical trials transparency Business ethics 	<p>Following up on our earlier letter, we met with Johnson & Johnson in August 2015 as part of the global investor collaboration on clinical trial transparency. J&J discussed its commitment to clinical trial transparency and its pioneering efforts to make clinical trial data available systematically through its agreement with the Yale School of Medicine's Open Data Access (YODA) project. The company explained that it had an internal audit and compliance assurance system in place to identify data sharing gaps. We asked J&J to consider taking a further leadership step by signing the AllTrials petition, thereby making a public commitment to clinical trial transparency. The company indicated it would take our input into consideration. We discussed the challenges faced by long-established companies seeking to define parameters for transparency on historical trials.</p> <p>We joined ICCR's initiative to engage the pharmaceutical industry on the newly-adopted UN Sustainable Development Goals, writing to companies including J&J inviting dialogue on how they are aligning business strategy with the goal "Attain healthy lives for all at all ages."</p>	<p>Ethical American Multistrategy Fund</p> <p>Ethical Global Dividend Fund</p> <p>Ethical Global Equity Fund</p>
Novo Nordisk	Novo Nordisk is a global healthcare company headquartered in Denmark. www.novonordisk.com	<ul style="list-style-type: none"> Clinical trials transparency 	<p>This dialogue was added during 2015 in response to emerging ESG risks and opportunities.</p> <p>We continued to participate in a global investor collaboration on clinical trial transparency – an important measure to promote safer and more effective drug development and usage, and ensure the continuing confidence and cooperation of trial volunteers. The collaboration wrote to Novo Nordisk to share our perspective on the importance of clinical trial transparency and inviting dialogue. The company indicated openness to discussing the issue.</p>	<p>Ethical International Equity Fund</p>
Roche	Roche is a global healthcare company, headquartered in Switzerland. www.roche.com	<ul style="list-style-type: none"> Business ethics 	<p>This dialogue was added during 2015 in response to emerging ESG risks and opportunities.</p> <p>We joined ICCR's initiative to engage the pharmaceutical industry on the newly-adopted UN Sustainable Development Goals, writing to companies including Roche inviting dialogue on how they are aligning business strategy with the goal "Attain healthy lives for all at all ages."</p>	<p>Ethical Global Equity Fund</p> <p>Ethical International Equity Fund</p>
Sanofi	Sanofi is a global healthcare company headquartered in France. www.sanofi.com	<ul style="list-style-type: none"> Business ethics 	<p>This dialogue was added during 2015 in response to emerging ESG risks and opportunities.</p> <p>We joined ICCR's initiative to engage the pharmaceutical industry on the newly-adopted UN Sustainable Development Goals, writing to companies including Sanofi inviting dialogue on how they are aligning business strategy with the goal "Attain healthy lives for all at all ages."</p>	<p>Ethical Global Equity Fund</p> <p>Ethical International Equity Fund</p>

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IT & Telecommunications				
Mitel	<p>Mitel is a multinational corporation specializing in business communications technology, including phone systems, on-site and cloud-based collaboration and contact center solutions. Mitel is headquartered in Ottawa, Canada.</p> <p>www.mitel.com</p>	<ul style="list-style-type: none"> • GHG emissions and climate policy • Respecting privacy and human rights • Board diversity • Enhancing ESG disclosure 	<p>We wrote to Mitel in August 2015 to provide feedback on our proxy voting at the 2015 AGM. We encouraged Mitel to consider ways it could enhance board independence and effectiveness, within the parameters of its current agreements with significant shareholders. We explained how the absence of board diversity affected our voting in director elections and encouraged the company to take the opportunity provided by the new diversity disclosure requirements to give investors more insight into the nomination process. We urged Mitel to prioritize development of a board diversity policy with explicit goals for the recruitment of director candidates who would contribute to diversity. We also encouraged the company to introduce a say-on-pay vote, to give shareholders a more nuanced way to express concerns about executive compensation than withholding their vote from compensation committee members. The company responded that it would consider our input and indicating its openness to dialogue.</p>	Ethical Special Equity Fund
Telecommunication Services				
Manitoba Telecom	<p>Manitoba Telecom Services, or MTS, is the primary telecommunications carrier in the Canadian province of Manitoba and the fourth largest telecommunications provider in Canada.</p> <p>www.mts.ca</p>	<ul style="list-style-type: none"> • GHG emissions and climate policy • Respecting privacy and human rights • Enhancing ESG disclosure 	<p>We met with Manitoba Telecom in August 2015 to provide feedback on its most recent Corporate Social Responsibility Report and Transparency Report, and to continue our dialogue on cybersecurity.</p> <p>We commended MTS for upgrading its CSR reporting and making significant enhancements in its materiality stakeholder engagement process. We encouraged the company to consider adding targets and trend lines in future reporting. We confirmed that the target of reducing GHG emissions 20% by 2020 was still in place.</p> <p>Through the Transparency Report, the company voluntarily discloses how it responds to requests for customer information from government and law enforcement agencies. We discussed whether civil society rankings of data privacy transparency fully reflected MTS' performance in this area.</p> <p>Cybersecurity, including how boards are addressing the governance of cyber risk, is an emerging ESG issue across all sectors where companies collect and handle personal data. Following up on our conversation in May 2015, we discussed MTS' approach to cyber governance and risk management, as well as the importance of building a "safety culture" on cyber issues. The company would consider how this area of risk mitigation could be addressed in disclosure.</p>	Ethical Special Equity Fund

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Consumer				
Coca Cola	<p>The Coca-Cola Company is an American multinational beverage corporation and manufacturer, retailer and marketer of non-alcoholic beverage concentrates and syrups.</p> <p>www.coca-cola.com</p>	<ul style="list-style-type: none"> • Access to nutrition • Equitable compensation linked to ESG performance 	<p>In August 2015, Coca-Cola announced it is on track to meet the company's 100% water replenishment goal by 2020. The company has implemented programs to return water to communities and nature equivalent to the amount of water removed for finished beverages and used in the manufacturing process.</p> <p>In September 2015, we met with Coca-Cola as part of an ICCR collaborative engagement to continue dialogue on nutrition issues. We discussed the company's approach to managing the risk associated with changing consumer beverage preferences. We shared perspectives on nutrition target-setting trends in the beverage industry, and it was clear that the company was monitoring initiatives by industry peers. It described some of the challenges of global target-setting on environmental and nutrition issues, given the independent corporate status of bottling partners.</p> <p>Coca-Cola had recently faced controversy relating to the company's funding of scientists, institutions and organizations researching diet, diet-related disease, exercise, nutrition, and healthy eating. The CEO had spoken out publicly on the need to do better. We asked the company to explain how it planned to provide stakeholders with transparent information about the funding of scientific research. The company indicated that it was taking steps to improve disclosure and practice in the funding of nutrition-related research.</p>	<p>Ethical American Multistrategy Fund</p> <p>Ethical Global Equity Fund</p>
Empire	<p>Empire Company Limited is a Canadian conglomerate engaged mostly in food retail and corporate investments. The company is headquartered in Stellarton, Nova Scotia. Empire owns the Sobeys supermarket chain.</p> <p>www.empireco.ca</p>	<ul style="list-style-type: none"> • GHG emissions and climate policy • Food system sustainability & access to nutrition • Enhancing ESG disclosure 	<p>We met with Empire in July 2015 to discuss ESG disclosure, responsible sourcing, carbon disclosure and climate policy, and access to nutrition.</p> <p>We discussed next steps in the development of the company's ESG reporting capability. We also shared perspectives on emerging investor expectations in the area of responsible food sourcing. We asked the company to enhance public disclosure of targets associated with the "Better Food for All" nutrition campaign, in line with peer companies.</p> <p>In addition, we briefed the company on climate policy initiatives emerging in the run-up to the Paris climate conference, including the work of the Ecofiscal Commission.</p>	<p>Ethical Canadian Equity Fund</p> <p>Ethical Special Equity Fund</p>

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Loblaw	<p>Loblaw Companies Limited is Canada's largest food retailer and a leading provider of drugstore, general merchandise and financial products and services.</p> <p>www.loblaw.ca</p>	<ul style="list-style-type: none"> • GHG emissions and climate policy • Food system sustainability & access to nutrition • Sustainable apparel supply chains • Enhancing ESG disclosure 	<p>We met with Loblaw in July 2015 to discuss ESG disclosure, supply chain risk, climate policy positions and food system sustainability initiatives. We encouraged the company to consider reporting in line with the new GRI guidelines. We also followed up on questions raised in the April 2015 letter from the ICCR collaboration on Bangladesh apparel factory safety. The company indicated that remediation of factory buildings under the Bangladesh Accord had been progressing.</p> <p>We discussed climate policy, with reference to the work of the Ecofiscal Commission. The company indicated that climate change was a growing concern that was receiving senior management attention, and described its ongoing initiatives to reduce energy use and carbon emissions.</p> <p>We briefed the company on our involvement in an international collaboration in support of the Business Benchmark on Farm Animal Welfare. We discussed the company's animal welfare initiatives, including consultation with experts and efforts to encourage industry-wide action.</p>	<p>Ethical Balanced Fund</p> <p>Ethical Canadian Equity Fund</p>
Lululemon Athletica	<p>Lululemon Athletica Inc. is a yoga-inspired athletic apparel company, which produces a clothing line and runs international clothing stores from its base in Vancouver.</p> <p>www.lululemon.com</p>	<ul style="list-style-type: none"> • GHG emissions and climate policy • Sustainable apparel supply chains • Enhancing ESG disclosure 	<p>We corresponded further with Lululemon in July, August and September 2015. Because of reorganization among the company's sustainability staff, we agreed that it would be more effective to meet later in the year.</p>	<p>Ethical Global Equity Fund</p>
Nestlé	<p>Nestlé is a global nutrition and health company, headquartered in Switzerland.</p> <p>www.nestle.com</p>	<ul style="list-style-type: none"> • Food system sustainability 	<p>We met with Nestlé as part of the collaborative engagement to learn more about the company's management of human rights and labour issues in the cocoa supply chain. The company described its involvement with CocoaAction and the initiatives the cocoa industry is implementing to address child labour concerns. The company also described its public commitments to scale up the Nestlé Cocoa Plan and create systems to monitor on child labour and remediation plans.</p>	<p>Ethical Global Equity Fund</p> <p>Ethical International Equity Fund</p>

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Unilever	Unilever is a multinational consumer goods company for food, beverages, household and personal care products, co-headquartered in the Netherlands and the UK. www.unilever.com	<ul style="list-style-type: none"> Food system sustainability 	We joined a collaborative engagement meeting with Unilever to learn about the company's first report on human rights based on the UN Guiding Principles Reporting Framework.	Ethical Global Dividend Fund
Yum Brands	Yum Brands is one of the world's largest restaurant companies, with brands including KFC, Pizza Hut and Taco Bell. www.yum.com	<ul style="list-style-type: none"> Food system sustainability and access to nutrition 	Taking over the lead for the collaborative engagement organized through ICCR, we wrote to the board of Yum Brands in July 2015, asking for improved disclosure on the company's CSR governance structure. We also outlined our perspective on the importance of participation in industry initiatives on marketing to vulnerable populations, such as children. The company responded to our letter in September 2015, encouraging investors to continue engagement.	Ethical American Multistrategy Fund Ethical Global Equity Fund
Industrial				
Black Diamond Group	Black Diamond Group provides modular buildings, remote accommodation and energy services. www.blackdiamondlimited.com	<ul style="list-style-type: none"> Board diversity 	We wrote to Black Diamond in September 2015 to provide feedback on our proxy voting at the 2015 AGM. We encouraged the company to consider ways in which it could enhance board independence and effectiveness. We explained how the absence of board diversity affected our voting in director elections, shared our perspective on the value of diversity, and urged the company to set goals for the recruitment of director candidates who would contribute to diversity. We also encouraged the company to introduce a say-on-pay vote, to give shareholders a more nuanced way to express concerns about executive compensation than withholding their vote from compensation committee members.	Ethical Special Equity Fund
Boyd Group	Boyd Group is the largest operator of non-franchised collision repair centres in North America. www.boydgroup.com	<ul style="list-style-type: none"> Board diversity 	We wrote to Boyd Group in September 2015 to provide feedback on our proxy voting at the 2015 AGM. We commended the company for its first steps in recruiting directors that would contribute to board diversity, and encouraged it to introduce a formal diversity policy with timelines and targets. We also encouraged the company to introduce a say-on-pay vote, to give shareholders a more nuanced way to express concerns about executive compensation than withholding their vote from compensation committee members.	Ethical Balanced Fund

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CN Rail	The Canadian National Railway Company, headquartered in Montreal, serves Canada and the Midwestern and Southern United States. www.cn.ca	<ul style="list-style-type: none"> • GHG emissions and climate policy • Oil-by-rail safety 	<p>In July 2015 CN responded to our earlier letter, further clarifying its crude-by-rail risk mitigation strategies in terms of infrastructure improvements, tank car upgrading, product classification, and cross-sectoral collaboration. CN indicated its openness to continued dialogue on this topic.</p> <p>In September 2015, we wrote to the board to explain the rationale for our voting decisions at the 2015 AGM. We commended the company's strong diversity policy, clear targets and significant representation of women on the board. We were once again able to vote for the executive compensation plan, noting that the company appeared to have addressed previous concerns that performance targets associated with compensation might not be sufficiently ambitious. We encouraged the company to adopt specific safety metrics within the compensation framework to further incentivize safety performance.</p>	Ethical Canadian Equity Fund
Joy Global	Joy Global manufactures and markets equipment, parts and services for the mining industry. www.joyglobal.com	<ul style="list-style-type: none"> • Board diversity • Climate disclosure 	<p>We wrote to the board of Joy Global in September 2015 to provide feedback on our proxy voting decisions at the 2015 AGM. We outlined how the absence of gender diversity among director nominees had affected our voting, and encouraged the company to consider the correlation between board diversity and corporate performance. We urged the company to enhance its climate disclosure, explaining that the lack of response to earlier engagement approaches on this topic had led to the withholding of our vote for the chair of the board.</p> <p>This dialogue was paused in response to portfolio changes.</p>	
Norfolk Southern	The Norfolk Southern Railway Company, headquartered in Norfolk, Virginia, serves the Eastern United States. www.nscorp.com	<ul style="list-style-type: none"> • Oil-by-rail safety 	<p>This dialogue was added during 2015 in response to portfolio changes.</p> <p>In July 2015, we wrote to Norfolk Southern to initiate dialogue on the company's crude-by-rail safety management, as part of the collaborative engagement coordinated through ICCR. In August, we sent the company a detailed list of investor questions, and the company indicated it would be willing to meet to discuss how it could improve public disclosure of its crude-by-rail safety efforts in its CSR report.</p>	Ethical American Multistrategy Fund Ethical Global Equity Fund
Union Pacific	The Union Pacific Railroad, headquartered in Omaha, Nebraska, serves 23 states in the United States, west of Chicago and New Orleans. www.up.com	<ul style="list-style-type: none"> • Oil-by-rail safety 	<p>This dialogue was added during 2015 in response to portfolio changes.</p> <p>In August 2015, we joined an ICCR collaborative engagement meeting with Union Pacific to discuss the company's crude-by-rail risk mitigation strategies, and to understand its perspective on recent regulatory developments. We learned more about the company's safety management system, including infrastructure improvements, safety inspections, routing analysis, risk prioritization, speed reduction, and employee training. We urged the company to make further efforts to mitigate the risks associated with crude-by-rail, and to improve disclosure on its exposure to this line of business.</p>	Ethical American Multistrategy Fund Ethical Global Equity Fund

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Financials				
Royal Bank of Canada	Royal Bank is Canada's largest company by market capitalization, providing personal and commercial banking, wealth management services, insurance, investor services and capital markets products and services on a global basis. www.rbc.com	<ul style="list-style-type: none"> • GHG emissions, climate policy and energy transition • Elimination of cluster munitions • Preventing tax base erosion • Equitable compensation 	In September 2015 we wrote to RBC to provide feedback on our proxy voting at the 2015 AGM. We shared our perspective on interlocking directorships, and commended the company for clear targets and strong performance in promoting diversity on the board of directors. We explained the basis on which we had been able to support the executive compensation package, while querying the extent to which performance targets represented "stretch" over previous years. We encouraged the bank to build on earlier initiatives in equitable compensation by disclosing the specific vertical pay comparison metrics that had been adopted, the trends they revealed, and how they had influenced decision-making. We also commented positively on initiatives to moderate the pay and future pensions of the new CEOs at RBC at other banks where there had been leadership succession over the past year.	

Collaborative Engagement

- We continued to collaborate with other investors to advance engagement on climate change and the energy transition, in the run-up to the Paris Climate Conference:
 - We were signatory to a letter to companies that are members of the U.S. Chamber of Commerce, asking them to address any misalignment between their own corporate positions on climate change and that of the Chamber. The Chamber has aggressively challenged the U.S. Environmental Protection Agency's Clean Power Plan, while many Chamber members have individual corporate positions that support emissions regulation.
 - We are participating as a lead investor in a collaborative engagement on corporate climate lobbying. We met with the Canadian Association of Petroleum Producers and the Mining Association of Canada to

discuss their positions on climate policy, as a preliminary to engaging with individual companies on their climate lobbying, and addressing situations where the industry association position and company climate lobbying are misaligned.

- In August 2015 we were signatory to the Statement of Investor Expectations on Corporate Climate Lobbying, which outlines expectations for corporate engagement on climate-related public policy, for alignment of positions between companies and the industry associations and other bodies they participate in or support financially, and for transparency and disclosure.
- In September 2015 we presented to ICCR investor colleagues on experiences and lessons learned with the British Columbia carbon tax.

- We continued to lead collaboration with other investors through ICCR to extend the reach of our work on crude-by-rail safety. We participated in a stakeholder interview with Railway Association of Canada (RAC) in September, and provided feedback on its sustainability priorities. We also coordinated a strategy session on crude-by-rail safety engagement during the ICCR Fall Conference, presenting on key learnings on since the collaboration was convened.
- We participated in the PRI human rights and extractives steering committee to set the goal and standards for a global investor engagement with 60 mining companies.
- We continued to collaborate with other investors to extend the reach of our work on sustainable food systems:
 - As a participant in the investor collaboration supporting the Business Benchmark on Farm Animal Welfare (BBFAW), in July 2015, we provided feedback to the consultation on the next iteration of the Benchmark, requesting the addition of key Canadian companies.
 - As an investor support of the Access to Nutrition Index, which benchmarks food and beverage companies on their performance in advancing nutritional objectives, in September 2015 we provided feedback on the next iteration of the Index.
 - As part of the collaborative engagement on social concerns in the cocoa supply chain, we joined a meeting with Nestlé led by GES.
- We collaborated with other investors as part of a renewed focus on enhancing the sustainability of the pharma industry:
 - We joined an ICCR initiative to engage the pharmaceutical industry on the newly-adopted UN Sustainable Development Goals, which wrote to companies including Eli Lilly, Johnson & Johnson, Roche and

Sanofi, inviting dialogue on how they are aligning business strategy with the goal "Attain healthy lives for all at all ages."

- We continued to participate in a global investor collaboration on clinical trial transparency – an important measure to promote safer and more effective drug development and usage, and ensure the continuing confidence and cooperation of trial volunteers. The collaboration is engaging companies including Johnson & Johnson, Baxter, Baxalta, Roche, Novo Nordisk and Merck & Co.
- We continued to participate in an international PRI taskforce group to explore further tax-related ESG risks, identify good practices and build relationships with other stakeholders in the responsible tax space.

Public Policy & Standards

- We continued to actively advance the development of effective climate policy in the run-up to the 2015 Paris Climate Conference:
 - Given the province's critical role in addressing Canada's greenhouse gas emissions, we continued to provide investor perspectives to the new Alberta Government on reform of its climate policy. In July 2015 we participated in a cross-sector roundtable discussion on energy and the environment in Alberta. In August 2015 the Alberta Minister of Environment & Parks responded to our earlier letter on our expectations for robust climate policy, indicating an interest in following up on our input. In September 2015 we participated on a panel at the 2015 Alberta Climate Summit. The summit had the participation of Alberta government staff and was designed to provide input to the Alberta government and its Climate Change Advisory Panel in regard to the development of a robust climate policy for the province. Also in September 2015 we were one of the lead organizers of a collaborative investor letter to the Premier of Alberta that stated support for a robust and credible climate policy.

The letter had over 120 signatories representing over \$4.6 trillion in assets under management. We also made our own detailed submission to the Alberta Climate Change Advisory Panel in response to its request for ideas on how Alberta could strengthen its climate policy, highlighting opportunities for the province to make its carbon pricing scheme more robust; support diversification and innovation by Alberta-based companies; accelerate the phase-out of coal-fired electricity generation; support conservation of the Boreal forest to protect its function as a carbon sink; and leverage the capital markets to support the energy transition in Alberta.

- In August 2015 we submitted comments to the BC Climate Action Secretariat on its climate change discussion paper. We expressed support for the continuation and expansion of the carbon pricing system, and recommended that revenues from the provincial carbon tax should be used to advance an innovation strategy. We also encouraged BC to explore opportunities in the area of climate bond issuance, and to consider ways to optimize the role of BC forests as a carbon sink.
- In September 2015 we met with the Ontario Special Advisor on Climate Change to discuss opportunities for investors to support the province in creating strong climate policies.
- As the only North American investor participant in the CDP's Oil and Gas Disclosure Working Group, in July 2015 we provided feedback on the materiality of climate disclosures, and issues to emphasize in the annual CDP survey.
- In September 2015, the Boreal Leadership Council (BLC) – a coalition of resource companies, financial institutions, First Nations and conservation organizations in which we have participated since 2006 – released a report calling for industry and governments to recognize and adopt the principle of free, prior, and informed consent when working with Indigenous communities. As part of our commitment to the BLC, we continued to act as chair of the Regional Strategic Environmental Assessment (RSEA) project team, convening several meetings to pursue opportunities for implementing RSEA in BC and Alberta.
- We participated in two Sustainable Accounting Standards Board (SASB) Infrastructure Sector industry working groups, providing feedback on SASB's draft standards for the Electric Utilities and Waste Management industries. SASB's mission is to develop and disseminate sustainability accounting standards that help public corporations disclose material, decision-useful information to investors.
- We continued to participate as a lead investor in the Sustainable Stock Exchanges collaborative engagement, urging stock exchanges worldwide to adopt listing standards that would require all public companies to disclose on key ESG risks and opportunities. In September 2015 the initiative published guidance for exchanges on how to encourage companies to begin reporting on ESG issues, drawing on input from an advisory group in which we participated alongside exchanges including TSX.

* Corporate engagement dialogues target the holdings of Ethical Funds. Dialogues may start, pause or resume as holdings are purchased and sold. Holdings are subject to change and there is no guarantee at the time of reading engagement updates that any company referenced is a current holding of Ethical Funds.

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