



NEI Corporate Engagement Focus List

Q4 Update: December 2017



Company	Overview	ESG Issues	Dialogue Results	Holdings
CONSUMER				
Amazon	<p>Amazon.com Inc is an American electronic commerce company and one of the largest internet retailers in the world.</p> <p>www.amazon.com</p>	<ul style="list-style-type: none"> Governance Matters - cybersecurity 	<p>We wrote to Amazon in December 2017 in the context of our participation in a PRI investor collaboration engaging companies on cybersecurity, for which we co-lead engagement with Amazon on its cybersecurity governance and strategy with Calvert Research and Management. The letter introduced the investor collaboration and requested a meeting with the company to discuss how the board of directors is involved in cybersecurity oversight, whether the company conducts regular cybersecurity audits and whether Amazon employees at all levels of the organisation receive cybersecurity training.</p>	<p>NEI Ethical Global Equity Fund</p> <p>NEI Northwest Global Equity Fund</p>
Aritzia	<p>Aritzia is a Canadian women's fashion apparel and accessories retail company.</p> <p>www.aritzia.com</p>	<ul style="list-style-type: none"> Governance Matters - executive compensation, board composition 	<p>We wrote to Aritzia in December 2017 to explain our proxy voting decisions at the company's 2017 Annual General Meeting. We encouraged the company to address corporate governance issues such as executive compensation structures, say-on-pay, and composition of key board committees. In light of the company's dual class share structure, we gave our perspective on the importance of including independent and diverse directors on the board.</p>	<p>NEI Ethical Special Equity Fund</p>
Canadian Tire	<p>Canadian Tire Corporation is a general retailer offering everyday products and services through more than 1,700 retail and gasoline outlets across Canada.</p> <p>www.canadiantire.ca</p>	<ul style="list-style-type: none"> Governance matters - enhancing ESG disclosure 	<p>In the context of an investor collaboration we convened to engage with Canadian Tire, we met with the company in October 2017 to provide feedback on its 2017 sustainability disclosures, including expectations for responsible sourcing and carbon disclosure. The company provided updates on its plans for future reporting and efforts around supply chain due diligence. We were encouraged by Canadian Tire's interest in future collaborative opportunities and recommendations from the investor group.</p>	<p>NEI Ethical Balanced Fund</p> <p>NEI Ethical Canadian Equity Fund</p>



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<p>General Motors</p>	<p>General Motors an American multinational corporation manufacturing vehicles based in Detroit.</p> <p>www.gm.com</p>	<ul style="list-style-type: none"> • Energy transition - climate strategy, GHG emissions & public policy 	<p>In November 2017 we were part of an investor coalition that wrote to General Motors to encourage the company to assess its strategy to respond to a low-carbon future, and to report to investors on how it will be resilient in a scenario of action to keep global warming under 2°C.</p>	<p>NEI Global Value Fund</p>
<p>LKQ Corporation</p>	<p>LKQ Corporation is an American auto parts company that provides wholesale used and refurbished auto parts.</p> <p>www.lqkcorp.com</p>	<ul style="list-style-type: none"> • Governance matters - enhancing ESG disclosure 	<p>In November 2017 we met with LKQ Corporation, in collaboration with our partners in the Environmental Leaders strategy, to understand how the company manages its ESG risks, and to provide our perspective on how it could improve disclosure on these issues. LKQ Corporation indicated that it welcomed our input and had plans to improve its ESG disclosure in 2018, and asked for continued input as the company works on identifying its material issues.</p>	<p>NEI Environmental Leaders Fund</p>
<p>Loblaw</p>	<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"> • Responsibility to respect human rights - supply chain • Farm to fork - access to nutrition, food waste & animal welfare 	<p>In November 2017, we wrote to Loblaw to provide feedback on its most recently published CSR report. We were encouraged to see that the company had increased disclosure with respect to due diligence and audit practices in its supply chain, which we had requested in previous dialogue, and that it had included metrics and goals to increase farm animal welfare. In December 2017, Loblaw acknowledged its role in past bread price-fixing, and announced compliance measures that had been put in place to prevent a recurrence.</p>	<p>NEI Ethical Balanced Fund</p> <p>NEI Ethical Canadian Equity Fund</p>



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<p>Nestle</p>	<p>Nestlé is a global nutrition and health company, headquartered in Switzerland.</p> <p>www.nestle.com</p>	<ul style="list-style-type: none"> • Responsibility to respect human rights - supply chain 	<p>In October 2017, Nestle published a report on how it plans to tackle child labour in its cocoa supply chain and rolled out the Child Labour Monitoring and Remediation System (CLMRS), responding to investor requests to eradicate child labour from cocoa supply chains.</p> <p>In December 2017, we were part of an investor collaboration that wrote to Nestle Waters regarding community relations in its North American bottling operations and the social risk of water.</p>	<p>NEI Ethical International Equity Fund</p>
<p>PepsiCo</p>	<p>PepsiCo is an American multinational food, snack and beverage corporation.</p> <p>www.pepsico.com</p>	<ul style="list-style-type: none"> • Farm to fork - access to nutrition • Governance matters - policy lobbying • Energy transition - climate strategy, GHG emissions & public policy 	<p>In December 2017, we participated in an ICCR collaborative investor dialogue with PepsiCo. We discussed company initiatives and strategy on access to nutrition, sustainable agriculture, responsible sourcing, and water and wastewater management. The company remained open to dialogue and advancing sustainability initiatives. PepsiCo published an updated Human Rights Policy to reflect the salient features of the UN Guiding Principles Reporting Framework, which had been a request of the investor collaboration.</p>	<p>NEI Ethical US Equity Fund</p> <p>NEI Ethical Global Equity Fund</p> <p>NEI Northwest US Dividend Fund</p> <p>NEI Northwest Tactical Yield Fund</p>



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ENERGY

<p>Bonterra Energy</p>	<p>Bonterra Energy is an oil and gas company headquartered in Calgary, Alberta, Canada.</p> <p>www.bonterraenergy.com</p>	<ul style="list-style-type: none"> • Governance matters - board diversity 	<p>In November 2017 we wrote to the board of Bonterra Energy to explain how the company's governance practices impacted our proxy voting decisions. Specifically, we noted that absent a robust board diversity policy or commitments to enhance board diversity, we would vote against members of the Policy, Governance & Nomination Committee at the 2018 AGM. We subsequently met with Bonterra to discuss the company's efforts to enhance diversity. The company indicated that it had been making efforts to diversify its board candidates, and would consider our request to enhance its diversity policy and commit to increasing diversity at its next board meeting.</p>	<p>NEI Northwest Growth & Income Fund</p> <p>NEI Northwest Canadian Equity Fund</p> <p>NEI Northwest Specialty Equity Fund</p>
<p>Cenovus</p>	<p>Cenovus Energy is a Calgary-based integrated oil & gas company with a focus on in-situ oilsands operations in Alberta.</p> <p>www.cenovus.com</p>	<ul style="list-style-type: none"> • Energy transition - climate strategy, GHG emissions & public policy 	<p>We met with Cenovus in December 2017 to discuss progress in meeting the company's commitment to provide a report to investors on its strategic resilience to a low-carbon future. We provided our perspective on relevant developments in the field of scenario analysis reporting and shared a document on best practices in this area that we helped create alongside other leading investors. We also answered questions from the company on aspects of the report that we thought were most pertinent. The company indicated that it would be publishing its report prior to the 2018 AGM.</p>	<p>NEI Northwest Canadian Dividend Fund</p>



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<p>Chevron</p>	<p>Chevron Energy is one of the world's largest integrated oil & gas companies, headquartered in California, U.S.</p> <p>www.chevron.com</p>	<ul style="list-style-type: none"> • Governance matters 	<p>In December 2017 we co-filed a shareholder proposal with Chevron asking the company to separate the chair and CEO positions. Our rationale for this request included concern that the board lacked independent oversight to manage several material ESG risks, ranging from human rights impacts in Ecuador to its climate change strategy.</p>	<p>NEI Northwest Global Equity Fund</p> <p>NEI Northwest U.S. Dividend Fund</p> <p>NEI Northwest Tactical Yield Fund</p>
<p>Enbridge</p>	<p>Enbridge is an energy infrastructure company based in Alberta, Canada. It focuses on the transportation, distribution and generation of energy, primarily in North America.</p> <p>www.enbridge.com</p>	<ul style="list-style-type: none"> • Energy transition - climate strategy, GHG emissions & public policy • Aboriginal engagement strategy 	<p>In December 2017 we met with Enbridge to discuss best practices in low-carbon resiliency reporting and to encourage the company to consider undertaking scenario analysis relating to action to keep global warming under 2°C, in line with the recommendations of the Task Force on Climate-related Financial Disclosures. We also provided the company with a document on best practices in scenario analysis that we helped create in conjunction with other investors. The company agreed to continue the conversation and noted that the merger with Spectra was still a focus internally. We also discussed the company's progress on developing its Aboriginal Engagement report.</p>	<p>NEI Ethical Balanced Fund</p> <p>NEI Ethical Canadian Equity Fund</p> <p>NEI Northwest Canadian Dividend Fund</p>
<p>EOG Resources</p>	<p>EOG Resources is an American petroleum and natural gas exploration company headquartered in Texas.</p> <p>www.eogresources.com</p>	<ul style="list-style-type: none"> • Energy transition - climate strategy, GHG emissions & public policy • Aboriginal engagement strategy 	<p>In October 2017 we were part of an investor coalition that met with EOG to discuss the company's efforts to address various ESG-related risks, including climate change, methane emissions, and Indigenous engagement. In the meeting we raised the idea of performing a low-carbon scenario analysis as a means to create investor confidence regarding the company's climate change strategy. The dialogue was paused as a result of portfolio changes.</p>	<p>NEI Northwest Global Equity Fund (SOLD)</p>



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<p>ExxonMobil</p>	<p>Exxon, headquartered in Houston, Texas, is the world's largest publicly traded oil & gas company.</p> <p>www.exxonmobil.com</p>	<ul style="list-style-type: none"> • Energy transition - climate strategy, GHG emissions & public policy 	<p>In November 2017 Exxon was one of several oil and gas companies to publicly announce their membership in the Guiding Principles on Reducing Methane Emissions Across the Natural Gas Value Chain. The Guiding Principles were the result of a collaboration between the companies and environmental NGOs and include commitments to continually reduce emissions, enhance monitoring and measurement, and phase out old emissions-intensive equipment.</p> <p>In December 2017, Exxon wrote a public letter to the American Legislative Exchange Council (ALEC), a policy think-tank that has regularly lobbied to thwart climate change legislation, to state that it opposed the council's attempt to undermine a key Environmental Protection Agency regulation concerning climate change. We had previously asked the company, which is a member of ALEC, to be more assertive in stating its opposition to the group's actions in regard to climate change.</p> <p>In December 2017, we met with Exxon to discuss the company's increased public commitments on various climate-related issues, and to learn how the company was responding to the shareholder proposal it received at its 2017 AGM on 2C scenario analysis (which received a 62% vote in support from shareholders). We learned the company is committed to issuing the report, and we provided our perspective on what would be useful to investors.</p>	<p>NEI Ethical Global Equity Fund</p> <p>NEI Northwest U.S. Dividend Fund</p> <p>NEI Northwest Tactical Yield Fund</p>
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<p>Occidental Petroleum</p>	<p>Occidental Petroleum is an international oil & gas company with operations in the United States, Middle East and Latin America.</p> <p>www.oxy.com</p>	<ul style="list-style-type: none"> • Energy transition - climate strategy, GHG emissions & public policy 	<p>In November 2017 we met with Occidental to get an update on how the company was planning to address the shareholder proposal it received in 2017 on low-carbon resiliency reporting. The company shared its progress on the report and we provided input on what we considered to be best practice and most useful to report. Occidental welcomed our input and indicated that it would be incorporating the feedback it received from investors before issuing the final report. The company also indicated that it would like to continue the dialogue on low-carbon resiliency reporting in the future.</p>	<p>NEI Northwest U.S. Dividend Fund</p> <p>NEI Northwest Tactical Yield Fund</p>
<p>Raging River Exploration</p>	<p>Raging River Exploration is a junior oil and gas producer based in Calgary, Canada.</p> <p>www.rrexploration.com</p>	<ul style="list-style-type: none"> • Governance matters - board diversity 	<p>In November 2017 we wrote to the board of Raging River to explain how the company's governance practices impacted our proxy voting decisions. Specifically, we noted that absent a robust board diversity policy, we would vote against members of the Corporate Governance & Compensation Committee at the 2018 AGM. We subsequently met with the company to discuss its diversity plans and to urge the company to adopt a robust diversity policy with targets for increasing board diversity. The company indicated that it was aware of the importance of diversity and would consider our request at the next board meeting.</p>	<p>NEI Northwest Specialty Equity Fund</p>
<p>Royal Dutch Shell</p>	<p>Royal Dutch Shell, one of the largest companies in the world, is a British-Dutch oil and gas multinational.</p> <p>www.shell.com</p>	<ul style="list-style-type: none"> • Responsibility to protect human rights 	<p>In October 2017 we were part of an investor coalition that wrote to Shell urging the company to utilize its leverage with the government of Myanmar to prevent attacks on Rohingya communities.</p>	<p>NEI Ethical US Equity Fund</p> <p>NEI Northwest Canadian Dividend Fund</p>



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<p>Secure Energy Services</p>	<p>Secure Energy Services Inc. provides fluids and solids solutions to the oil and gas industry.</p> <p>www.secure-energy.com</p>	<ul style="list-style-type: none"> • Energy transition - climate strategy, GHG emissions & public policy • Governance matters - enhancing ESG disclosure 	<p>In November 2017 we wrote to the board of Secure Energy Services to commend the company on setting board diversity targets and provide an update on investor sentiment on board diversity. We noted that while we were encouraged by the board's adoption of a 20% diversity target by 2020, the lack of progress against the target was concerning, and we urged to the company to provide more disclosure in its upcoming proxy circular on challenges and opportunities in regard to this target.</p>	<p>NEI Ethical Special Equity Fund</p>
<p>Suncor</p>	<p>Suncor Energy Inc. is Canada's largest integrated energy company, focused on development of the Athabasca oil sands.</p> <p>www.suncor.com</p>	<ul style="list-style-type: none"> • Energy transition - climate strategy, GHG emissions & public policy 	<p>In December 2017, we responded to Suncor's request to meet to provide feedback on the company's plans for low-carbon resiliency reporting in 2018. We shared our perspective on recent developments in this area, and how we thought the company could improve on its current reporting. We also learned that the company had recently created the position of Chief Sustainability Officer, which we view as a positive development. The new position will report directly to the CEO and be responsible for the company's sustainability initiatives.</p>	<p>NEI Ethical Balanced Fund</p> <p>NEI Ethical Canadian Equity Fund</p>
<p>TORC Oil & Gas</p>	<p>TORC Oil & Gas is a Calgary-based company operating in Saskatchewan, Canada.</p> <p>www.torcoil.com</p>	<ul style="list-style-type: none"> • Governance matters - board diversity 	<p>In December 2017 we wrote to the TORC board of directors to explain how the company's governance practices impacted our proxy voting decisions. Specifically, we noted that we intended to vote against the members of the Corporate Governance & Compensation Committee at the 2018 AGM unless the board disclosed a robust diversity policy or committed to enhancing the gender diversity of the board.</p>	<p>NEI Northwest Specialty Equity Fund</p>
<p>Valero</p>	<p>Valero Energy Corporation is an international oil, gas and petrochemical manufacturer and retailer.</p> <p>www.valero.com</p>	<ul style="list-style-type: none"> • Energy transition - climate strategy, GHG emissions & public policy 	<p>In December 2017 we co-filed a shareholder proposal with Valero asking the company to provide investors with a report on how it was aligning its business strategy to remain resilient in a scenario of action to keep global warming under 2°C. The proposal was withdrawn after the company agreed to the request and committed to engage with the investor group as it developed the report.</p>	<p>NEI Northwest US Dividend Fund</p> <p>NEI Northwest Tactical Yield Fund</p>



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FINANCIAL

<p>Bank of Montreal</p>	<p>BMO Financial Group is a financial services provider that serves more than 12 million personal, commercial, corporate and institutional customers in North America and internationally.</p> <p>www.bmo.com</p>	<ul style="list-style-type: none"> • Energy transition - climate finance • Responsibility to respect human rights • Governance matters 	<p>In November 2017, we wrote to BMO requesting dialogue to follow up on our earlier letter on strengthening the Equator Principles framework for responsible lending. We highlighted our wish to understand the bank's perspectives on possible changes to the Equator Principles framework and to learn more about its environmental and social due diligence processes. The bank responded to arrange a meeting.</p>	<p>NEI Northwest Canadian Dividend Fund</p>
<p>Bankinter</p>	<p>Bankinter is a Spanish bank headquartered in Madrid.</p> <p>www.bankinter.com</p>	<ul style="list-style-type: none"> • Responsibility to respect human rights 	<p>In November 2017, Bankinter responded to our earlier letter on strengthening the Equator Principles framework for responsible lending, explaining the risk management system it has in place to implement the Equator Principles.</p>	<p>NEI Ethical Global Dividend Fund</p>
<p>CIBC</p>	<p>CIBC is a leading Canadian-based financial institution and provides a full suite of financial products and services in Canada and around the world.</p> <p>www.cibc.com</p>	<ul style="list-style-type: none"> • Energy transition - climate finance • Responsibility to respect human rights • Governance matters 	<p>In October 2017, we met with CIBC to follow up on issues raised in our earlier letter on strengthening the Equator Principles framework for responsible lending, and to learn more about the company's environmental and social due diligence processes. We raised concerns about the absence of a publicly-disclosed social risk management policy, noting that the recent release of guidance for institutional investors on responsible business conduct with respect to the OECD Guidelines would increase expectations for due diligence disclosure.</p>	<p>NEI Ethical Balanced Fund</p> <p>NEI Ethical Canadian Equity Fund</p> <p>NEI Northwest Canadian Dividend Fund</p>



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<p>JPMorgan Chase</p>	<p>JPMorgan Chase & Co. is a leading global financial services firm and one of the largest banking institutions in the United States, with operations worldwide.</p> <p>www.jpmorganchase.com</p>	<ul style="list-style-type: none"> • Governance matters - business ethics • Responsibility to respect human rights 	<p>In October 2017, we joined an ICCR collaborative engagement meeting with JPMorgan Chase to follow up on earlier dialogue on ethical business conduct. We also sought to understand the bank’s perspective on strengthening the Equator Principles framework for responsible lending and on recent regulatory reforms affecting consumer protection in the United States.</p>	<p>NEI Ethical US Equity Fund</p> <p>NEI Northwest Canadian Equity Fund</p> <p>NEI Northwest Global Equity Fund</p> <p>NEI Northwest Canadian Dividend Fund</p>
<p>Laurentian Bank</p>	<p>Laurentian Bank of Canada is a Quebec banking institution operating across Canada, providing a full suite of financial products.</p> <p>www.laurentianbank.com</p>	<ul style="list-style-type: none"> • Governance matters 	<p>In November 2017, we met with the board of Laurentian to follow up on our earlier feedback letter on proxy voting. We encouraged the bank to improve disclosure on its executive compensation framework, specifically regarding the weighting of short- and long-term performance metrics, the framework for incentives payout and the rationale for a relatively high proportion of time-based incentives, as opposed to performance-based incentives. The bank agreed to consider our request and explained in more detail the special incentive plan it had put in place to achieve its strategic goal of closing the return on equity gap with larger Canadian banks.</p>	<p>NEI Ethical Special Equity Fund</p> <p>NEI Northwest Specialty Equity Fund</p> <p>NEI Northwest Canadian Dividend Fund</p>



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<p>Royal Bank of Canada</p>	<p>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.</p> <p>www.rbc.com</p>	<ul style="list-style-type: none"> • Energy transition - climate finance • Responsibility to respect human rights • Governance matters 	<p>In November 2017, we met with RBC to follow up on issues raised in our earlier letter on strengthening the Equator Principles framework for responsible lending and to learn more about the bank's environmental and social due diligence processes. We also discussed the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures and commended the bank for participating in the related pilot project led by the United Nations Environment Programme - Finance Initiative.</p>	<p>NEI Northwest Canadian Dividend Fund</p>
<p>Scotiabank</p>	<p>Scotiabank is a leading financial services provider in over 55 countries and is Canada's most international bank.</p> <p>www.scotiabank.com</p>	<ul style="list-style-type: none"> • Energy transition - climate finance • Responsibility to respect human rights • Governance matters 	<p>In October 2017, we met with Scotiabank to follow up on issues raised in our earlier letter on strengthening the Equator Principles framework for responsible lending and to learn more about the bank's environmental and social due diligence processes. We felt that the bank, which out of the big Canadian banks has the most international presence, could particularly benefit from consistent application of responsible lending standards for projects in both developed and developing countries.</p> <p>In November 2017, we met with Scotiabank to understand the bank's perspectives on the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures and to learn more about the bank's processes for climate risk assessment and management.</p>	<p>NEI Ethical Balanced Fund</p> <p>NEI Ethical Canadian Equity Fund</p> <p>NEI Northwest Growth & Income Fund</p> <p>NEI Northwest Canadian Equity Fund</p> <p>NEI Northwest Canadian Dividend Fund</p>



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<p>TD Bank</p>	<p>TD Bank Group, headquartered in Toronto with offices around the world, offers a full range of financial products and services.</p> <p>www.td.com</p>	<ul style="list-style-type: none"> • Energy transition - climate finance • Responsibility to respect human rights • Governance matters 	<p>In October and November 2017, we wrote to TD on various responsible lending issues. We followed up on issues we raised in our earlier letter on strengthening the Equator Principles framework for responsible lending, and asked for an update on pipeline financing, and also expressed interest in discussing the recommendations of the Financial Stability Board’s Taskforce on Climate-related Financial Disclosures, acknowledging the bank’s leadership role through its participation in the related pilot project organized by the United Nations Environment Programme- Finance Initiative.</p>	<p>NEI Ethical Balanced Fund</p> <p>NEI Ethical Canadian Equity Fund</p> <p>NEI Northwest Growth & Income Fund</p> <p>NEI Northwest Canadian Equity Fund</p> <p>NEI Northwest Canadian Dividend Fund</p>
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<p>Wells Fargo</p>	<p>Wells Fargo is an American multinational financial services company.</p> <p>www.wellsfargo.com</p>	<ul style="list-style-type: none"> • Governance matters - business ethics 	<p>Following up on earlier dialogue on consumer protection scandals facing the bank, we participated in an ICCR collaborative engagement meeting with representatives of Wells Fargo’s board and management in October 2017, urging the company to conduct a comprehensive business standards review. We were encouraged that Wells Fargo agreed to consider our request, but in the absence of a public commitment, in November 2017 we once again co-filed a shareholder proposal, led by the Sisters of St. Francis of Philadelphia, calling for a comprehensive business standards review to uncover and address the root causes of the bank’s ethical failures.</p> <p>In December 2017, we joined a further dialogue meeting with Wells Fargo to clarify our expectations for a business standards review. Later in December Wells Fargo announced the launch of a Stakeholder Advisory Council, which included the lead of our investor collaboration, Sister Nora Nash. The Council would provide insight and feedback to the company’s Board of Directors and senior management on social and environmental issues.</p>	<p>NEI Ethical US Equity Fund</p> <p>NEI Northwest Canadian Dividend Fund</p> <p>NEI Northwest U.S. Dividend Fund</p> <p>NEI Northwest Tactical Yield Fund</p>
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HEALTH CARE

<p>Agilent Technologies</p>	<p>Agilent Technologies is an American Healthcare equipment and services company.</p> <p>www.agilent.com</p>	<ul style="list-style-type: none"> • Governance matters - board structure 	<p>In October 2017, in the context of our collaboration with partners in the Environmental Leaders strategy, we met with Agilent Technologies to learn more about the company's efforts to declassify its board. We learned that the company had made a significant effort to achieve a positive result in its proposal to declassify, but had run into the challenge of gathering enough votes to meet its bylaw expectations. As such, the company was not sure if it would try again as it did not see a feasible way to overcome its bylaw restrictions.</p>	<p>NEI Environmental Leaders Fund</p>
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<p>Cardinal Health</p>	<p>Cardinal Health is a leading pharmaceutical and medical product distributor, headquartered in Ohio, U.S.</p> <p>www.cardinalhealth.com</p>	<ul style="list-style-type: none"> • Better Pharma - opioid crisis 	<p>In the context of our participation in Investors for Opioid Accountability (IOA), a coalition of institutional investors addressing the North American opioid crisis through engagement with opioid manufacturers, opioid overdose treatment manufacturers and opioid distributors in our holdings, in November 2017 we voted for a shareholder proposal filed at distributor Cardinal Health by several coalition members. The proposal, which asked for separation of the CEO and Chair positions and to create an independent chair, so as to foster greater accountability for opioid business risks, gained around 36% support. Cardinal Health announced plans to separate the positions of Chairman of the Board and CEO, and has also put in place an Opioid Action Program, aimed at helping communities in four of the hardest-hit U.S. states across Appalachia combat the opioid epidemic. The dialogue was paused as a result of portfolio changes.</p>	<p>NEI Northwest US Dividend Fund (SOLD)</p> <p>NEI Northwest Tactical Yield Fund (SOLD)</p>
<p>Danaher Corporation</p>	<p>Danaher Corporation is an American company designing, manufacturing and marketing industrial and consumer health and life-sciences products.</p> <p>www.danaher.com</p>	<ul style="list-style-type: none"> • Governance matters - board capacity, diversity & ESG disclosure • Energy transition - climate strategy, GHG emissions & public policy 	<p>In November 2017 we joined a collaborative dialogue on climate strategy at Danaher. The company has undertaken a materiality assessment and committed to meeting with the broad investor coalition to discuss the findings.</p>	<p>NEI Environmental Leaders Fund</p> <p>NEI Generational Leaders Fund</p>
<p>Eli Lilly</p>	<p>Eli Lilly is an American multinational pharmaceutical manufacturer founded in 1876.</p> <p>www.lilly.com</p>	<ul style="list-style-type: none"> • Better pharma - drug pricing, access to medicine 	<p>We participated in an ICCR meeting with Eli Lilly in December 2017 to discuss concerns around drug pricing. In particular, we discussed the role of executive compensation in incentivizing drug price increases and encouraged the company to disclose how its executive compensation framework encourages bringing new products to market, rather than creating revenue from drug price increases.</p>	<p>NEI Ethical US Equity Fund</p> <p>NEI Ethical Global Dividend Fund</p>



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<p>Johnson & Johnson</p>	<p>Johnson & Johnson is an American multinational medical devices, pharmaceutical and consumer packaged goods manufacturer founded in 1886.</p> <p>www.jnj.com</p>	<ul style="list-style-type: none"> • Better pharma - opioid crisis 	<p>In August 2017 we joined Investors for Opioid Accountability (IOA), a coalition of institutional investors addressing the North American opioid crisis through engagement with opioid manufacturers, opioid overdose treatment manufacturers and opioid distributors in our holdings. In October 2017 the coalition wrote to Johnson & Johnson, an opioid manufacturer, to express our view that risks related to the company's role in the opioid crisis required board-level action. We asked how the company was building a culture in which ethical behavior and legal compliance were valued, and urged adoption of governance reforms such as an independent chair and the creation of a special committee of independent directors to investigate and report to shareholders about J&J's role in the opioid epidemic. J&J responded in writing that it had divested its opioid products to Depomed, while noting that they had very low addiction rates compared to other opioid painkillers.</p>	<p>NEI Ethical US Equity Fund</p> <p>NEI Generational Leaders Fund</p> <p>NEI Northwest Canadian Dividend Fund</p>
<p>Pfizer</p>	<p>Pfizer is a global pharmaceutical company headquartered in the U.S.</p> <p>www.pfizer.com</p>	<ul style="list-style-type: none"> • Better pharma - opioid crisis, drug pricing 	<p>In August 2017 we joined Investors for Opioid Accountability (IOA), a coalition of institutional investors addressing the North American opioid crisis through engagement with opioid manufacturers, opioid overdose treatment manufacturers and opioid distributors in our holdings. In October 2017 the coalition wrote to Pfizer, an opioid overdose treatment manufacturer, to request a meeting to discuss risks related to the sale and pricing of Pfizer's naloxone and naloxone-containing products, and to ask that the Board consider adopting governance reforms designed to mitigate those risks. The price of naloxone had risen considerably in the previous four years. Pfizer responded that it shared IOA concerns about the opioid crisis, had implemented educational outreach programs and the Pfizer Naloxone Access Program, and was involved in a new public-private initiative designed to accelerate research on novel, non-addictive pain drugs. The company was open to a dialogue with the coalition.</p>	<p>NEI Ethical US Equity Fund</p> <p>NEI Generational Leaders Fund</p>



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INDUSTRIALS

<p>Acuity Brands</p>	<p>Acuity Brands is an American electronics manufacturing company specializing in lighting equipment.</p> <p>www.acuitybrands.com</p>	<ul style="list-style-type: none"> Governance matters - board capacity, equitable compensation & enhancing ESG disclosure 	<p>In October 2017, in the context of our engagement collaboration with our partners in the Environmental Leaders strategy, we met with Acuity Brands to discuss the company's plans for enhancing ESG disclosure. The company was aware its disclosure lagged some of its peers and was planning improvements in 2018. We shared our perspective on the key material issues facing the company and recent key developments in the field of ESG. The company noted that it was developing the management systems to accurately track key data and planned to have more robust data available, but would be making near-term improvements to disclose more qualitative data on its website.</p>	<p>NEI Environmental Leaders Fund</p>
<p>Canadian Pacific Railway</p>	<p>Canadian Pacific Railway is a rail transport company headquartered in Calgary operating in Canada and 14 US states. The company incorporated in 1881.</p> <p>www.cpr.com</p>		<p>In December 2017, we wrote to Canadian Pacific Railway to explain our proxy voting decisions at the company's 2017 Annual Meeting. We encouraged the company to address corporate governance issues such as executive compensation, adequate say-on-pay and adoption of well-established pay governance good practices.</p>	<p>NEI Ethical Balanced Fund</p> <p>NEI Ethical Canadian Equity Fund</p>



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INFORMATION TECHNOLOGY

<p>Evertz Technologies</p>	<p>Evertz Technologies is a Canadian video and audio infrastructure solutions manufacturer for the television, telecommunications and new-media industries.</p> <p>www.evertz.com</p>	<ul style="list-style-type: none"> • Governance matters - policy lobbying 	<p>In December 2017 we wrote to the board of Evertz Technologies to explain how we voted at the company's 2017 AGM. Specifically, we noted that because of the absence of gender diversity on the board and lack of a robust diversity policy, we voted against all directors, as the board did not have a specific committee responsible for nominating directors. We provided our investor perspective on the social imperative and material benefits of board diversity, and highlighted growing Canadian investor interest in the topic. We urged the company to adopt a robust diversity policy with targets for increasing board diversity.</p>	<p>NEI Ethical Special Equity Fund</p>
<p>IBM</p>	<p>International Business Machines Corp. (IBM) is a multinational hardware & information technology services company.</p> <p>www.ibm.com</p>	<ul style="list-style-type: none"> • Governance matters - executive compensation 	<p>Following up on our letter sent in September 2017, in November 2017 IBM requested dialogue to discuss how we voted at the company's 2017 AGM. In particular, we explained why we withheld our vote from the compensation committee, because of excessive CEO pay - over \$50 million - which triggered our U.S. pay cap guideline comparing the quantum of CEO pay to a multiple of median household income. IBM explained ways in which the company tried to ensure pay equity among its employees. In that context we encouraged the company to consider adopting and disclosing equitable compensation and vertical comparison metrics that best fit its own business model and structure. We were encouraged that IBM was open to our feedback. In December 2017, we followed up on our dialogue by sharing examples of equitable compensation disclosure and vertical metrics with IBM.</p>	<p>NEI Ethical Global Dividend Fund</p> <p>NEI Global Value Fund</p>



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<p>Trimble</p>	<p>Trimble is an American manufacturer of GPS receivers and other varieties of navigational products and software processing tools, based in California.</p> <p>www.trimble.com</p>	<ul style="list-style-type: none"> • Governance matters - enhancing ESG disclosure 	<p>In December 2017, Trimble announced its first Corporate Citizenship report. The report addressed many of the key ESG issues we identified in earlier dialogue with the company, in the context of our engagement collaboration with partners in the Environmental Leaders strategy. The company asked for feedback on the report from the investor collaboration.</p>	<p>NEI Environmental Leaders Fund</p>
<p>UTILITIES</p>				
<p>Canadian Utilities / ATCO</p>	<p>ATCO is an Alberta-based diversified corporation whose businesses include structures and logistics, electricity and pipelines. Canadian Utilities is an ATCO company.</p> <p>www.atco.com</p> <p>www.canadianutilities.com</p>	<ul style="list-style-type: none"> • Energy transition - climate strategy, GHG emissions & public policy 	<p>In December 2017, we met with ATCO/Canadian Utilities to provide feedback to the company on its sustainability reporting, and to discuss its plans in regard to low-carbon resiliency reporting. We identified several strengths in the company's reporting, but noted that ATCO/Canadian Utilities could provide more detail on its extensive work with Indigenous communities. As well, we welcomed the disclosures the company provided in its annual report focusing on the material opportunities it was positioned to exploit in the energy transition. However, we urged the company to consider providing disclosure that is in line with the recommendations of the Task Force on Climate-related Financial Disclosure, and to specifically consider performing and reporting on scenario analysis relating to action to keep global warming under 2°C. We shared our perspective on best practices in this area, benefits to the company of undertaking scenario analysis, and the value of scenario analysis reporting to shareholders.</p>	<p>NEI Ethical Balanced Fund</p> <p>NEI Ethical Canadian Equity Fund</p>



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Collaborative Engagement

Getting Real about the Energy Transition

- In November 2017, we joined the advisory committee of the PRI working group on climate change transition for oil & gas companies. We have been participating in setting the parameters for the collaborative engagement and will be leading engagement with key companies when the initiative is launched in 2018.

Responsibility to Respect

We continued to convene investors to engage with Canadian Tire on supply chain responsibility issues, holding a collaborative dialogue meeting in October 2017.

Food from Farm to Fork

In December 2017, we participated in a collaborative engagement with GES International to write to Nestlé regarding communities affected by its bottling operations and the social risk relating to water.

Making Pharma Better

- As part of the Investors for Opioid Accountability (IOA), a coalition of institutional investors addressing the North American opioid crisis through engagement with opioid manufacturers, opioid overdose treatment manufacturers and opioid distributors in our holdings, we engaged with Johnson & Johnson, Cardinal Health and Pfizer on opioid business risk, overdose treatment pricing and governance reforms to ensure accountability for the companies' role in the crisis.

Governance matters - business ethics

- In October 2017, we joined an ICCR collaborative engagement meeting with JPMorgan Chase to follow up on earlier dialogues on ethical business conduct and to understand the bank's perspectives on possible changes to strengthen the Equator Principles framework on responsible lending and on regulatory reforms affecting consumer protection in the United States.
- In light of further problematic practices that emerged at Wells Fargo since its 2017 AGM, including auto-insurance, mortgage fees and online bill payments scandals, we continued our participation in an ICCR collaborative engagement meeting with representatives of Wells Fargo's board and management in October 2017 to urge the bank once again to conduct a comprehensive business standards review.

Governance matters - cybersecurity

- We wrote to Amazon in the context of our participation in a PRI investor collaboration engaging companies on cybersecurity to request a meeting to discuss the company's cybersecurity governance and strategy.



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Public Policy

Energy transition

- In October 2017 we were an investor signatory to the Declaration of Institutional Investors on Climate-Related Financial Risks, organized by Finance Montreal. The Declaration called on public companies in Canada to disclose more information on climate-related risks and efforts they are taking to mitigate those risks. The statement was signed by 30 institutions representing \$1.2 trillion in assets under management.

Food from Farm to Fork

- In November 2017 we signed the Global Investor Statement on Antibiotic Stewardship, which highlighted how the routine non-therapeutic use of antibiotics in livestock production contributes to antibiotic resistance while undermining animal welfare by enabling farm animals to be raised in over-crowded, insanitary conditions.
- In December 2017, we submitted comments to the Roundtable on Sustainable Palm Oil (RSPO), the central sustainability certification body for palm oil, on the proposed revision of certification standards, with respect to preventing deforestation and protecting human rights.

Making Pharma Better

- In the context of our participation in the ICCR Health Leadership team we provided feedback to the Access To Medicine Foundation (ATMF) on their 2018 Access To Medicine Index methodology, aimed at benchmarking global pharmaceutical companies on how they are providing access to medicine in low- and middle-income countries. We noted positively the tightening of the indicators and the addition of oncology, and requested more information about how the methodology was aligned to the SDGs. We subsequently met with the ATMF.

Responsibility to Respect

- In November 2017 we joined an investor sign-on letter to the Equator Principles Association, urging the association to reconsider its Designated Countries framework in order to implement the IFC Performance Standards expectations across all jurisdictions, and to require greater disclosure of Equator Principles banks in regard to their human rights impacts.
- In December 2017, in collaboration with Boston Common Asset Management, we wrote to the OECD to provide our perspective on the key issues it should consider in its upcoming work defining Responsible Business Conduct for financial service providers and corporate lending institutions. We noted that investors rely on banks and other corporate lending institutions in their portfolios to perform adequate due diligence in regard to their human rights impacts in order for investors to perform their own due diligence. We further noted that in our view the quality of due diligence performed by a corporate lender could potentially impact the level of that lender's responsibility for human rights impacts.
- In December 2017, we signed on to a letter to the U.S. Congress asking for the conflict minerals supply chain disclosure provisions of the Dodd-Frank Act to be maintained.