

At NEI Investments, our ESG team actively engages companies across our funds to drive change on behalf of our investors. Through dialogue, we alert companies to the environmental, social and governance risks they are facing. We propose solutions to help them overcome tough challenges and improve their ESG performance, with the goal of protecting and growing value for shareholders. We also vote at Annual Shareholder Meetings on matters such as board appointments, good governance and shareholder proposals. This quarterly report shows the progress and outcomes of our engagement and policy activity.

## Corporate engagement by the numbers

# 784

Shareholder meetings voted

# 113

Focus List dialogues

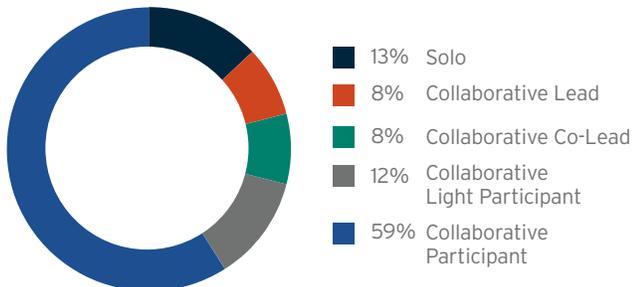
# 26

Policy actions

Year to date

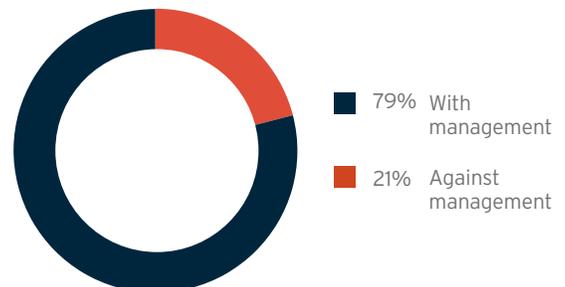
### NEI engagement role

In Q3 we led 29% of our engagements, meaning that we either conducted the engagement ourselves, or led or co-led a collaboration with other investors. Leads are responsible for setting the agenda, and chairing and organizing the investor group's meetings with a company.

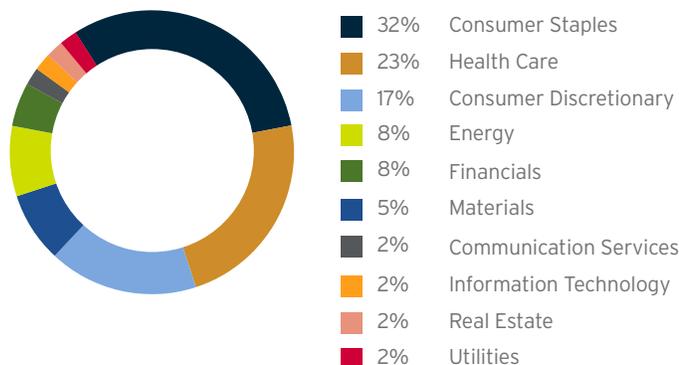


### Vote instruction

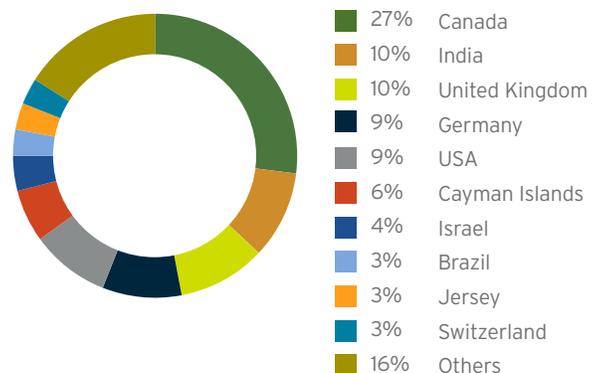
In Q3 we voted against company management on 21% of agenda items at Annual Shareholder Meetings. Voting against management is one indicator to determine whether proxy votes are actively managed by a fund company, rather than set to automatically vote in favour of management.



### Engagement by sector



### Votes by market



To learn more about how we voted at companies in a particular fund and to review our voting guidelines, visit our proxy voting section at [neiinvestments.com](http://neiinvestments.com).

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## Respect for human rights at the core of the rising 'S' in ESG

By Jamie Bonham, Director, Corporate Engagement

The "S" in ESG is certainly having a moment, and you don't have to look far for examples of thorny S-related issues facing investors. Think about the exposure of global brands to abuses such as mass surveillance, forced labour and internment of Uyghurs in detention camps in the Xinjiang region. Or the ongoing challenge of responsibly sourcing critical minerals to feed our booming appetite for tech. Or how the COVID-19 pandemic has exposed critical fault lines in society that have resulted in workers facing literal life-and-death situations just to earn a paycheque. And there are almost daily reminders of the ability of social media to propagate misinformation and stoke hatred.

The thread that ties all these stories together is human rights, and more specifically, the need for investors to ensure they are not undermining respect of human rights through their investments.

Human rights are fundamental, and absolute. They are the bedrock of any society that we envision as just and sustainable. And the world we live in is increasingly precarious when it comes to the protection and respect of human rights.

Human rights is not like other ESG risks investors face, in that while exposure to human rights impacts can certainly be material to returns, materiality cannot be the sole driver for investor action. It shouldn't matter whether there is an economic upside to addressing human rights impacts: we do not want a future where human rights have a price attached to them. Embracing this responsibility means looking beyond materiality to the actual impacts on stakeholders. That is a substantive, but necessary, shift.

The UN Guiding Principles on Business and Human Rights (UNGPs) will mark its 10th anniversary next year. The framework has become the "North Star" for corporate and investor action on human rights due diligence. The UNGPs lay out the responsibility of business to avoid "causing, contributing, or being directly linked" to human rights abuses, and form the backbone of any genuine corporate and/or investor commitment to uphold and respect human rights. The UNGPs have been integrated into international soft law instruments such as the OECD Guidelines for Multinational Enterprises, and the OECD makes it clear that even minority investors have a responsibility to address the risks present in their investment value chains (see our story on aligning with the OECD on page 3). Thankfully, investors are increasingly moving to embrace the responsibility to respect human rights.

For example, the Investor Alliance for Human Rights (IAHR) was created specifically to give the investment community the tools and expertise needed to live up to its responsibility to respect human rights. Created in 2018, the IAHR is made up of more than 160 institutional investors representing over US\$5 trillion in AUM across 18 countries. As a founding member of the IAHR steering committee, NEI works to promote the work of the IAHR and strives to follow the best practices it lays out.

Informed by our involvement with the IAHR, this past summer we refreshed our Responsible Investment Policy to include a specific reference to our commitment to respect human rights through our investment activities, from assessing companies for negative impacts prior to investment to addressing risks that appear in our portfolio. This explicit commitment is a foundational step in building a program that aligns with the UNGPs.

This fall the UN Principles for Responsible Investment (PRI) announced its intention to develop a five-year roadmap for PRI signatories to align themselves with the UNGPs. This is an overdue but very welcome development that we hope will elevate the understanding of the investor responsibility to uphold and respect human rights. We provided comments to the PRI's consultation on its suggested approach, welcoming the focus on human rights and encouraging the PRI to strengthen its expectations. We look forward to seeing the next iteration of the strategy.

We have long put human rights at the centre of our engagement program, having anticipated the necessity of human rights impact assessments for resource projects as early as 2008, and incorporating human rights as a recurring key theme in our annual Focus List in the years since. But even we have been surprised by how rapidly human rights have risen to the top of the social consciousness in the post-COVID world. Whether it is the safeguarding of workers' health and safety here in North America, addressing the growing influence of big tech in our society (which we addressed in detail in the Q2 edition of the Active Ownership Report), or the acknowledgement of the systemic racism and inherent inequality our economic systems have allowed to propagate, the next decade of the UNGPs will be one where human rights will take centre stage.

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## Putting the “diligence” into OECD due diligence

By Hasina Razafimahefa, Manager, ESG Evaluations & Proxy Voting

Did you know that even minority shareholders may be held accountable for the adverse impacts caused or contributed to by investee companies?

In 2017, the Organisation for Economic Co-operation and Development (OECD) released guidance targeted specifically at institutional investors: *Responsible Business Conduct for Institutional Investors: Key considerations for due diligence under the OECD Guidelines for Multinational Enterprises*<sup>1</sup>. This is one of several guidance documents designed to help implement the OECD Guidelines for Multinational Enterprises<sup>2</sup> – a comprehensive set of recommendations on corporate responsibility backed by over 40 countries, including Canada. Under the Guidelines, companies are expected to undertake due diligence to prevent or mitigate adverse impacts relating to a range of issues, including human rights, labour rights, anti-corruption and the environment.

Due diligence is a key aspect of responsible business conduct as it enables companies and investors to “know and show” what they are doing about their adverse impacts. The Guidelines are fully aligned with the recommendations of the UN Guiding Principles on Business and Human Rights. Adhering governments must set up a National Contact Point (NCP)<sup>3</sup>, which is intended to act as a grievance mechanism when companies are alleged to have breached the Guidelines. In recent years, an increasing number of OECD grievance cases have been filed against companies in various sectors.

In order to align with the Guidelines, we perform a due diligence process with respect to the companies in our funds. Every quarter, we review all companies across our equity holdings for exposure to severe environmental and social controversies that may constitute potential breaches of the OECD Guidelines, as well as actual cases filed against companies in our portfolios at the NCPs. Once cases are identified, we use various channels to exercise our leverage, including reaching out directly to the company, reaching out to our sub-advisors, or leveraging collaborative engagements. The goal is to influence companies to take action to prevent or mitigate their adverse impacts. Depending on the outcome of our mitigation efforts, we may decide to divest if we feel the human rights impacts are too significant if not addressed.

We rely on our quarterly reporting, proxy voting guidelines, voting disclosure and RI Policy to explain our process and its outcomes. Below are examples of cases we addressed this quarter.

### ING and controversial palm oil financing

We wrote to **ING** in light of a complaint filed against the bank at the Dutch National Contact Point (NCP) for OECD Guidelines with regard to ING’s financing of controversial palm oil producers and traders<sup>4</sup>. While it is the NCP’s role to determine the bank’s responsibility for any adverse impacts caused by its clients, we shared our perspective on the bank’s response to the issue, specifically on how ING used its leverage to mitigate negative impacts. We also encouraged ING to enhance disclosure on its lending due diligence in general, where the bank’s financing activities are exposing it to environmental and social controversies. Having clear and informative disclosure on the lending due diligence processes of our investee banks is crucial as we rely on such information to do our own due diligence under the OECD Guidelines.

### Bank Leumi Le-Israel Ltd. and its banking services in the Occupied Palestinian Territory

We wrote to **Bank Leumi** to encourage it to enhance disclosure on how it addresses human rights risks in its banking services. We raised concerns about the human rights risk that the bank is exposed to by providing banking services helping to maintain or develop Israeli settlements in the Occupied Palestinian Territory, including through loans for housing and business developments as reported by the United Nations High Commissioner for Human Rights. While the bank publicly supports the UN Global Compact principles that include human rights principles to support and protect internationally proclaimed human rights, we are concerned about the apparent misalignment of that commitment and the potential for human rights impacts associated with the bank’s activities in the Occupied Palestinian Territory.

<sup>1</sup> <https://mneguidelines.oecd.org/RBC-for-Institutional-Investors.pdf>

<sup>2</sup> <http://mneguidelines.oecd.org/>

<sup>3</sup> <http://www.international.gc.ca/trade-agreements-accords-commerciaux/ncp-pcn/index.aspx?lang=eng>

<sup>4</sup> National Contact Point for the OECD Guidelines for Multinational Enterprises. Initial assessment: Milieudéfensie/Friends of the Earth Netherlands, WALHI/Friends of the Earth Indonesia and SDI/Friends of the Earth Liberia versus ING. 20 January 2020. [https://complaints.oecdwatch.org/cases/Case\\_543/1883/at\\_download/file](https://complaints.oecdwatch.org/cases/Case_543/1883/at_download/file)

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## Diversity and inclusion: Will enhanced disclosures promote action?

By Michela Gregory, Director ESG Services

This year has brought racial and ethnic inequity to the forefront of our consciousness. And it's time for action.

Like all other aspects of important business decision making, effective implementation of diversity and inclusion policies requires a strategic and intentional approach. Research indicates that diverse teams consistently outperform teams that lack diversity<sup>5</sup>, and yet there remains much work to be done in advancing diversity and inclusion.

Early this year, amendments to the *Canada Business Corporations Act* (CBCA) came into effect. Federally incorporated CBCA issuers must now include enhanced diversity disclosure in their notice of annual meeting or annual proxy circular. Companies are required to disclose whether they have a diversity policy and targets for four designated groups: women, Indigenous peoples, persons with disabilities, and members of visible minorities. The amendments to the CBCA require companies to disclose progress made in achieving targets for the designated groups, or if they have no targets, the reasons for non adoption – a “comply or explain” approach. What then are some of the potential implications of the enhanced diversity disclosures, given the delayed awakening to pervasive inequity that has been a feature of this year?

The law firm Norton Rose Fulbright (NRF) reviewed the 2020 disclosures of 199 CBCA issuers and it is clear that much has been left undone as it relates to advancing diversity in corporate Canada<sup>6</sup>. NRF's review notes that a meagre 1% of CBCA-incorporated issuers have adopted diversity targets beyond gender targets. On average, visible minorities make up only 4.7% of boards and 7.4% of senior executives. These facts tell an unfortunate story of how little focus CBCA companies have put on target-setting outside of gender diversity.

So how far does this new requirement push us toward advancing diversity and inclusion in corporate Canada? And will these new requirements actually promote a more inclusive corporate landscape? It is hard to say. Yet, we are hopeful that applying this level of scrutiny will propel Canadian companies to prioritize inclusivity the way they should.

This discussion on the need for fostering diverse representation and inclusive teams is not new to us. In 2018 we published a report noting the advantages for companies with gender diverse boards and executive teams. This proxy season we also started voting against members of the incumbent nominating committee where the board seemingly lacked any racial or ethnic diversity. However, we are limited in our decision making by the lack of publicly disclosed information on diversity. We have been encouraging companies to develop and disclose more on their diversity policies.

These enhanced requirements and this “comply or explain” approach could encourage companies to better consider diversity and inclusion policies and target setting. Clearly, the reputational risk of non-compliance has been significantly heightened. At the very least, this information should form the basis for an informed and transparent discussion on diversity between corporations and investors. We know there is much more we can all do to promote inclusivity. These are the types of discussions we are always keen to have with open and willing investees.

<sup>5</sup> Please see an NEI publication: Jamie Bonham and Rosa van den Beemt, *All Aboard: Increasing Corporate Board Diversity* (NEI Investments, 2018) <https://www.neiinvestments.com/documents/Research/All-Aboard-Increasing-Corporate-Board-Diversity.pdf>. Research supporting the assertion that diverse teams outperform teams lacking diversity was also published by McKinsey & Company: Sundiatu Dixon-Fyle et al, *Diversity wins: How inclusion matters* (McKinsey & Company, 2020) <https://www.mckinsey.com/featured-insights/diversity-and-inclusion/diversity-wins-how-inclusion-matters>.

<sup>6</sup> Thierry Dorval et al, *Diversity and inclusion: A look at current disclosure, challenges and improvements* (Norton Rose Fulbright, 2020). <https://www.nortonrosefulbright.com/en-ca/knowledge/publications/1659c001/diversity-and-inclusion-a-look-at-current-disclosure-challenges-and-improvements>.

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## Advancing a living wage and supply chain issues in the food retailing industry

By Lucia Lopez, ESG Analyst

In the past few months, we've witnessed how the COVID-19 crisis has disproportionately impacted workers in the consumer staples and consumer discretionary industries. On the one hand, these frontline workers, generally at the lower end of the pay scale, have now been recognized for their essential role in our society and economy. On the other hand, the crisis has exposed a fact that predates the pandemic: essential workers are often underpaid and vulnerable to external shocks. We believe investors, governments and especially companies have important and differentiated roles in addressing this fragility and inequity.

Last quarter, we held meetings as a follow-up to letters we sent to **Loblaw**, **Metro** and **Empire Company**. We had first reached out in the early weeks of the pandemic to commend initial steps taken to protect and compensate essential workers, and again a few months later to inquire about the future of worker benefits given the abrupt and seemingly coordinated end of "hero pay" wage premiums. In these follow-up meetings, we expressed our support for corporate actions that consider the interests of multiple stakeholders – employees, suppliers, communities and shareholders – but also our concern over the health, safety, and financial needs of essential workers both during and post-pandemic.

The second COVID-19 wave threatens the semblance of normalcy we had experienced at the end of the summer. As the situation unfolds, we're continuing to think about the implications for essential workers. We may know more about the virus and its treatment, but the heightened risks and vulnerability of essential workers remain unchanged.

In the investment business, taking up risk is generally rewarded with higher returns. However, it didn't seem like companies were necessarily factoring in workers' exposure to unprecedented risk when the "Hero Pay" was rolled out, but rather their increased workload. This seems misguided. For us, the concept of "build back better" is incomplete without talking about fair wages – a true living wage – for those working on the front lines.

Adopting a Living Wage Policy can better position companies to recruit and retain workers, decrease absenteeism and **increase productivity**. Undoubtedly these benefits can positively impact business performance. However, we also recognize that the concept of a living wage needs to be discussed at a societal level. Grocers cannot go it alone. A push from the government in this direction could make the difference and drive systemic change from these companies.

The lack of data is another factor that stalls progress on this topic. Before moving forward, having access to comparable data that allows an assessment of the proportion of underpaid or vulnerable workers and the risks those workers face is critical. In this sense, we welcome Loblaw's recent disclosure of average hourly wages and the number of employees earning minimum wage. We encourage other grocers to consider how they, too, can enhance disclosures of employee wages and benefits.

Our concern for the human rights of workers is not limited to the Canadian context. Due to its apparel business segments, we also discussed with Loblaw and **Canadian Tire** the pandemic's impact on their respective supply chains. Both companies appeared to be working to address key health and safety issues, including continuing audits, as much as possible during the early months of the pandemic, working with suppliers to understand their capacity rather than cancelling orders, and advocating for timely payment of workers' wages.

Earlier in the year, the Bangladesh Accord, an entity created to protect garment workers and promote building safety in Bangladesh, transitioned to the **Ready-Made-Garments Sustainability Council (RSC)** with the promise to expand the gains of the Accord and include factory owners and local representatives as participating members. Both Loblaw and Canadian Tire remain involved and fairly optimistic about the new structure. As the RSC is still in its early days, we'll be paying attention to how the relationships between the members of the Council evolve.

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## Farm to fork: Supporting farm animal welfare

By Jonathan Bey, Senior ESG Analyst

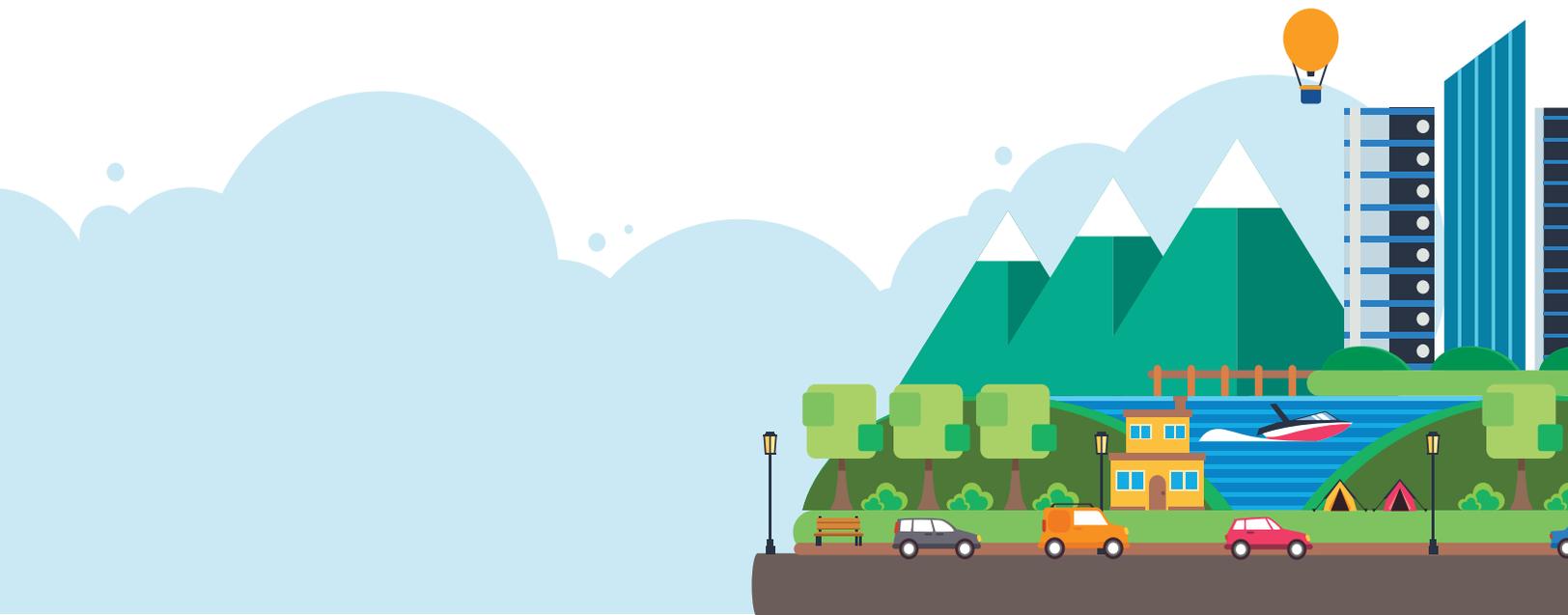
Rising consumption of animal products globally has created a demand for higher yield animal production systems. Conventional animal farming methods can negatively impact humane animal practices by making decisions on animal housing, nutrition, disease prevention and treatment, and handling that can prevent an animal from maintaining good health.

NEI Investments is part of a global investor collaboration led by Business Benchmark on Farm Animal Welfare (BBFAW) to support food companies on improving their farm animal welfare performance. Over the last quarter, we participated as a signatory to 23 letters asking some of the largest food producers, retailers and restaurants impacting farm animal welfare to review the company-specific recommendations in BBFAW's annual benchmark assessment. Some of the companies assessed include **Walmart, Loblaw, McDonald's, Maple Leaf Foods**, and **Nestlé**.

The annual benchmark assesses food companies based on governance and oversight, management commitments, innovation, and performance on farm animal welfare issues. Company-specific recommendations for improving animal welfare standards are made based on the company's progress to date. This process supports continual company improvements on farm animal welfare and provides detailed assessments on specific farm animal welfare risks for direct engagement with companies in our funds.

For example, a specific farm animal welfare risk of close confinement systems such as cages can lead to the spread of infectious diseases, increased injuries and higher mortality rates. Through BBFAW, we address specific issues like close confinement by asking food companies to make commitments to avoid close confinement in their operations. Consumer, investor and NGO demands have led to progress as more companies make commitments to cage-free operations or adjust their confinement standards.

As a long-term member of BBFAW, NEI will continue to support farm animal welfare and engage companies on this material risk.



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## COVID-19 update: Keeping engaged with pharma companies as the pandemic evolves

By Jonathan Bey, Senior ESG Analyst

Over the last quarter, pharmaceutical companies have made strong progress on COVID-19 related products. We saw industry-wide advancements in clinical trials for many vaccine candidates, antibody treatments, and research into existing antiviral medication's efficacy at accelerated rates. Notable advances in drug research have been supported by public-private collaboration through the ACT Accelerator, and innovations in the use of machine learning technologies designed to speed up the traditional clinical trial process.<sup>1</sup>

Similar to the advancements in clinical trials, pharmaceutical companies' activities and decisions from an ESG perspective have also been progressing quickly.

The unpredictability surrounding COVID-19 has created an environment where the pressure for immediate action can lead to short-term, shareholder-focused decisions – including decisions at companies that had relevant ESG corporate policies in place before the pandemic. Our focus is on ensuring pharmaceutical companies not only have appropriate policies in place, but also effectively implement strong ESG practices despite the obvious pandemic-related short-term pressures on their businesses.

As all things regarding COVID-19 remain subject to change, our approach is to stay actively engaged with pharmaceutical companies in our funds throughout all stages of the pandemic. Engagement allows us to voice stakeholder-centric viewpoints on emerging issues as – or before – crucial decisions are made.

The issues around equitable and universal access to potential COVID-19 treatments continue to grow in relevance as companies, countries, and NGOs consider the challenges of implementing a global vaccination effort. We partnered with an investor coalition led by the Interfaith Council on Corporate Responsibility (ICCR) to speak to leading pharmaceutical companies on this issue. The topics discussed included:

- Collaboration and sharing of COVID-19 related intellectual property
- Manufacturing and distribution of COVID-19 related products
- Transparency on the management of public funding received
- Company commitments to affordable pricing for pandemic-related products

We engaged directly with **AstraZeneca** and **Merck & Co.** about their considerations, commitments, and actions for their vaccine candidates on these noted topics.

All companies acknowledged their responsibility regarding COVID-19 treatments and the need to provide treatments to individuals across all income levels. Both companies shared public acknowledgements to equitable and affordable access, including the statement from Merck CEO Ken Frazier on the topic, and AstraZeneca's commitment to vaccine distribution at no profit during the pandemic. Our intention through dialogue is to hold both accountable to their public commitments.<sup>2,3</sup>

Both companies also highlighted the importance of following U.S. Food and Drug Administration (FDA) requirements and conducting clinical trials in a manner that provides full confidence in the safety and reliability of any potential treatments prior to FDA review. This commitment to safety and reliability was underscored by the safety pledge made by the CEOs of nine large pharmaceutical companies: AstraZeneca, Merck & Co., **Moderna**, **Pfizer**, **Johnson & Johnson**, **GlaxoSmithKline**, **Novavax**, **BioNTech**, and **Sanofi**.<sup>4</sup>

<sup>1</sup> "Artificial Intelligence (AI) applications for COVID-19 pandemic," *Diabetes & Metabolic Syndrome: Clinical Research & Reviews*, 2020. <https://www.sciencedirect.com/science/article/pii/S1871402120300771>.

<sup>2</sup> "Merck CEO Ken Frazier Discusses a COVID Cure, Racism, and Why Leaders Need to Walk the Talk," *HBS Working Knowledge*, 2020. <https://hbswk.hbs.edu/item/merck-ceo-ken-frazier-speaks-about-a-covid-cure-racism-and-why-leaders-need-to-walk-the-talk>.

<sup>3</sup> "AstraZeneca advances response to global COVID-19 challenge as it receives first commitments for Oxford's potential new vaccine," *AstraZeneca*, 2020. <https://www.astrazeneca.com/media-centre/press-releases/2020/astrazeneca-advances-response-to-global-covid-19-challenge-as-it-receives-first-commitments-for-oxfords-potential-new-vaccine.html>.

<sup>4</sup> "9 Drugmakers Sign Safety Pledge In Rush To Develop Coronavirus Vaccine," NPR, 2020. <https://www.npr.org/sections/coronavirus-live-updates/2020/09/08/910671322/9-drugmakers-sign-safety-pledge-in-race-to-develop-covid-19-vaccine>.

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Most companies developing vaccines have received some level of public funding. Throughout discussions with AstraZeneca and Merck, we highlighted the need to consider how the receipt of public funding should be a factor in considering how any potential vaccines are priced and distributed to provide the most public benefit.

We also engaged with **Eli Lilly** on their development of antibody treatments, highlighting the importance of access and affordability. The company shared that the biggest industry challenge with manufacturing COVID-19 antibody treatments is in meeting global demand. Eli Lilly, along with **AbCellera Biologics**, **Amgen**, AstraZeneca, **Genentech**, and GlaxoSmithKline, have taken actions to address this challenge by agreeing to share intellectual property and manufacturing facility information to expedite the manufacturing process for any approved antibody treatments.<sup>5</sup>

As clinical trials for antibody treatments progress, it will be essential to consider the specific use cases for antibodies and understand how companies think about strategic distribution to support the most vulnerable populations in hospitals and long-term care homes.

As we move into the next quarter, it will be essential to consider how companies balance seemingly conflicting pressures regarding manufacturing capacity, throughput and product reliability. It will also be necessary to consider how companies balance corporate risk-reward targets when deciding to enter into national bi-lateral advanced purchase agreements or more global multi-lateral advanced purchase agreements for vaccine candidates. Our approach to these issues will be informed by the potential impact a decision may have on stopping the spread of COVID-19 worldwide and supporting a sustained global recovery.

Additionally, as we remain forward-looking, it's essential to consider the pervasive impacts of COVID-19 outside of the pharmaceutical industry. The health and safety of employees and customers remain important considerations in our engagements throughout the pandemic. We continue to monitor outbreaks in retail, logistics, and long-term-care homes and will continue to advocate for employee and customer safety.

<sup>5</sup> "Department Of Justice Issues Business Review Letter To Monoclonal Antibody Manufacturers To Expedite And Increase The Production Of Covid-19 Mab Treatments," *The United States Department of Justice*, 2020. <https://www.justice.gov/opa/pr/department-justice-issues-business-review-letter-monoclonal-antibody-manufacturers-expedite>.

# Corporate dialogues

Holdings can change at any time without notice.

Company	Sector	Topic	NEI funds
AbbVie	Health Care	Advancing the stakeholder theory of the firm	NEI Tactical Yield Portfolio; NEI U.S. Dividend Fund; NEI Global Sustainable Balanced Fund; NEI Global Total Return Bond Fund
Adidas AG	Consumer Discretionary	Investor Decarbonisation Initiative	NEI International Equity Fund; NEI International Equity RS Fund
AGL Energy	Utilities	Investor Decarbonisation Initiative	Sold
Amazon	Consumer Discretionary	Business Benchmark on Farm Animal Welfare	NEI Global Equity Fund; NEI Global Equity Pool; NEI Global Equity RS Fund; NEI U.S. Equity RS Fund
Amgen	Health Care	Advancing the stakeholder theory of the firm	NEI Global Dividend RS Fund; NEI Global Equity RS Fund; NEI Tactical Yield Portfolio; NEI U.S. Dividend Fund
AstraZeneca	Health Care	Advancing the stakeholder theory of the firm	NEI Global Dividend RS Fund
Bank Leumi Le-Israel BM	Financials	Human rights due diligence; Responsible lending	NEI Global Equity Pool; NEI International Equity Fund
Bank of Nova Scotia	Financials	Equitable compensation; Advancing the stakeholder theory of the firm	NEI Canadian Dividend Fund; NEI Canadian Equity Fund; NEI Canadian Equity Pool; NEI Canadian Equity RS Fund; NEI ESG Canadian Enhanced Index Fund; NEI Growth & Income Fund; NEI Canadian Bond Fund; NEI Fixed Income Pool; NEI Global Total Return Bond Fund
Biogen	Health Care	Advancing the stakeholder theory of the firm	Sold
Bristol-Myers Squibb	Health Care	Advancing the stakeholder theory of the firm	NEI Global Equity Pool; NEI Tactical Yield Portfolio; NEI U.S. Dividend Fund; NEI U.S. Equity RS Fund
Canadian Imperial Bank of Commerce	Financials	Equitable compensation; Advancing the stakeholder theory of the firm; Implementing TCFD recommendations on climate disclosure	NEI Canadian Dividend Fund; NEI Canadian Equity Fund; NEI Canadian Equity RS Fund; NEI ESG Canadian Enhanced Index Fund; NEI Growth & Income Fund; NEI Canadian Bond Fund; NEI Fixed Income Pool; NEI Money Market Fund
Canadian Natural Resources Limited	Energy	Climate Action 100+	NEI Canadian Dividend Fund; NEI Canadian Equity RS Fund; NEI ESG Canadian Enhanced Index Fund
Chartwell Retirement Residences	Real Estate	Advancing the stakeholder theory of the firm	NEI ESG Canadian Enhanced Index Fund; NEI Canadian Dividend Fund
Coca-Cola Co	Consumer Staples	Plastic Solutions Investor Alliance	NEI Global Dividend RS Fund; NEI U.S. Equity RS Fund
Compass Group	Consumer Staples	Business Benchmark on Farm Animal Welfare	NEI International Equity Fund
Costco	Consumer Discretionary	Business Benchmark on Farm Animal Welfare	NEI U.S. Equity Fund
Daimler	Consumer Discretionary	Investor Decarbonisation Initiative	NEI Global Total Return Bond Fund; NEI Fixed Income Pool
Danone	Consumer Staples	Business Benchmark on Farm Animal Welfare	NEI International Equity RS Fund; NEI U.S. Equity Fund
Diageo	Consumer Staples	Investor Decarbonisation Initiative	NEI Global Dividend RS Fund; NEI International Equity RS Fund; NEI U.S. Equity Fund
Eli Lilly	Health Care	Advancing the stakeholder theory of the firm	NEI Global Equity Fund; NEI U.S. Equity Fund; NEI U.S. Equity RS Fund

# Corporate dialogues

Holdings can change at any time without notice.

Company	Sector	Topic	NEI funds
<b>Empire Co.</b>	Consumer Staples	Advancing the stakeholder theory of the firm; Business Benchmark on Farm Animal Welfare	NEI Canadian Dividend Fund; NEI Canadian Equity Fund; NEI Canadian Equity Pool; NEI Canadian Equity RS Fund; NEI ESG Canadian Enhanced Index Fund; NEI Growth & Income Fund
<b>Ford Motor Company</b>	Consumer Discretionary	Climate Action 100+	NEI Global High Yield Bond Fund
<b>General Mills</b>	Consumer Staples	Business Benchmark on Farm Animal Welfare	NEI Global Dividend RS Fund
<b>Gilead Sciences</b>	Health Care	Advancing the stakeholder theory of the firm	NEI Global Dividend RS Fund
<b>GlaxoSmithKline</b>	Health Care	Advancing the stakeholder theory of the firm	NEI Canadian Dividend Fund; NEI Global Dividend RS Fund; NEI Global Equity Pool; NEI International Equity Fund
<b>Hormel Foods</b>	Consumer Staples	Business Benchmark on Farm Animal Welfare	NEI Global Dividend RS Fund
<b>ING Groep</b>	Financials	Responsible lending	NEI Canadian Dividend Fund; NEI International Equity RS Fund; NEI Global Sustainable Balanced Fund; NEI Global Total Return Bond Fund
<b>JBS USA LLC/ JBS USA FINA</b>	Consumer Staples	Biodiversity and deforestation	NEI Global High Yield Bond Fund
<b>Johnson &amp; Johnson</b>	Health Care	Advancing the stakeholder theory of the firm	NEI Canadian Equity RS Fund; NEI Global Equity Pool; NEI U.S. Equity Fund; NEI U.S. Equity RS Fund
<b>Kerry Group</b>	Consumer Staples	Business Benchmark on Farm Animal Welfare	NEI International Equity RS Fund
<b>Kinder Morgan</b>	Energy	Advancing the U.S. energy transition	NEI U.S. Dividend Fund; NEI Tactical Yield Portfolio
<b>Kroger</b>	Consumer Staples	Business Benchmark on Farm Animal Welfare	NEI Canadian Dividend Fund
<b>Loblaw</b>	Consumer Staples	Advancing the stakeholder theory of the firm; Business Benchmark on Farm Animal Welfare	NEI Canadian Equity RS Fund; NEI ESG Canadian Enhanced Index Fund; NEI Canadian Bond Fund; NEI Fixed Income Pool
<b>LUKOIL</b>	Energy	Environmental performance	NEI International Equity Fund
<b>Major Drilling Group International</b>	Materials	Advancing governance of significant holdings	NEI Canadian Small Cap Equity RS Fund
<b>Maple Leaf Foods</b>	Consumer Staples	Business Benchmark on Farm Animal Welfare	NEI ESG Canadian Enhanced Index Fund
<b>McDonald's</b>	Consumer Discretionary	Business Benchmark on Farm Animal Welfare	NEI Global Equity Pool; NEI U.S. Equity RS Fund; NEI Global Total Return Bond Fund
<b>Merck &amp; Co.</b>	Health Care	Advancing the stakeholder theory of the firm	NEI Global Dividend RS Fund; NEI Global Equity Fund; NEI Global Equity Pool; NEI Tactical Yield Portfolio; NEI U.S. Equity Fund; NEI U.S. Dividend Fund; NEI U.S. Equity RS Fund; NEI Global Sustainable Balanced Fund
<b>Metro</b>	Consumer Staples	Advancing the stakeholder theory of the firm; Business Benchmark on Farm Animal Welfare	NEI Canadian Dividend Fund; NEI Canadian Equity Pool; NEI ESG Canadian Enhanced Index Fund; NEI Canadian Bond Fund; NEI Fixed Income Pool
<b>Minerva SA/Brazil</b>	Consumer Staples	Biodiversity and deforestation; Business Benchmark on Farm Animal Welfare	NEI Global Equity Fund
<b>Mondelez International</b>	Consumer Staples	Business Benchmark on Farm Animal Welfare	NEI U.S. Equity Fund

# Corporate dialogues

Holdings can change at any time without notice.

Company	Sector	Topic	NEI funds
<b>Nestlé</b>	Consumer Staples	Business Benchmark on Farm Animal Welfare	NEI Global Equity Fund; NEI Global Equity Pool; NEI Global Equity RS Fund; NEI International Equity Fund; NEI International Equity RS Fund
<b>Novartis</b>	Health Care	Advancing the stakeholder theory of the firm	Sold
<b>Pfizer</b>	Health Care	Advancing the stakeholder theory of the firm	NEI Tactical Yield Portfolio; NEI U.S. Dividend Fund
<b>Restaurant Brands International</b>	Consumer Discretionary	Business Benchmark on Farm Animal Welfare	NEI Canadian Equity Pool; NEI ESG Canadian Enhanced Index Fund
<b>Rio Tinto</b>	Materials	Respecting Indigenous rights	NEI Global Dividend RS Fund
<b>Roche Holding</b>	Health Care	Advancing the stakeholder theory of the firm	NEI Global Dividend RS Fund; NEI Global Equity Fund; NEI Global Equity Pool; NEI Global Equity RS Fund; NEI International Equity Fund; NEI U.S. Equity RS Fund
<b>Royal Bank of Canada (RBC)</b>	Financials	Equitable compensation; Advancing the stakeholder theory of the firm	NEI Canadian Dividend Fund; NEI Canadian Equity Fund; NEI Canadian Equity RS Fund; NEI ESG Canadian Enhanced Index Fund; NEI Global Equity Pool; NEI International Equity Fund; NEI Canadian Bond Fund; NEI Fixed Income Pool; NEI Global Total Return Bond Fund; NEI Money Market Fund
<b>Sanofi</b>	Health Care	Advancing the stakeholder theory of the firm	NEI International Equity Fund; NEI International Equity RS Fund
<b>Saputo</b>	Consumer Staples	Business Benchmark on Farm Animal Welfare	NEI Canadian Equity Pool; NEI Canadian Equity RS Fund; NEI ESG Canadian Enhanced Index Fund; NEI Canadian Bond Fund; NEI Fixed Income Pool
<b>Sodexo</b>	Consumer Discretionary	Business Benchmark on Farm Animal Welfare	NEI International Equity RS Fund
<b>Starbucks</b>	Consumer Discretionary	Business Benchmark on Farm Animal Welfare	NEI U.S. Equity Fund
<b>Suncor Energy</b>	Energy	Climate Action 100+	NEI Canadian Dividend Fund; NEI Canadian Equity RS Fund; NEI ESG Canadian Enhanced Index Fund; NEI Canadian Bond Fund; NEI Fixed Income Pool
<b>SYSCO</b>	Consumer Staples	Business Benchmark on Farm Animal Welfare	Sold
<b>Target</b>	Consumer Discretionary	Business Benchmark on Farm Animal Welfare	NEI Global Dividend RS Fund; NEI Tactical Yield Portfolio; NEI U.S. Equity Fund; NEI U.S. Dividend Fund
<b>Teck Resources</b>	Materials	Climate Action 100+	NEI Canadian Equity RS Fund; NEI ESG Canadian Enhanced Index Fund
<b>Tencent Holdings</b>	Information Technology	Investor Decarbonisation Initiative	NEI Emerging Markets Fund; NEI Global Equity Fund; NEI International Equity Fund
<b>Valero Energy</b>	Energy	ClimateAction 100+	NEI Tactical Yield Portfolio; NEI U.S. Dividend Fund
<b>Vodafone Group</b>	Communication Services	Investor Decarbonisation Initiative	NEI Canadian Dividend Fund; NEI Global Impact Bond Fund; NEI Global Total Return Bond Fund
<b>Wal-Mart</b>	Consumer Staples	Business Benchmark on Farm Animal Welfare	NEI Global Equity Pool; NEI U.S. Equity RS Fund

# Policy actions

Policy activity	Impact sector	Impact market	SDG theme
We participated in a roundtable discussion on the need for a centralized national climate analytics data centre, one of the recommendations of the Expert Panel on Sustainable Finance.	All	Canada	SDG 13 - Climate Action
We provided input into the Pembina Institute's research into how sustainable finance could be leveraged to support a green recovery from the COVID-19 pandemic.	All	Canada	SDG 13 - Climate Action
We worked with the Responsible Investment Association and a group of co-leads from other institutions to draft a diversity and inclusion statement to be proposed to the broader membership base for sign on.	All	Canada	SDG 10 - Reduced Inequalities
We submitted comments to the PRI's consultation on its proposed Human Rights Framework for investors, encouraging the PRI to strengthen the document even further.	All	Global	SDG 16 - Peace, Justice and Strong Institutions
We co-authored a submission to the Ontario Capital Markets Modernization Taskforce supporting several of the Taskforce's recommendations, including increasing board diversity, implementing an advisory vote on compensation, and enhancing ESG disclosure in line with other globally recognized frameworks.	All	Canada	SDG 16 - Peace, Justice and Strong Institutions; SDG 13 - Climate Action
We submitted comments to the International Corporate Governance Network consultation on its Global Governance Principles, highlighting a need to focus on issues such as stakeholder capitalism, diversity and compensation.	All	Global	SDG 16- Peace, Justice and Strong Institutions; SDG 10 - Reduced Inequalities
We participated as a subject matter expert at the B.C. Responsible Minerals and Metals Summit to facilitate a discussion on the role of responsible mining standards and ESG investment.	Mining	B.C.	SDG 16 - Peace, Justice and Strong Institutions; SDG 13 - Climate Action; SDG 3 - Good Health and Well-Being
We participated in the government of Canada's consultation on vehicle emission standards to reinforce our support for the existing standards to remain in place, despite the weakening of standards in the U.S.	Automobile	Canada	SDG 13 - Climate Action



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