
ACTIVITY REPORT 2019-2020



OUR ANALYSIS
YOUR IMPACT



Shareholder Engagement
Services

Æquo carries out its work on behalf of its clients and partners



Régime de retraite des employés de la CSN

Desjardins
Global Asset
Management
Inc.



Régime de retraite des employés d'Hydro Québec



HEXAVEST



Our MISSION

Æquo provides shareholder engagement services to institutional investors seeking to integrate environmental, social and governance (ESG) considerations into their investment strategies.

Our purpose is to amplify the impact of our clients, institutional investors, by guiding them in the implementation of responsible investment strategies.

Æquo aims for a more sustainable economic system in which companies, encouraged by their investors, manage ESG risks and opportunities to create long-term value that benefits society as a whole.



Message from **THE CHAIRWOMAN AND THE CEO**

We are writing this in the midst of a global crisis related to the impacts of the COVID-19 pandemic. The looming recession, with entire industries disrupted and jobs threatened, is forcing governments and companies to redefine their priorities. Every individual and organization is wondering what one's role should be in all of this. The responsible investment world is also mobilizing.

As shareholder engagement professionals, we know we have an important role to play in terms of the future priorities companies will set for themselves. "Rebuilding a more sustainable, resilient, and just economy" should be our collective motto.

In 2019, we had no less than 65 dialogues with companies from some 15 industries. This provided us with a solid foundation to be able to meet our clients' range of needs and priorities. The pandemic crisis management by companies with whom we have been holding dialogues, quickly became a priority issue that we have integrated into our dialogues.

In Montreal, we are fortunate to have access to a high-calibre community of experts. The City has distinguished itself as a dynamic force when it comes to RI (see [Global Green Finance Index](#)). In fact, our founding client, Bâtirente, was recognized in this area through its appointment to the PRI Leaders' Group 2019.

CLIMATE CHANGE

At the beginning of 2020, temporary decreases in environmental impacts, due to the global economic slowdown, should provide food for thought as we look for solutions to counter climate change. The PRI's *Inevitable policy response* report is clear: this transition will be abrupt and unequal. Companies AND investors need to prepare themselves to disclose more information about the way they manage carbon risk. The integration of [TCFD recommendations](#) is making progress, but not enough. The lack of disclosure by companies as to how they manage climate questions represents a risk for institutional investors and savers. In Europe as well as Canada, the development of taxonomies aimed at defining "sustainable activities" should help all stakeholders to better quantify, manage, and disclose this risk, and we are proud to take part in the [CSA](#) efforts related to this.

The investors who came together in 2019 for the Climate Action 100+ once again convinced the biggest GHG-emitting companies, such as BP and Glencore, to describe the way in which their strategy aligns with Paris Agreement targets. Aequo's team has invested substantial time and energy on this initiative, by coordinating dialogues with Enbridge, Imperial Oil and TC Energy—our way to generate a greater impact for our clients while giving back to the responsible investment community.



Beyond the question of these companies' GHG emissions, Aequo is known for its ability to bring the big picture to these debates: a just transition, First Nations, environmental debt, and health and safety of the workers and communities in question.

THE FUTURE

Investors have attested to the growing interest in responsible investment practices as demonstrated by the [2019 RIA Survey](#) and the latest [CIRI](#) survey clearly illustrate that emitters are aware of the importance of ESG factors in their long-term success. It is crucial to continue discussing all ESG-related questions with companies.

During this period of great uncertainty, the Aequo team is staying the course, in the best interest of investors and beneficiaries. More than ever, our objective remains to build a prosperous, sustainable and inclusive economy.

Josée Cavalancia

Chairwoman of the Board

Jean-Philippe Renaut

CEO

Process, METHODS AND RESULTS

SHAREHOLDER DIALOGUE

At Æquo, our engagement approach is aimed at improving companies' ESG practices, through **constructive and informed** discussion. We gather information from companies and then invite them to improve the way they manage ESG issues that matter to investors. On average, we carry out two formal meetings per year with each company targeted by our engagement plan, in addition to numerous conversations, follow-ups, and research.

Along with individual dialogues, we also participate actively in investor collaborations pertaining to companies and specific issues, on behalf of our clients. These initiatives, to which we bring our unique expertise, lead to conversations among several investors and targeted companies, or result in joint statements.

SUCCESS FACTORS FOR ENVIRONMENTAL AND SOCIAL ENGAGEMENT

Mistra, the Swedish Foundation for Strategic Environmental Research, in collaboration with the Stockholm School of Economics, published a [report](#) that **summarizes the last 10 years of university research** on the efficiency of shareholder engagement strategies. Here are the main points highlighted therein.

EFFECTIVENESS OF DIALOGUE

- **Legitimacy** is the most critical attribute. It depends on the **organization's reputation and credibility of the staff**, but also what the investor says. As such, it is important to present a **strong business case**, while also **highlighting industry best practices** and **showing a willingness to understand the company's perspective**.
- **Collaborative engagement** platforms, such as the Principles for Responsible Investment, can add legitimacy as well as the infrastructure to sustain engagement efforts.

EFFECTIVENESS OF SHAREHOLDER PROPOSALS

- It is easier to obtain **shareholders' support on disclosure-related resolutions**.
- A **high level of support is likely to ensure the resolution's implementation in other companies across the industry**.
- Larger companies that are closer to end-user consumers, and who **face greater risk to their reputation**, are **more likely to concede to shareholder proposals**.

Companies are more likely to respond positively to shareholder requests if the **filers have high socially or economically derived status**. Shareholder resolutions are more likely to be withdrawn if the filers have a **large overall holding in the company**.

SELECTION OF COMPANIES

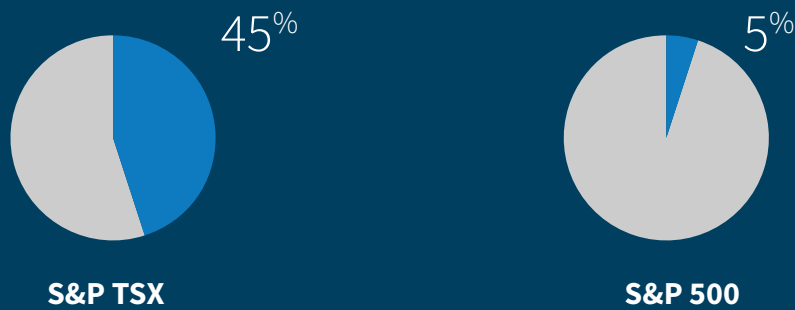
The companies in our engagement plan are chosen according to the following three criteria:

- A substantial number of controversies and/or poor ESG performance compared with their peers
- Potential for our process to have an impact, as evaluated according to the presence of a certain security in a significant number of our clients' portfolios, for example
- Dialogue continuity, when the previous year's engagement goals have not yet been met.

Our 2019 engagement plan contained 69 companies (40 Canadian and 29 American). In 2020, our engagement program for priority companies is composed of a Canadian plan with 36 companies, and a separate American plan containing 26, for a total of 62 targeted dialogues. Aside from the 62 priority companies presented, we are in contact with other companies, including those with whom we have already held dialogues but which are momentarily no longer within our priorities, or companies where our potential impact is limited.

OUR MARKET COVERAGE

Æquo's shareholder engagement method generates impacts on the Canadian and American markets. The proportions of the stock market indices covered are as follows.



DIALOGUE TRACKING

Our dialogues are geared to the long term, generally continuing over several quarters. It is important for Æquo to create a climate of trust between our contacts and us since companies' ESG practices cannot simply change overnight.

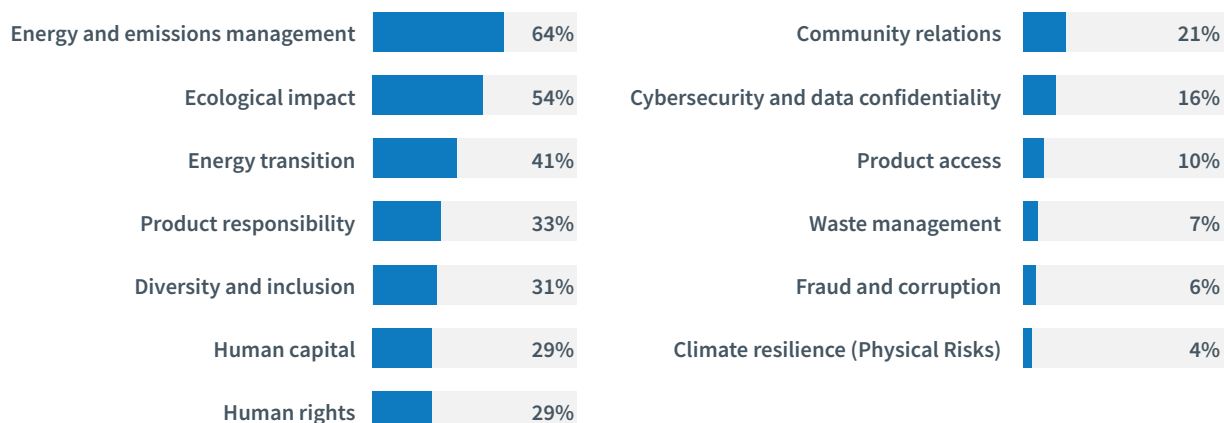
For each dialogue, we define objectives with measurable outcomes. These objectives are presented to companies as recommendations. To track their progress, we have developed an objective achievement scale.

OBJECTIVE ACHIEVEMENT SCALE

0	Objective (for managing a risk) has been defined but not yet communicated to the company
1	Objective has been communicated to the company
2	Company has recognized the benefit of reaching the objective
3	Company has adopted a strategy for reaching the objective
4	Company has reached the objective

2019 INDUSTRIES, ISSUES AND RESULTS

MAIN ISSUES DISCUSSED IN 2019



In 2019, we led engagements with 66 companies, out of the planned 69 dialogues, on behalf of our clients. The three companies that refused to answer our meeting requests were **Targa Resources, Marathon Petroleum, and Thermo Fisher Scientific.**

The most frequently discussed of the 13 themes:

- climate issues (transition, energy management, or climate resilience) – 80% of the companies in the engagement plan
- employee management, human rights, or diversity and inclusion – 40% of the companies in our action plan
- local community relations – 20% of the companies

We also continued our discussions on other issues, such as product responsibility, opioids, plastic management and data confidentiality management.

In 2019, we made progress in a bit more than two thirds of our dialogues. This statistical increase since 2018 is proof of the impact that engagement generates after a few months.

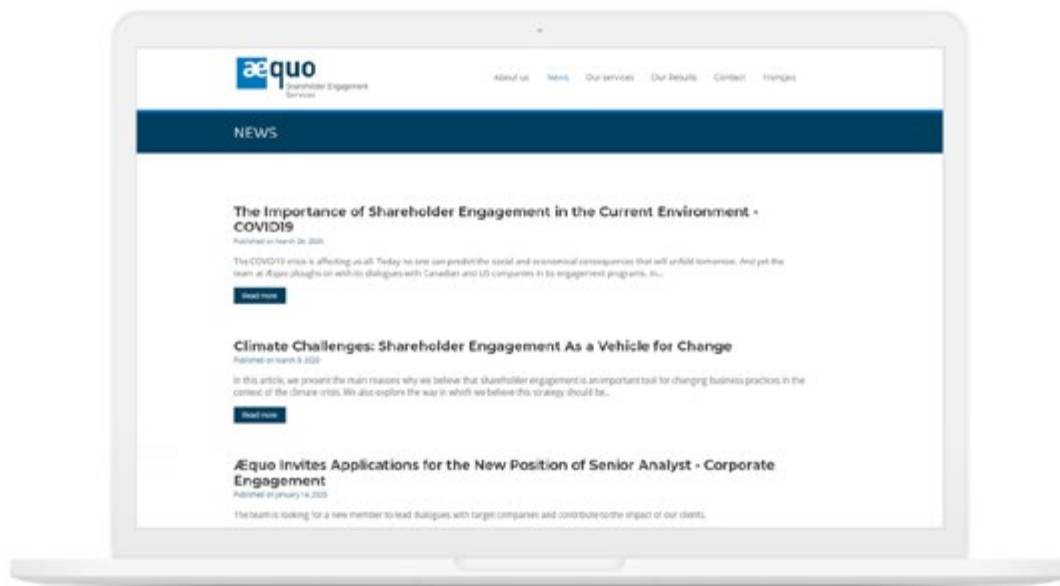
The quality of the relationships we nurture with companies is at the heart of our mission's success. We do not normally privilege filing a shareholder proposal, except as a last resort and in full transparency with the company (when the latter does not respond to our requests for a meeting, or when we have observed that a sustained discussion on a particular issue has not been productive). While no shareholder proposals were filed in 2019, we informed certain companies of our intention to do so, and that discussion was enough to trigger a change. As part of these follow-ups, letters were sent out at the beginning of 2020 to the Boards of three companies:

DOLLARAMA: A proposal was considered but not submitted, after the company agreed to publish its first ESG report (which was done in 2019). We then sent a letter to the Board of Directors explaining the points we wished to see improved.

ATCO: A proposal was considered but the company sold the vast majority of its hydrocarbon assets. We sent a letter to their Board asking the company to improve its disclosure related to climate risk management (i. e., by publishing a 2°C scenario report).

HUSKY: A proposal was considered, but the company was in the process of meeting our demands in terms of climate disclosure (by publishing a 2°C scenario report and a definition of GHG reduction targets). We sent a letter to their Board explaining our demands.

Visit our website at www.aequo.ca, especially the “News” section, for more information on our impact.



2019–2020 CANADIAN ENGAGEMENT PLAN

Industry	Company*	E	S	G
Finance & insurance	Intact Insurance	Climate resilience Energy transition	Cybersecurity and data confidentiality	
Processed foods	Maple Leaf (Not renewed in 2020) Premium Brands (Not renewed in 2020)	Energy management Ecological impact	Human rights Human capital Product responsibility	
Commercial banks	CIBC Bank Bank of Montreal Royal Bank of Canada Scotiabank TD Bank	Energy transition	Cybersecurity and data confidentiality	Responsible tax practices
Food retailers	Alimentation Couche-Tard Empire Company Loblaw Metro	Energy management Ecological impact	Diversity and inclusion Human rights Human capital Product responsibility	
Specialized retailers	Canadian Tire Dollarama	Energy management Ecological impact	Human rights Diversity and inclusion Human capital Product responsibility	
Waste management	Waste Connections (Not renewed in 2020)	Energy management Ecological impact	Employee management	
Real estate	Allied CAPREIT RioCan (Not renewed in 2020)	Energy management Climate resilience		
Software and IT services	CGI Descartes Systems OpenText	Energy management	Cybersecurity and data confidentiality Diversity and inclusion	Fraud and corruption
Metals and mines	Agnico-Eagle Barrick Gold First Quantum Minerals Teck Resources IAMGOLD (Not renewed in 2020)	Waste management Ecological impact	Local communities Human rights Human capital	Responsible tax practices
Oil and gas	Canadian Natural Resources Enbridge Husky Energy Imperial Parkland Fuel Pembina Pipeline Suncor TC Energy	Energy management Ecological impact Energy transition	Local communities	
Automotive	Magna International	Energy management Ecological impact Energy transition	Human rights Human capital	
Chemical products	Methanex Nutrien	Energy management Ecological impact		
Construction products	Norbord (Not renewed in 2020) Richelieu (Not renewed in 2020) Stella Jones (Not renewed in 2020)	Energy management Ecological impact		
Engineering and construction services	WSP	Energy management Energy transition		Fraud and corruption
Telecommunications services	Telus	Energy management	Cybersecurity and data confidentiality Diversity and inclusion Product responsibility	
Public services	Algonquin (Not renewed in 2020) ATCO (Not renewed in 2020) Capital Power Fortis	Energy management Energy transition		

* New companies in the 2020 engagement plan are indicated in **bold**

2019–2020 AMERICAN ENGAGEMENT PLAN

Industry	Company*	E	S	G
Commercial banks	Bank of America Citizens Financial Group M&T Bank Truist (BB&T)	Energy transition	Cybersecurity and data confidentiality	Responsible tax practices
Biotechnology and pharmaceutical	Abbvie Biogen Johnson & Johnson Pfizer		Product responsibility Product access Human capital	
Food retailers	Kroger (Not renewed in 2020)	Energy management Ecological impact	Diversity and inclusion Human rights Human capital Product responsibility	
Medication retailers	CVS Health Walgreens Boots Alliance		Product access Diversity and inclusion Human capital Product responsibility	
Specialized retailers	Costco Wholesale (Not renewed in 2020) Dollar General Dollar Tree Fastenal (Not renewed in 2020) Lowe's Target TJX Companies Under Armour (Not renewed in 2020) Wal-Mart	Energy management Ecological impact	Diversity and inclusion Human rights Human capital Product responsibility	
Real estate	Alexandria Real Estate	Energy management Climate resilience		
Machines and industrial products	Caterpillar	Energy management Energy transition	Human rights Human capital (health and safety)	
Oil and gas	Marathon Petroleum (Not renewed in 2020) Targa Resources (Not renewed in 2020) Valero (Not renewed in 2020) Santo Limited (Outside US) Woodside Petroleum (Outside US)	Energy management Ecological impact Energy transition	Local communities	
Healthcare	Universal Health		Product access Human capital Product responsibility	
Chemical products	Sherwin-Williams (Not renewed in 2020)	Energy management Ecological impact	Human capital	
Household and personal products	Estée Lauder	Ecological impact	Human rights Product responsibility	
Restaurants	McDonald's	Energy management Ecological impact	Human rights Human capital Product responsibility	
Telecommunications services	Verizon	Energy management	Cybersecurity and data confidentiality Product responsibility	
Power utilities	American Electric Power (AEP) (Not renewed in 2020) Consolidated Edison (Not renewed in 2020) DTE Energy Duke Energy (Not renewed in 2020) Entergy (Not renewed in 2020) Public Service Enterprise Southern Company (Not renewed in 2020)	Energy management Ecological impact Energy transition		

* New companies in the 2020 engagement plan are indicated in **bold**

Some Issues DISCUSSED IN 2019

CLIMATE ISSUES



Climate risk management was still front and centre in the dialogues we led in 2019. This issue was discussed with nearly all of the companies in our engagement plans. Ranking first was the energy sector, but also the banking sector, and all activity sectors to the extent that these have a role to play in decreasing their direct and indirect GHG emissions as well as needing to adapt to market and regulatory changes.

The impact of global warming is being felt on a global scale. The reality of 2019 illustrates how we are moving from climate risk management to crisis management.

Even if COP25 did not meet expectations, especially in terms of carbon market development and support for developing countries, many countries continue to act on this. They are guided by sustainable finance working groups, such as [those from the European Union](#) and [Canada](#). They have developed recommendations for funding the energy transformation. Central to that is the creation of a taxonomy for classifying “sustainable” activities, and Aequo has been actively participating in this **initiative in Canada**. To that end, Bâtirente mandated Aequo to represent them on the Canadian Standards Association (CSA) subcommittee. The purpose of this subcommittee is to propose a taxonomy for the oil and gas sector. In fact, it is critical to be able to classify a company’s activities according to their sustainability dimension, in order to properly inform investors and adapt to the evolving climate disclosure regulations.

While the integration of [TCFD recommendations](#) by companies has made inroads since 2016, its [latest report](#) specifies that there is still room for improvement. The recent [survey](#) by Global Sustainable Investment Alliance (GSIA) emphasizes that responsible investment professionals are generally dissatisfied with the climate-related information from publicly traded companies.

Our demands align with TCFD recommendations and aim, in a general sense, to have companies properly disclose:

- their **governance**, specifically related to Board skills and supervision, and compensation based on climate performance
- their **risk management** and **strategy**, particularly transition/transformation plans, scenario analysis and business model resilience, proportion of investments in fossil fuels, and climate opportunities
- their GHG **reduction objectives** aligned with Paris Agreement targets, as well as their **lobbying practices**
- their practices promoting a **just transition**, i. e., cooperation with governments, unions, and other stakeholders, so as to minimize job losses; participation in the conversion of employees to more sustainable jobs and support for local communities affected by closures



OUR IMPACT ON CARBON NEUTRALITY OBJECTIVES

In accordance with our requests and the Paris Agreement ambitions, four electricity generation and distribution companies—**Consolidated Edison, DTE Energy, Duke Energy** and **Public Service Enterprise Group**—announced in 2019 their goal of becoming carbon neutral by 2050. **Canadian Natural Resources**, an oil and gas production company, also made this announcement last summer.

Nevertheless, all these companies remain quite vague about the means developed to achieve this. Some of them specified that technological advances—especially in the carbon capture field—along with the purchase of carbon credits, would be necessary to reach these targets.

Despite those elements, we are generally satisfied with the announcements, as they are proof of these companies' willingness to take action while sending a strong signal to all stakeholders in that sector. We will continue in 2020 to ensure that companies adopt targets aligned with the Paris objectives and that they provide us with concrete information on how they intend to achieve the targets.

ANSWERS TO OUR CLIMATE SCENARIO ANALYSES REQUESTS

In 2019, **TC Energy, Enbridge, Imperial** and **Entergy** disclosed the analyses in which they attempted to demonstrate the resilience of their business model under different climate scenarios, for the purpose of reassuring their investors and funders.

The companies that carried out and published climate scenario analyses have disclosed little information on the resilience of their business strategies. They generally conclude that their current business model would be resilient, even in the case of a rapid transition.

These reports are nevertheless very useful, since they help generate interesting conversations internally and with stakeholders. *Æquo* is renowned for its expertise in assessing the quality of these scenario analyses. The companies themselves have often thanked us for our analyses and recommendations.

REALITY ON THE GROUND: LOCAL COMMUNITY RELATIONS



This topic was discussed with one in five companies in our action plan, primarily companies from the energy and mining sectors, but also the banking sector.

In 2019, protests from Indigenous communities over specific projects, including the Coastal GasLink pipeline (**TC Energy**) and even Trans Mountain (bought by the Canadian government from **Kinder Morgan** in 2018), cost them dearly in terms of their operations.

The banking sector has also been facing a number of risks by financing these controversial projects. Much criticism was levelled at the major banks for their help in funding the Dakota Access Pipeline (DAPL) in 2017, given that they were also signatories of the [Equator Principles](#). This led to the Principles being revised in 2019, although these still remain vague when it comes to the interpretation of FPIC. In 2020, we continue to request a sounder interpretation of FPIC by companies in order to meet investors' needs for predictability and civil society's expectations.

Poor relations with local communities translate into material risks for companies, whether in the form of a conflict, protest, or any other dispute, which could delay a project's implementation and tarnish the company's reputation. According to an [ERM study](#), nearly half of all major mining projects across the globe between 2008 and 2016 were slowed down due to conflicts with communities. Regulations also oblige companies to adapt. In that vein, British Columbia's Bill 41 – [Declaration on the Rights of Indigenous Peoples Act](#), adopted in November 2019, seeks to integrate the United Nations Declaration on the Rights of Indigenous Peoples (UN-DRIP), including the concept of free, prior and informed consent (FPIC), into its provincial legislation. Adapted practices make it possible to reduce these risks, protect reputations, and prepare for regulatory changes, while improving the quality of relations with stakeholders.

In 2015, the final report of the [Truth and Reconciliation Commission of Canada](#) took aim at companies and called upon them to adopt the [United Nations Declaration on the Rights of Indigenous Peoples](#), by committing to:

- obtain FPIC
- ensure that communities have access to jobs and derive long-term benefits from economic development projects
- sensitize companies' leadership and personnel to Indigenous peoples' history

[The guide](#) for investors was launched by the Reconciliation and Responsible Investment Initiative (RRII) in 2018 and explains how investors can integrate this issue into their actions.

Consistent with these recommendations, we invite the companies with



which we are holding dialogues to recognize the principles of the *United Nations Declaration on the Rights of Indigenous Peoples* (UNDRIP), aim to obtain Indigenous communities' FPIC for every new project, as well as to adopt, in a more global manner, a posture of openness and dialogue with local stakeholders. We also ask them to promote local and sustainable jobs, training, and economic development, especially in connection with the post-operational phase.

A company that aims to be profitable in the long term must recognize its responsibility to Indigenous peoples and local communities throughout the entire project, from its development and deployment, up until its closure.

OUR PROGRESS WITH ENBRIDGE

For a number of years now, we have maintained good relations with the company's representatives at various levels. Since the beginning, we have asked them to take Indigenous people's rights into consideration when developing their projects.

In 2019, we were proud to showcase the fact that Enbridge had published a report on Indigenous peoples (*Enbridge Discussion Paper on Indigenous Rights*), in which the company stated that it had integrated the question of Indigenous peoples into its strategic planning. Without necessarily claiming it to be a success, we are satisfied overall with this policy and continue discussing its implementation.

OUR RELATIONS WITH AGNICO-EAGLE

Our engagement with Agnico-Eagle's leadership, all the way to Nunavut, also focused on the relations with local communities and FPIC. We examined the company's new policy, which supports the UNDRIP and FPIC when conducting activities on privately owned properties, including Indigenous lands. We also discussed the reconciliation plan which the company had developed following the recommendations from the *Truth and Reconciliation Commission of Canada*, including educational workshops for the company's employees and managers.

At the company's invitation, Æquo visited the Meadowbank Complex, one of their facilities in Nunavut. Our objective was to better understand the company's social approach in order to identify best practices, discuss post-mining plans for the community, and talk about the mine's performance. While we were able to identify best practices, we asked them to specify the measures and steps put in place to support the communities in the mine closure process.

Issues to MONITOR IN 2020

HUMAN RIGHTS



Respect for human rights, particularly in the supply chain, will continue to be an important issue in 2020. This is the main theme of our discussions with retailers in our action plan.

Inappropriate labour and supply chain practices pose reputational and operational risks, including difficulties to adapt to the changing standards. Conversely, sound management of this issue makes it possible to reduce certain costs, protect reputation and improve the quality of relations with stakeholders.

Voluntary disclosure standards in this field, such as the *Guiding Principles on Business and Human Rights* (UNGP), GRI, SASB and WDI, help provide investors with relevant information. However, even if the vast majority of companies publicly commit to respecting human rights, the most recent *CHRB Report* once again spotlighted in 2019 the weak degree of UNGP implementation by the evaluated companies.

That said, the legislation on human rights management disclosure has been evolving on a global scale, as is the case, for example, in the United Kingdom, France, and California. In Canada, the federal government started discussing this topic in 2019. We also took part in a consultation in Ottawa organized by the government around this topic.

Impact initiatives, particularly under pressure from investors, are being sustained. In line with this, the Bangladesh Accord, which led to many concrete improvements following the Rana Plaza collapse in 2013, will finally be extended in the form of a body whose governance is ensured by the brands, manufacturers and unions. Overall, it should retain the same attributes as the original Accord.

In 2020, we will continue inviting companies to join the Accord. More broadly speaking, we will ask them to put in place sufficient governance; take measures to assess and manage risks (with performance indicators and objectives); and disclose on this topic in a systematic and regular fashion.

DIVERSITY AND INCLUSION



The second issue to monitor in 2020 is diversity and inclusion. While we are looking at how all the companies in our engagement plan manage this dimension in terms of their board of directors and management, we take an even deeper dive into the topic with retailers, the pharmaceutical sector, and IT and communication companies.

Diversity brings real value to companies by promoting their performance, as several studies indicate, whether this pertains to [gender](#) or [diversity](#) as a whole.

Despite that, we note that there is still a lot of work to be done, even if [progress has been made in the area of women's representation](#). Women remain [underrepresented as they move up the hierarchy](#), and [prejudices perceived by minorities](#) still abound in the workplace.

Investors require information to be able to analyze how companies deal with this issue. Within that framework, the changing Canadian legislation sends an important signal. On this point, we should mention the "Comply or explain" rule on gender diversity, as introduced by the *Ontario Securities Commission* (2015), or the more recent new [Canadian regulations](#), which oblige all publicly traded companies to disclose information regarding their diversity-related policies and practices in their Board and management team (2020). These measures help promote disclosure and uniformity of data.

On behalf of our clients, we ask companies for a commitment from their leadership and board of directors; explicit corporate-wide policies; flexibility; targets; and disclosure (distribution of job levels and salary by gender).

PESTICIDES AND CHEMICAL PRODUCTS



In 2020, we will continue our discussions with retailers about how they manage the risks associated with pesticide usage and, more generally, the risks associated with the presence of chemical substances in the products they place on the market.

Poor management of this risk represents material risks to companies, whether in the form of lawsuits or product recalls that threaten their operations, of damage to their reputation or of failure to prepare for changing regulations.

For example, the use of glyphosate continues to be questioned with regard to its effects on public health, while the massive use of pesticides has proven impacts on pollinators, an essential link in biodiversity and food security. States are legislating and lawsuits are multiplying. While Europe banned neonicotinoids (one of the most controversial substances) in 2018, Canada needs to make a decision on this in 2020.

Since 2019, we have been taking part in an [investor collaboration](#) related to the reduction in pesticide use and safer management of chemical products.

On behalf of our clients, we have been asking companies to define policies, identify pesticides and other harmful substances used, set reduction targets and develop safer and more sustainable alternatives.



Since 2018, we have aligned every one of our objectives with the United Nations' Sustainable Development Goals. The latter address the major global challenges associated with poverty, inequality, climate, environmental deterioration, and prosperity, along with peace and justice. The private sector plays an important role in the attainment of these goals. As the representative of our investing clients, we invite companies, through our dialogues, to improve their impact on the majority of these 17 Sustainable Development Goals.

INVESTOR COLLABORATION INITIATIVES

Initiative	Type	Description	Involvement
Responsible Investment Association (RIA)	Organization	The Responsible Investment Association (RIA) is an association representing the industry in which Aequo and its clients operate.	Intermediate – Support role <ul style="list-style-type: none"> ● Member since January 2019 ● Advising on content and participants in the April 2019 annual conference
ICCR	Organization	The Interfaith Center on Corporate Responsibility brings together religious communities with the objective of building a more just and sustainable world, by integrating social values in companies and investors' actions.	Intermediate – Support role <ul style="list-style-type: none"> ● Member of various committees and participation in meetings
PRI	Organization	The PRI initiative helps signatories incorporate ESG issues into their decisions regarding investment and share ownership.	Advanced <ul style="list-style-type: none"> ● Signatory since Aequo's founding ● Participant in various collaborative initiatives
PRI Plastic Investor Working Group	Working group	This committee raises investors' awareness and understanding of the impacts, risks, and opportunities related to plastic.	Advanced <ul style="list-style-type: none"> ● Active participation as a member of the working group
Working group on risks associated with carbon assets	Working group	Led by the Ceres organization, the Carbon Asset Risk (CAR) Working Group brings together investors and focuses on dialogue with energy companies about issues related to climate risks.	Intermediate – Support role <ul style="list-style-type: none"> ● Participation in meetings ● Exchange of information related to companies in the action plan targeted by the initiative
PRI collaboration on a just transition	Working group	Its goal is to have companies integrate social considerations, particularly job-related, into their energy transition strategy.	Advanced <ul style="list-style-type: none"> ● Active participation as a member of the working group ● Participation in meetings ● Exchange of information related to companies in the action plan targeted by the initiative
Climate Action 100+	Collaborative engagement	This initiative brings together more than 370 investors from across the planet to join in on an engagement plan aimed at the world's 100 biggest corporate (public company) GHG emitters, as well as 61 other big emitters.	Advanced <ul style="list-style-type: none"> ● Active participation in the North American group ● Leadership role on certain engagements with targeted companies
PRI Collaborative Engagement on Tax Transparency	Collaborative engagement	Issues related to companies' responsible tax practices.	Advanced <ul style="list-style-type: none"> ● Active participation as a member of the working group
PRI Collaboration on labour standards in agri-food supply chains	Collaborative engagement	This investor collaboration aims to bring agri-food businesses to improve their practices in terms of labour standards compliance in their supply chain.	Advanced <ul style="list-style-type: none"> ● Active participation as a member of the working group

Initiative	Type	Description	Involvement
Collaboration on the reduction in pesticide use and safer management of chemical products (ICCR)	Collaborative engagement	Investor collaboration on the risks related to the use of pesticides and other toxic chemical products in supply chains	Intermediate – Support role <ul style="list-style-type: none"> ● Participation in meetings ● Exchange of information related to companies in the action plan targeted by the initiative
Investors for Opioid and Pharmaceutical Accountabilitys (ICCR)	Collaborative engagement	The IOPA is a global coalition of institutional investors. IOPA was created with the goal of maintaining a dialogue with opioid manufacturers, distributors, and pharmacies, about the risks of opioids and other pharmaceutical products.	Intermediate – Support role <ul style="list-style-type: none"> ● Participation in meetings ● Exchange of information related to companies in the action plan targeted by the initiative
Collaboration of the Access to Medicine Foundation	Collaborative engagement	This index focuses on the world’s biggest pharmaceutical companies, by identifying best practices, monitoring their progress, and showing where critical action is needed in order to improve access to medicine for the poorest communities.	Intermediate – Support role <ul style="list-style-type: none"> ● Participation in meetings ● Exchange of information related to companies in the action plan targeted by the initiative





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