aequo

2024 Activity Report

Shareholder and Fiduciary Engagement Activities
Analysis and Results

Æquo carries out its work on behalf of institutional investors taking part in its shareholder and fiduciary engagement platform:

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About Æquo

Æquo is an independent consulting firm specializing in shareholder engagement and responsible, sustainable and impact investing.

Our approach is based on informed and constructive dialogues between investors and companies in an aim to optimize long-term value of investments. As such, we focus on reducing companies' negative impacts, promoting positive outcomes aligned with Sustainable Development Goals (SDGs) and encouraging them to seize the opportunities offered by a transforming economy.

We are convinced that the shareholder engagement approach is unrivalled in achieving sustainable investment and serving as a powerful lever for change.

Our Mission

Help ensure a sustainable economy by using engagement to enhance investors' influence on companies.

Message from the CEO and Board Chair

Dear partners,

We began 2025 under a cloud of uncertainty and retreat. After several years of progress in responsible, sustainable and impact investing, we are now facing a backlash. Terms are becoming taboo, progress is becoming more discreet and regulatory setbacks are emerging.

In this context, some believe that it would be wiser to remain silent, reconsider commitments or abandon action in the face of a fragmenting consensus. But doing so would have deeply troubling consequences.

This trend is growing even as the climate crisis worsens, inequalities widen, and ecosystems continue to deteriorate.

Decisions made today will have repercussions for years to come. Conversely, postponing decisions will generate long-term economic, social and environmental costs.

Despite the prevailing uncertainty, one thing remains clear to us: shareholder engagement is still a powerful lever for value creation. At Æquo, we are more determined than ever to build an economy in which businesses prosper sustainably, while actively contributing to building a fairer, more equitable world that respects the climate and ecosystems.

The Importance of Dialogue in Times of Turbulence

Our unique position at the intersection of business, investors and civil society gives us a rare perspective on the realities and challenges facing each. In a context marked by polarization and inward-looking attitudes, it is essential to build bridges to overcome divisions and foster collaboration.

Dialogue, our main lever for action, has never been more critical than it is now as a vector of mutual understanding. Much more than a simple exchange of words, it's a dynamic and intentional process we cultivate to foster change and strengthen the bonds needed to build collective solutions.

In this constantly changing world, our commitment remains unwavering: to promote transparency, corporate accountability and sustainable business practices. Our actions are underpinned by rigorous, science-based analysis. We pursue our mission with tenacity, convinced of the urgency to act. Now more than ever, we are shining a light on the fundamentals of our approach and the motivation behind everything we do, in order to inspire swift, concrete and lasting action.

Notable Accomplishments

Æquo reached several key milestones in 2024. We fine-tuned our priority action topics by focusing on concrete, measurable actions. This approach helps us remain closely aligned with our clients' priorities and ensures the relevance of our commitments.

We also unveiled our Theory of Change, the strategic compass guiding our actions towards a more sustainable and equitable economy. This renewed vision is embodied in a redesigned engagement policy, reflecting our structured and ambitious approach, as well as our commitment to redefining shareholder and fiduciary engagement practices.

What's more, our strong and committed team continues to grow and hone its expertise. This dynamic has enabled us to broaden our corporate coverage, address new topics and sectors, and deepen our expertise. Adding to our list of achievements, we launched our new website, a modern showcase reflecting our identity and commitment.

As Yann Arthus-Bertrand reminds us, "it's too late for pessimism." We have therefore chosen not to give in to resignation. On the contrary, we are responding to today's challenges with determination, driven by the conviction that a more sustainable and equitable future for all is built one step at a time.

Josée Cavalancia
Board Chair

Isabelle Gagnon
CEO

Our Approach

Æquo's Theory of Change

We believe that shareholder engagement is a crucial lever to help shape a sustainable economy. Our theory of change is based on the central role of companies in resolving environmental and social issues. By mobilizing investors' influence, we act as a catalyst to promote responsible, sustainable practices that are aligned with the United Nations' Sustainable Development Goals (SDGs).

Problem

Our societies and economic players face complex systemic challenges that result mainly from human economic activity, with companies as the main vectors of change.
As well as having negative impacts, companies are affected by environmental and social issues and are struggling to seize the opportunities offered by a transforming economy.

Investors, for their part, are not making sufficient use of their power of influence to promote sustainable business practices.

We have also noticed a lack of collaboration among the various financial ecosystem players. Result: a widening gap between corporate action and increasingly pressing social and environmental challenges.

Activities

Like our clients, we are convinced that companies can play an essential role in resolving global challenges. By conducting dialogues with them, we aim to reduce the risks to which they are exposed and the negative impacts of their activities, while maximizing their positive impact on Sustainable Development Goals (SDGs). Æquo has positioned itself as a catalyst for positive environmental and social change.

Our actions are based on collaboration, which strengthens our ability to influence the evolution of corporate practices. In fact, we use a pooled approach to address companies on behalf of several investors, in addition to taking part in various collaborative initiatives with other players in our ecosystem. To broaden our influence, we also play an active role in influencing public policy to support a regulatory framework conducive to sustainability.

Impact

Ultimately, our activities help create an economy in which businesses evolve and prosper in a sustainable manner, actively contributing to a just, low-carbon world, where the vitality of natural ecosystems is preserved.

Problem		Activities	Results		Impact
We are faced with major and complex global issues due primarily to human economic activity, at the heart of which lies the action of companies. We are seeing a widening gap between corporate action and increasingly pressing social and environmental issues. ▪ Companies impact and are impacted by social and environmental issues. ▪ Investors do not take advantage of their power to influence company practices.	Investors	**Consulting services** ▪ Topical research ▪ Training ▪ External critical view ▪ Others (policies, etc.) **Shareholder and fiduciary engagement** ▪ Dialogue ▪ Vote	▪ Strengthening of capabilities ▪ Investor positioning on issues	Redirection of capital toward more sustainable Companies Utilization of capital as a lever for change	An economy in which companies evolve and prosper in a sustainable fashion, and actively contribute to a just, equitable and low-carbon world, where ecosystem vitality is preserved.
	Companies	**Shareholder and fiduciary engagement** ▪ Dialogue ▪ Vote	▪ Common understanding of issues ▪ Increased awareness ▪ Improved management of issues	Negative impact and risk reduction Positive impact amplification	
	Network	**Public policy engagement** ▪ Formal consultations ▪ Informal consultations **Two-way relationship with ecosystem players**	▪ Common understanding of companies' issues and role ▪ Peer review of current industry practices	Legislative and regulatory framework Incentives that encourage companies to change their practices	

Topics that Drive our Actions

Æquo's team assesses, holds dialogues, and focuses on helping companies make progress in their SDG-related practices. We adopt a double materiality approach (financial and impact), by focusing both on the ESG issues that influence organizations' financial performance, and on the impacts—positive and negative—of their activities on the environment and people.

The issues we address with companies revolve around four main topics.

1. Transition to a low-carbon economy

The most recent report from the Intergovernmental Panel on Climate Change (IPCC) confirms that more than four out of ten people live in a context of high vulnerability to climate change. These changes also pose increased risks—legal, financial, operational, etc.—for businesses in many sectors. This is why we encourage companies to adopt practices that support the **transition to a low-carbon economy.**

2. Building a just, equitable and inclusive economy

We support **building a fair, equitable and inclusive economy,** as we are convinced that companies have an essential role to play in addressing growing social inequalities, and that they have responsibilities to local communities, Indigenous peoples and consumers. Such practices also strengthen corporate performance and reduce their exposure to risk, by attracting and retaining talent, improving the working climate and consolidating their social license to operate.

3. Ecosystem and biodiversity preservation

Companies can negatively impact the ecosystems in which they operate and on which they depend by damaging habitats or overexploiting natural resources. We therefore engage on issues related to **ecosystem and biodiversity conservation.**

4. Robust sustainability-oriented governance practices

Adopting strong governance practices is essential to ensure sound management, integrity and resilience. Governance lies at the core of any credible sustainability approach, and our dialogues integrate the implementation of **robust governance practices geared towards sustainability.**

Engagement Method and Process

Our engagement approach is rooted in direct and constructive dialogues tailored to each company. Conducted primarily on a one-to-one basis, these discussions leverage the sector and sustainability expertise of our multilingual team. We adapt our interventions to the company's size and the maturity of its sustainability practices, ranging from capacity-building support for less advanced companies to in-depth and technical discussions with those further along in their journey.

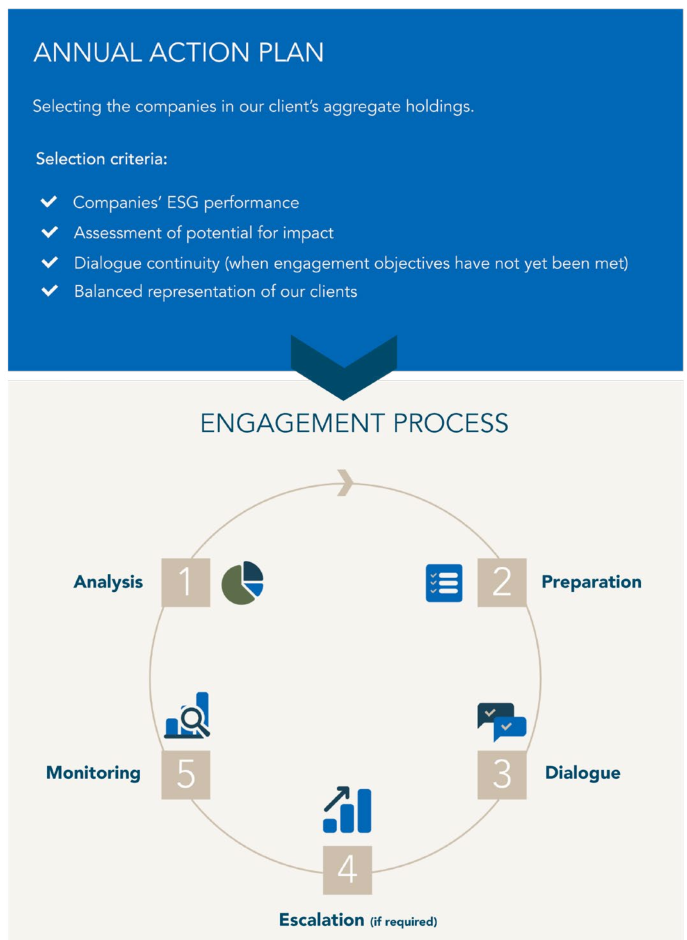
These dialogues are grounded in active listening and the communication of clear expectations, with a goal of co-developing concrete improvements tailored to each company's reality. On average, we aim to hold two meetings per year, supplemented by occasional discussions. Depending on the issues at hand, we interact with a variety of contacts, from sustainability leads to board members. We also draw on sector-specific benchmarks to stimulate the adoption of best practices.

Company Selection

We select companies for engagement based on three main criteria: the quality of their sustainability practices or involvement in significant controversies, their prevalence in the portfolios of our clients participating in our engagement platform, and the continuity of dialogues with companies that have not yet met the priority sustainability goals we have identified.

Once the companies have been selected, our engagement process follows **five key steps**:

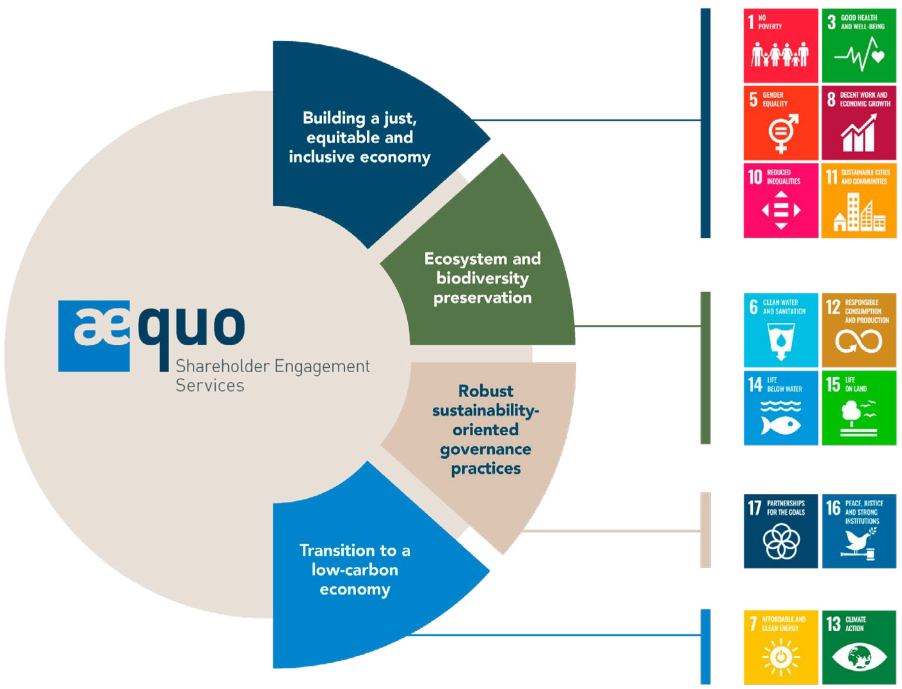
1. **Analysis**: Assessment of environmental, social and governance issues based on the principle of double materiality to target priorities specific to each sector and company.
2. **Dialogue preparation**: Setting specific sustainability objectives according to the gaps identified in companies' practices.
3. **Dialogue**: Conducting transparent, constructive discussions to jointly arrive at solutions adapted to the company's realities.
4. **Escalation** (if needed): Implementation of a progressive engagement process to express our concerns and encourage action, which may lead to the filing of a shareholder proposal.
5. **DiaFollow-up and progress monitoring**: Rigorous tracking of progress made, along with quarterly accountability reporting to our clients.



To learn more about our approach and processes, see our engagement policy. (available in French only)

Achievements 2024

Æquo's Action Topics and Their Connections to Issues and SDGs

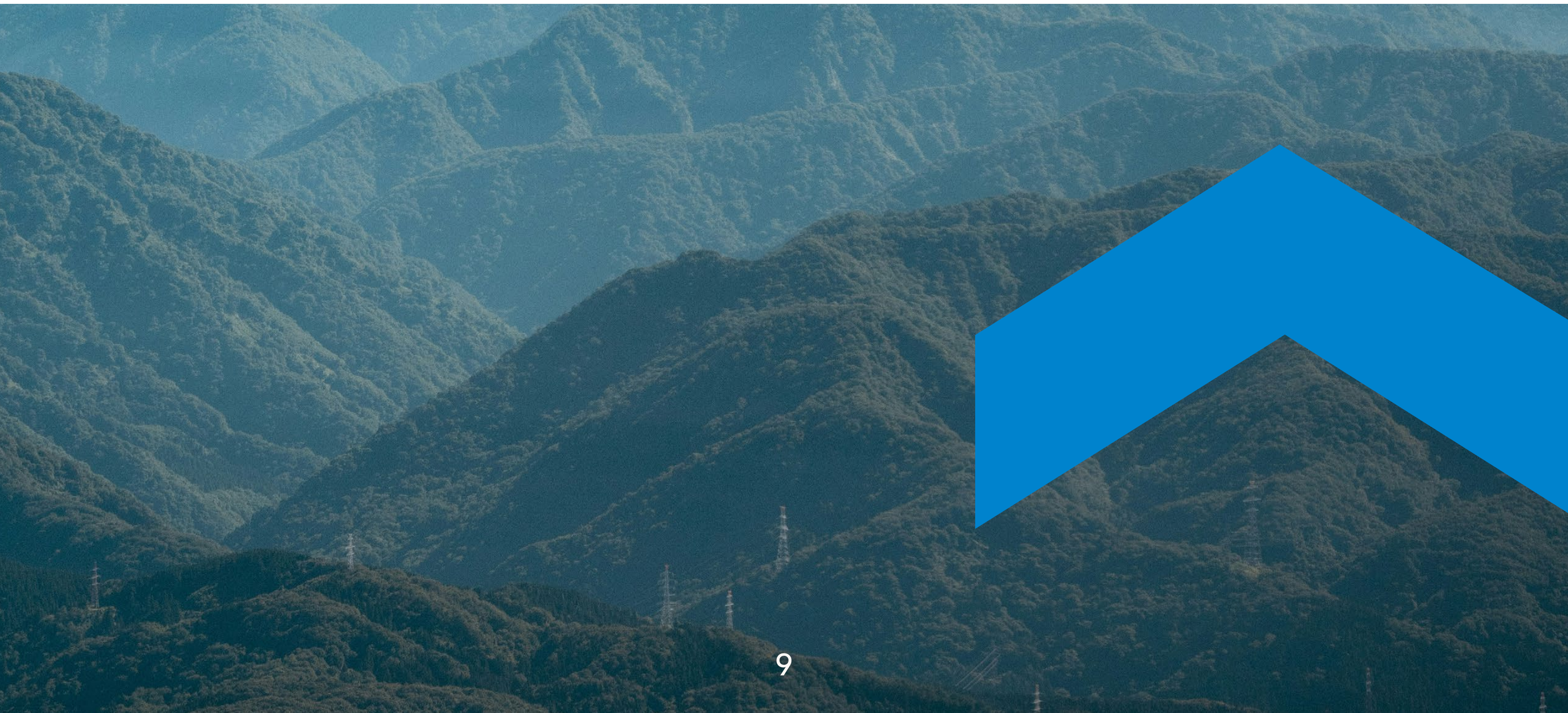


- Diversity, Equity and Inclusion
- Human Rights in the Supply Chain
- Data Management, Cybersecurity and Artificial Intelligence
- Employee Relations and Wellbeing
- Relations with Local Communities and Indigenous People
- Tax Responsibility
- Product and Service Responsibility
- Employee Health and Safety

- Water management
- Waste management
- Ecological impact

- Ethics, Fraud and Corruption
- ESG Structuring and Approach

- Climate crisis



Our Dialogues in Numbers

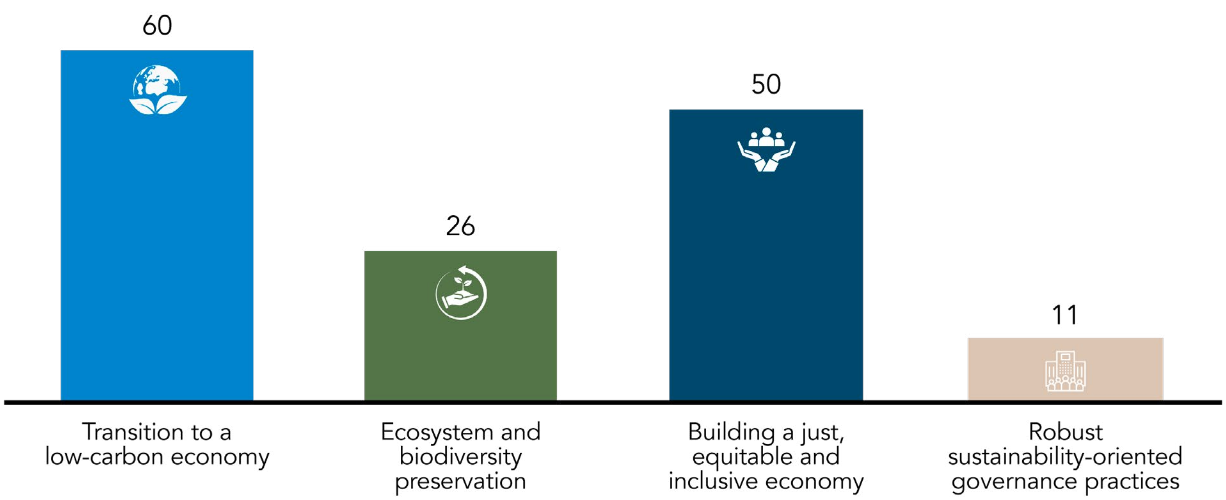
87 Companies in dialogue

9 Sectors

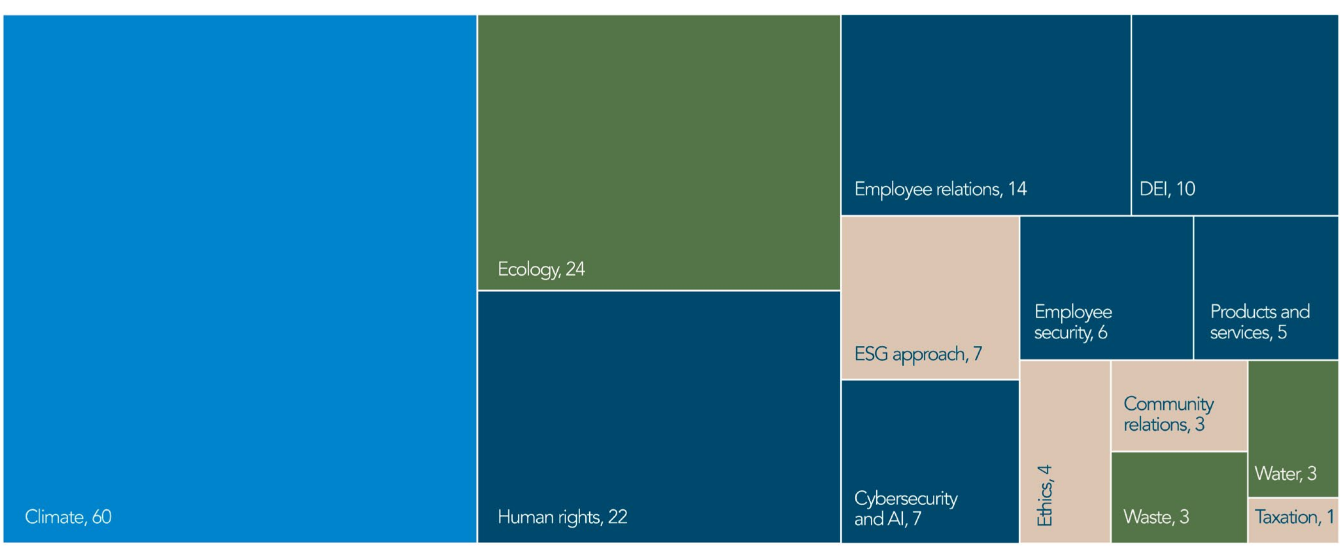
14 Issues addressed

32 Companies making progress

Number of Companies per Topic

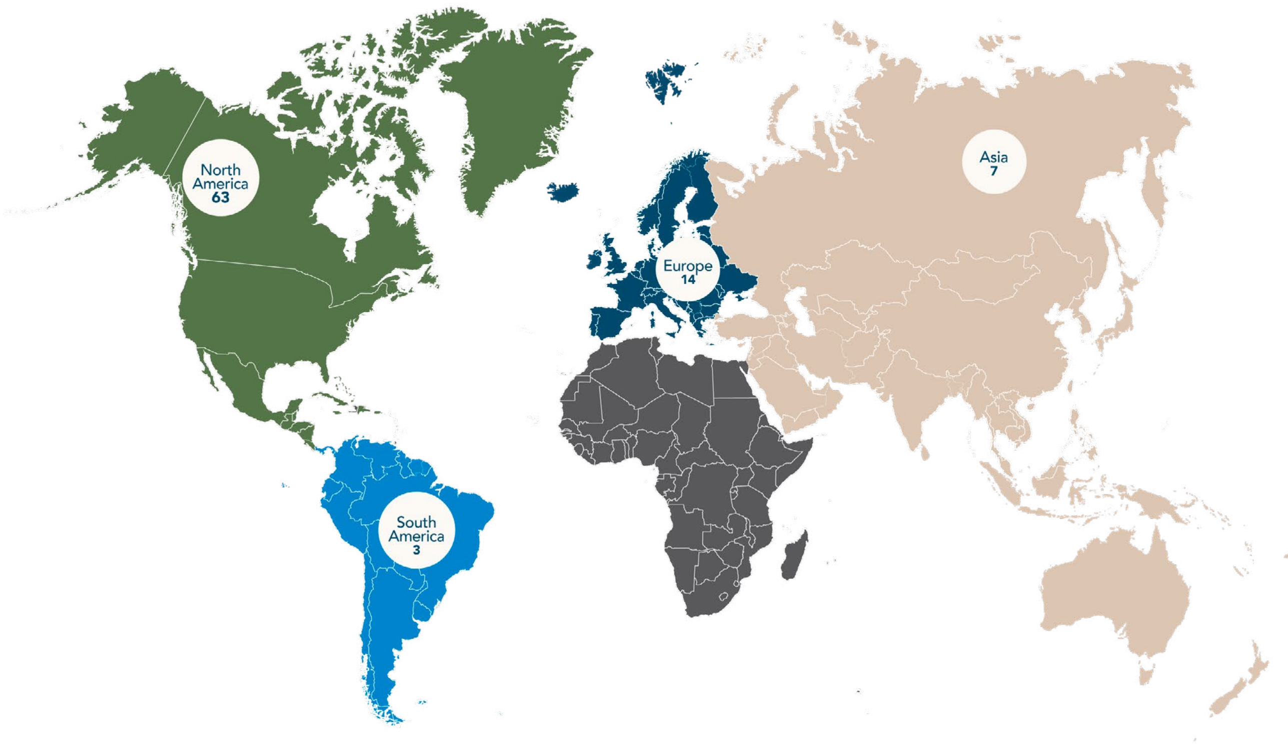


Number of Companies per Issue

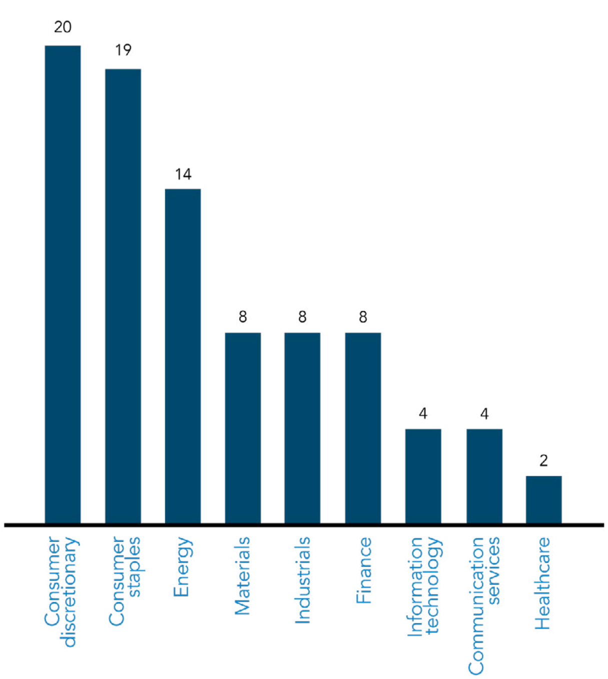


Our Dialogues in Numbers

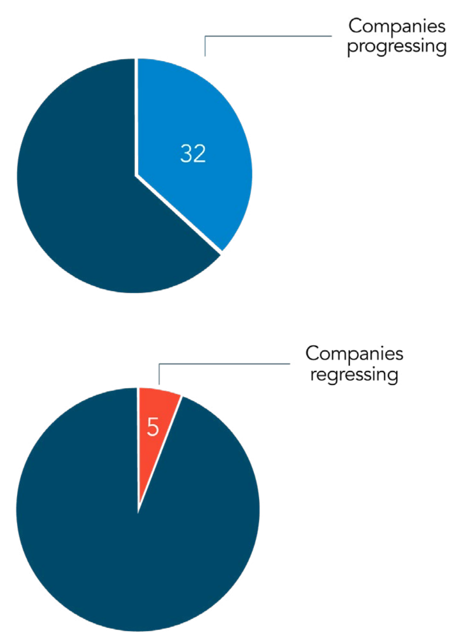
Number of Companies per Geographic Region



Number of Companies per Sector



Number of Companies Progressing or Regressing on an Issue



Collaboration Initiatives

Initiative	Type	Description	Involvement
PRI	Organization	The mission of the PRI initiative is to promote a sustainable global financial system by encouraging the adoption of responsible investment principles and facilitating their implementation by investors.	Signatory since Æquo's founding in 2015
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.	Member of various committees and participation in meetings
Climate Action 100+	Collaborative engagement	Initiative uniting more than 700 investors around an engagement plan targeting 170 of the world's largest private GHG emitters.	❯ Active participation in the North American group ❯ Æquo leads and takes part in some of these dialogues (Lead: Imperial; Co-lead: Walmart; Active participant: EOG Resources, Teck Resources; Canadian Natural Resources; Suncor; Carrefour, Grupo Mexico and Nestlé)
Climate Engagement Canada (CEC)	Collaborative engagement	Investor collaboration initiative that drives dialogue with the biggest Canadian GHG emitters in order to promote a just transition to a net zero economy.	❯ Æquo leads and takes part in some of these dialogues (Lead: Enbridge, TC Energy; Active participant: Barrick, Tourmaline, Alimentation Couche-Tard and Nutrien) ❯ Participation on behalf of Bâtirente as a member of CEC's Technical Committee
Nature Action 100	Collaborative engagement	Collaboration initiative bringing together over 200 investors for dialogues with 100 companies on natural capital issues.	❯ Participation in meetings and some dialogues (Active participant: Alimentation Couche-Tard, Barrick, Nutrien and Grupo Mexico)
Farm Animal Investment Risk and Return (FAIRR)	Collaborative engagement	FAIRR is a network of investors helping to build a more sustainable food system by bringing awareness about the material opportunities and risks that abound in global protein supply chains.	❯ Member since 2023 ❯ Participation in meetings and some dialogues (Active participant: Ahold Delhaize and Loblaw)
World Benchmarking Alliance (WBA) Ethical AI CIC	Collaborative engagement	A coordinated engagement campaign aiming to push technology companies to advance ethical AI policies and practices.	❯ Participation in meetings ❯ Participation in meetings and some dialogues (Active participant: Texas Instruments)

Initiative	Type	Description	Involvement
Investor Initiative on hazardous chemical products (IIHC)	Collaborative engagement	Initiative bringing together more than 50 investors, coordinated by ChemSec, which aims to reduce the impacts of the production of hazardous chemical products on human health and the environment.	› Initiative signatory
Canadian Oil and Gas Working Group	Working group	Investor collaboration led by Ceres, aimed at a dialogue with oil and gas industry associations.	› Participation in meetings › Exchange of information related to companies in the engagement pools targeted by the initiative
Circular Economy Reference Group (PRI)	Working group	The goal of this PRI working committee is to provide investors with the tools to persuade companies to eliminate unnecessary or problematic plastics from their supply chain.	› Active participation as a member of the working group

Overview of Issues

Anti-ESG Movement: Staying the Course Despite Headwinds

Polarization with an Ideological Basis but Tangible Effects

Over the past year, ideological debate surrounding ESG issues has intensified, particularly in the United States, where political and regulatory pressures have fuelled an increasingly polarized and hostile climate to sustainability approaches and the consideration of ESG factors. This dynamic has manifested in the adoption, both at federal level and in many US states, of measures aimed at restricting the integration of ESG criteria into investment decisions and corporate practices. The effects are also being felt in Canada, where the Canadian Securities Administrators (CSA) announced in April the suspension of work on their draft regulations on mandatory climate disclosure and diversity reporting. Against this backdrop, a number of companies and financial institutions have scaled back their commitments, particularly on climate and social issues. Some have even withdrawn from large-scale collaborative projects, such as Net Zero Asset Managers (NZAM) or Climate Action 100+. These tensions can be felt in some of our dialogues, mainly with US-based companies. Although the concrete impact of these changes remain limited to date, we are nonetheless seeing increased caution in the way some companies are approaching ESG issues. Some companies are taking a compliance-based approach, confining themselves to regulatory requirements.

Importance of ESG Factor Consideration

It's important to remember that integrating ESG factors is not an ideological posture, but a matter of responsible risk and opportunity management. While issues such as climate change, biodiversity loss and even human rights violations have real negative impacts on the environment and communities, they also have direct and measurable effects on corporate resilience, stakeholder (investors, customers, employees, etc.) confidence and long-term financial performance. By adopting sustainable practices, companies reduce their negative impact on the environment and society, while mitigating the ESG risks to which they are exposed. Empirical data confirms this: while the impact of each ESG factor is difficult to isolate, there is a broad consensus that companies proactively managing their material ESG issues are better positioned to navigate uncertainties and seize the opportunities of a changing world.

Strategic Role of Investors

In this context of questioning, investors play a key role in reminding companies of the importance of a long-term vision. Through shareholder engagement, we remind companies that the integration of ESG issues rests on solid foundations. Our aim remains unchanged: to support companies in their transition, strengthen their resilience, and encourage business models capable of addressing today's—and tomorrow's—climate, social and economic challenges.

Climate Crisis and Energy Transition

According to the World Meteorological Organization, 2024 is likely the first year in which the global average temperature exceeded pre-industrial levels by more than 1.5 °C. It was also one of the warmest years on record since such record-keeping began 175 years ago.

To find CO2 concentrations comparable to those of today, we would need to go back about 3 million years.

The science is clear: this trend will only continue. The scenario classified as "moderate"—i.e., neither optimistic nor alarmist—as published in the recent assessment by Carbon Action Tracker, considers that the temperature could rise by 2.2 °C to 3.4 °C by the end of the century. This represents a slight improvement over the equivalent scenario presented in the IPCC 2021 report, which predicted an increase of 2.1 °C to 3.5 °C. The Global Stocktake, the world's first assessment of climate action, points out, however, that current efforts remain insufficient to achieve Paris Agreement objectives, i.e., keeping global warming below 2° C.

Nevertheless, the likelihood of meeting the Paris Agreement objectives increases considerably if governments and economic players respect the many commitments they have made. To date, more than 142 countries and several hundred regional and municipal governments have committed to carbon neutrality targets, covering more than 75% of global emissions. Over 7,500 companies have adopted science-based reduction targets through the Science-Based Target initiative (SBTi).

In the US, the Inflation Reduction Act (IRA), passed in 2022, provided for massive investments in clean energy, sustainable transport, hydrogen production, carbon capture and a methane pricing mechanism. However, a significant portion of these funds remains blocked as the "Unleashing American Energy" executive order, signed by President Trump, has suspended its implementation. Many companies are opposed to it, and several legal appeals are underway.

On a global scale, outside the United States, renewable energy is experiencing remarkable growth. According to the International Renewable Energy Agency (IRENA), 2024 saw the biggest increase in renewable capacity in history, with growth of 15%. Since 2013, annual increases in renewable capacity have consistently outstripped those of fossil fuels.
This growth in clean energy is largely due to the advantages of renewables over fossil fuels: they are abundant, cost-competitive, stable, decentralized and efficient.

It is against this backdrop that Æquo continues to engage with companies, encouraging them to adopt rigorous, consistent and transparent climate transition plans. The credibility and effectiveness of these plans depend on the inclusion of the following elements:

- **emission reduction targets:** medium—and long-term targets that are aligned with the science and objectives of the Paris Agreement;
- **detailed action plan**, which specifies the projects and investments in capital required to reach these targets;
- **business model adaptation strategy**, to ensure the company's long-term resilience in the context of a transition to a low-carbon economy;
- **robust climate governance**, integrating the management of climate issues at the highest level;
- **clear and full disclosure of climate risks and opportunities**, to enable investors to properly assess the company's exposure and strategy;
- **transparency regarding lobbying activities aimed at influencing public climate policies**, including the company's positions, affiliations, and alignment with the Paris Agreement.

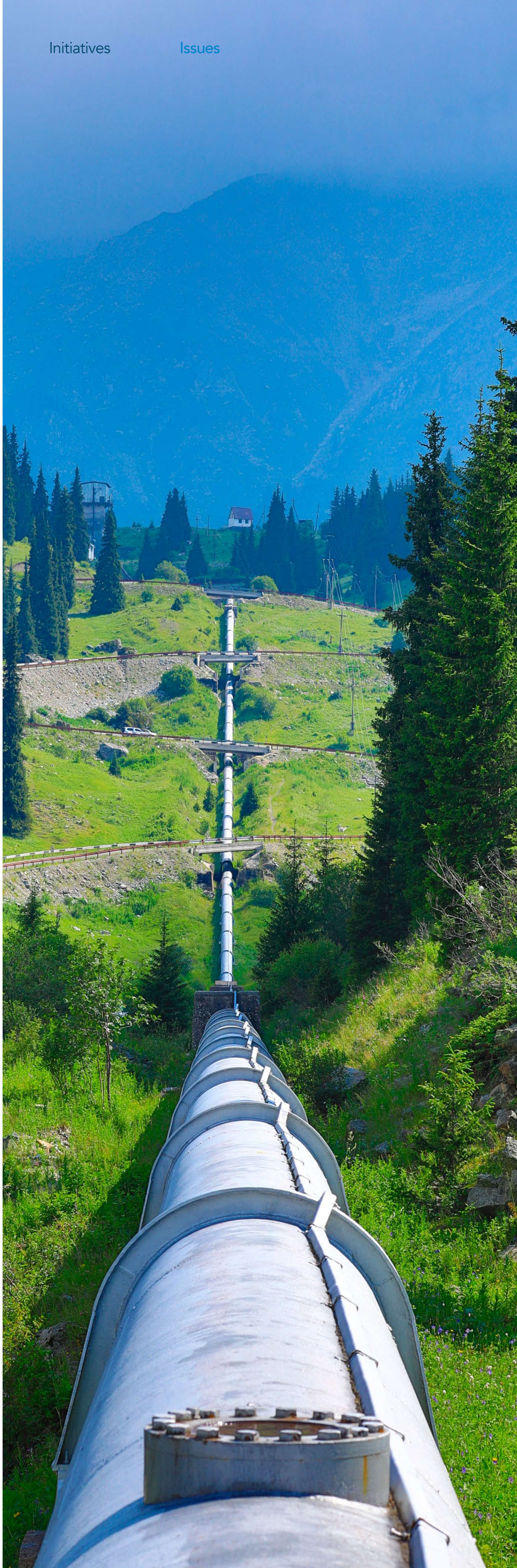
Inertia in the Oil and Gas Sector

As far as oil and gas producers are concerned, Æquo has been calling for a halt to all new exploration and development of oil and gas fields. According to the International Energy Agency, the exploitation of new deposits is neither necessary nor desirable in a scenario of carbon neutrality by 2050. This implies, for companies in the sector, adopting a strategy of long-term diversification of their business model towards low-emission activities and products, as well as a planned decline in fossil fuel exploitation, respecting the principles of just transition (to mitigate negative impacts on workers and local communities).

In 2024, we engaged with several companies—mainly Canadian, as well as one American and one European—in the energy sector. We also spoke to representatives of industry associations, including the Pathways Alliance, a group of oil sands companies planning a large-scale carbon capture and sequestration project.

Among the oil and gas companies we engage with, only TotalEnergies and, to a lesser extent, Enbridge have implemented a credible diversification strategy into renewable energy. The majority of companies in the sector remain focused on reducing the carbon intensity of their activities through initiatives such as carbon capture and storage, optimizing bitumen extraction processes and reducing fugitive methane emissions.

We also ensure that companies align their lobbying activities with government climate objectives. Following our engagement efforts, Enbridge and TC Energy published reports detailing their climate lobbying activities. However, the introduction of new standards from the Competition Bureau of Canada to counter greenwashing has provoked a backlash. The major oil companies have withdrawn all published information about their emissions reduction targets and climate plans, now refusing to discuss them further. The current political uncertainty in the federal government has also contributed to this inertia. We saw no significant progress made by these companies in 2024.



CASE STUDY

Dialogue on Banks' Climate Engagement with Their Clients

Context

The financial sector plays a crucial role in the transition to a low-carbon economy, whether through corporate financing, capital allocation, risk management or consulting services. According to the International Energy Agency (IEA), achieving carbon neutrality by 2050 will require, among other things, a tripling of renewable energy capacity and doubling of annual energy efficiency growth by 2030—two objectives that will necessitate massive investments.

In 2024, global investments in clean energy reached US$2 trillion (compared to $1 trillion for fossil fuels). Furthermore, the Independent High-Level Expert Group on Climate Finance estimates that more than US$6 trillion per year will be needed to achieve the global climate goals.

On the heels of companies' climate commitments in recent years, several banks have committed to increasing their financing of the energy transition and reducing the emissions they finance. The withdrawal of most banks from the Net-Zero Banking Alliance (NZBA) and subsequent decision by the NZBA to relax its requirements are worrying developments. Nevertheless, we note that the banks we talk to have generally stayed the course, with some even revealing minor improvements in their approach to the climate crisis.

Æquo's actions

Since 2021, Æquo has been leading a dialogue with Canadian, American and European banks, putting the emphasis on a key lever: their clients' engagement in the climate transition. Our goal is to encourage financial institutions to actively support their clients, particularly those exposed to high transition risks, in developing and implementing credible climate transition plans (CTPs). This requires banks to define clear criteria for assessing these plans, ensuring their alignment with global climate objectives. Banks must also indicate that the continuation of the client relationship will depend on the adoption of these CTPs. In addition, transparent disclosure of results is essential to monitor the evolution of portfolios' climate maturity.

Engagement Goals

As part of our engagement on this topic, we have defined three main priorities:

- **Transparency and quality of methodology**: Banks must publish the indicators used to assess the credibility of CTPs. These criteria must be rigorous, comparable, transparent and aligned with global climate objectives;
- **Clarity of client expectations**: Banks need to send a clear signal that access to financial services will depend on the adoption of credible CTPs, by putting in place appropriate conditionality mechanisms;
- **Disclosure of results**: It is vital that banks publish the proportion of clients, by business sector, whose CTPs are deemed underperforming, adequate or advanced. In addition, they must disclose how the climate maturity of their portfolios is evolving, including the methodological indicators used.

Results

In terms of the support banks offer their clients to help them adopt credible CTPs, we would highlight the progress made by RBC, TD and Scotia. These three banks have improved the disclosure of their analyses, both in terms of methodologies and results. They now disclose the following:

- **indicators used to classify a client's CTP** according to a transition plan maturity category;
- **percentage of their clients from the energy sector according to their CTP maturity level** (underperforming, adequate or advanced);
- **details explanations on trends proportional changes.**

Despite these improvements, gaps remain in banks' expectations of their clients' progress. To date, no Canadian bank has made a firm commitment to make the adoption of a credible CTP a condition of doing business. In contrast, some European and Australian banks, such as Barclays, now specify that they will only do business with companies that have credible CTPs in place by the established deadline (by 2026 for Barclays, for example).

Moreover, ABN Amro, Barclays and BNP Paribas consider that any company exploring or developing new oil or gas fields is deemed not to have a credible CTP and is therefore excluded from their financial services. This criterion, which is in line with the zero net emissions scenario recommended by the IEA, is still not acknowledged by Canadian banks.

Objective: Get Bank Clients to Adopt Credible Climate Transition Plans CTPs)

Companies	Methodology quality and transparency	Clear expectations regarding clients progress in adopting credible CTPs	Disclosure of CTP assessment results
BMO	0	0	0
CIBC	0	0	0
RBC	1	1	1
Scotia	0	0	1
TD	0	0	2
ABN Amro	1	0	0
Bank of America	0	0	0
Barclays	2	2	0
BNP Paribas	2	0	0
HSBC	1	1	0

Score: 0 = less than 50% of metrics achieved; 1 = between 50% and 75%; 2 = more than 75%.

Next Steps

Æquo will continue engaging with banks to strengthen the impact of their efforts to support client climate action. Our priorities for the coming months include:

- **getting more institutions to disclose their CTP assessment criteria** and sectoral results, to ensure transparency and send clear signals to the market and to companies;
- **advocating for clear, time-bound expectations for clients to adopt** credible CTPs, with the possibility of phasing out certain financial services if these expectations are not met;
- **encouraging the adoption of exclusion criteria for companies involved in developing new fossil fuel projects,** in line with IEA Net Zero by 2050 scenario.

Biodiversity: A Systemic Issue

Biodiversity loss continues to stand out as an important issue for investors. In fact, according to a PwC study, more than half of today's worldwide GDP—or $58 trillion—is moderately or highly dependent on nature, compared with $44 trillion in 2020. This figure highlights the growing importance of ecosystem health in global economic stability.

With this increased dependence comes a much higher level of risk. In its Global Risk Report 2025, the World Economic Forum ranks the collapse of biodiversity and ecosystems as the second most serious global risk over the next 10 years. It has therefore become crucial for companies to better understand, measure and manage their interactions with nature.

Faced with such urgency, mobilization is intensifying. In 2024, COP16 on biodiversity was held in Colombia, extending the commitments of the Kunming-Montreal Global Biodiversity Framework signed in 2022. This edition marked a shift toward concrete implementation of the framework, with an emphasis on the role of economic players. During the conference, the Nature Action 100 initiative, to which we actively contribute, published the results of its first analysis of corporate practices with regard to nature. Key findings include the fact that, although over two thirds of companies report a commitment to nature conservation, only one has disclosed a comprehensive materiality assessment of nature-related dependencies, impacts, risks or opportunities. Overall, these results show that the management of biodiversity issues remains largely superficial.

Disclosure Reference Framework

The 2023 publication of the final disclosure framework by the Taskforce on Nature-related Financial Disclosures (TNFD) marked a key milestone. By 2024, over 500 companies had committed to adopting the TNFD's recommendations. Several have already begun to disclose nature-related information.

Our Expectations for Companies

We are asking companies to:

- **assess and disclose their biodiversity-related impacts, dependencies, risks and opportunities;**
- **adopt science-based targets** aligned with Global Biodiversity Framework;
- **implement a strategy to reduce their biodiversity impacts** and achieve targets.

CASE STUDY

Teck Resources: Enhanced Biodiversity Disclosure

Context

Biodiversity is a particularly important issue for companies in the mining sector, whose activities have a major impact on land use, water pollution, habitat destruction and ecosystem disruption. Teck Resources operates five sites in protected areas or regions of high biodiversity value. Since June 2022, Teck has committed to generating a net positive impact on nature by 2030. The aim is to ensure that its efforts to conserve, protect and restore land and biodiversity offset or even surpass the negative impacts of its mining activities in relation to the 2020 reference period.

Æquo's Actions

For many years, Æquo has maintained an open and constructive dialogue with Teck Resources on a number of key ESG issues, including climate and, more recently, biodiversity. This dialogue intensified after a series of environmental infractions in the Elk Valley region, where Teck was sanctioned for water pollution, inadequate wastewater treatment systems and exceeding legal pollutant discharge thresholds. More recently, we have engaged Teck on the identification of impacts, dependencies, risks and opportunities related to nature.

Since 2023, discussions have refocused on site-level nature impact management, as well as the identification of biodiversity-related dependencies, risks and opportunities. We also encouraged the company to structure its response in line with recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD).

Engagement Goals

As part of this commitment to biodiversity, we have defined two main priorities aimed at strengthening Teck's responsible management of this issue:

- **assessment and disclosure of biodiversity-related impacts, dependencies, risks and opportunities** for each site, including the value chain, together with a description of the methodology used;
- **adoption of a structured strategy for reducing impacts on biodiversity,** aligned with the impact mitigation hierarchy (avoid, reduce, restore, offset), and accompanied by clear targets and an action plan.

Results

We welcomed Teck's publication, at the end of 2024, of its first Climate Change and Nature report, in which the company disclosed the biodiversity-related impacts, dependencies, risks and opportunities generated by the operation of each of its sites, in alignment with TNFD recommendations. The company has also disclosed a scenario analysis for climate and nature, identifying climate and nature-related risks and opportunities in the short, medium and long term. Furthermore, in that report, Teck discloses its approach to nature-related public policy engagement.

Next Steps

To strengthen Teck's approach to biodiversity protection, several areas for improvement have been identified:

- **assessment of biodiversity-related impacts, dependencies, risks and opportunities across the value chain —** Teck has initiated biodiversity discussions with suppliers and clients but remains at an early stage of the process;
- **strengthening of the biodiversity impact reduction strategy —** we expect greater clarity on the specific actions undertaken at each site in order to achieve biodiversity targets, particularly in relation to the mitigation hierarchy;
- **analysis of lobbying activities targeting biodiversity-related public policy —** we encourage Teck to carry out, as it does for climate, a complete and recurring analysis of its lobbying activities directed at biodiversity, as well as the activities of the associations of which it is a member, and to include documentation of such lobbying activities.

Deforestation: A Central Issue for the Food Sector

During the year, deforestation was again a central theme in our dialogues with companies in the food sector, such as retailers and restaurant chains. Both subsectors are highly exposed to deforestation-related risks, especially through their supply chains and purchases of commodities, such as beef, palm oil, soy and coffee.

Between 1990 and 2020, approximately 420 million hectares of forest was lost, equivalent to 10% of global forest cover. The main drivers of deforestation are agricultural expansion (responsible for about 90% of tropical deforestation), mining, infrastructure development and urbanization.

Deforestation from agricultural and forestry-related land-use change accounts for 11% of global carbon emissions. In this context, companies in land-intensive sectors must commit to eliminating deforestation from their supply chains by 2025 to align with a trajectory that limits global warming to 1.5 °C, as recommended by the Science-Based Targets initiative (SBTI) for Forests, Land and Agriculture (FLAG).

An Evolving Regulatory Environment

The European Union's Regulation on Deforestation-free Products was initially scheduled to come into force in 2024 but has been postponed by one a year. Large companies now have until December 31, 2025, to guarantee deforestation-free supply chains. The regulation aims to ensure that products linked to deforestation are not placed on the European market. It imposes more stringent due diligence requirements, marking a departure from the previously dominant voluntary disclosure approach.

Progress on Transparency, Albeit Insufficient

According to the Global Forest Report 2024, published by the Carbon Disclosure Project (CDP), of the 881 companies that responded to the Forests questionnaire, 51% (445 companies) provided information on their deforestation- and conversion-free (DCF) products. Of these, 21% (186 companies) provided sufficiently complete, high-quality disclosures based on appropriate methods (such as certification and monitoring systems) to determine their DCF status. Thus, even though companies are increasingly transparent about their management of deforestation risks, they still need to improve their processes to ensure truly deforestation- and conversion-free commodity sourcing.

Our Expectations of Companies

In our deforestation dialogues, we ask companies to do the following:

- **Disclose their deforestation-related risk management and traceability processes;**
- **Adopt a zero-deforestation and zero-conversion** target with a clear timeline;
- **Implement a structured supplier-engagement process;** and
- **Implement a non-compliance management process** to ensure consistent practices throughout their supply chains.

CASE STUDY

Carrefour and Deforestation: Toward Better Supply-chain Management

Context

Deforestation is a key issue for Carrefour, givenw the exposure of its supply chains to high-risk commodities, such as palm oil, beef, soy, cocoa and timber. Particular attention is given to beef and soy, the main drivers of deforestation in South America, where Carrefour, as a distributor, holds meaningful leverage.

Æquo's Actions

For the past two years, Æquo has maintained a constructive and open dialogue with Carrefour on key ESG issues such as deforestation. At the end of 2022, a few months before our dialogue began, Carrefour published its first Combatting Deforestation report. This document served as the starting point for discussions focusing on action plans for each commodity, as well as on objectives and mechanisms to prevent deforestation.

In the context of controversies over deforestation related to beef and soy, we supported recommendations of NGOs and experts calling for more transparency on the corrective measures taken. The recommendations gave rise to the launch of a transparency platform that gathers NGO alerts; shares the context and findings of investigations, and outlines the actions taken to address the identified issues. The information is updated on a quarterly basis.

In 2024, we continued to engage with Carrefour on monitoring processes, particularly for its beef and soybean suppliers in light of the recent controversies over both commodities.

Engagement Goals

In our engagement dialogue on deforestation, we have identified two key priorities to eliminate deforestation from Carrefour's supply chains:

- **Establishing a management process for direct and indirect suppliers as well as traders.** We have encouraged the company to disclose more information on trader;
- **Increasing the share of deforestation-free commodities:** While Carrefour has made progress on some commodities (such as palm oil), it still has difficulties with soy, particularly in terms of traceability.

Results

Carrefour has made progress in implementing processes to manage traders and indirect suppliers. In 2024, we were pleased to see that it published the criteria used to assess soybean traders, as well as the trader scores. The results of the assessment allow Carrefour to inform its suppliers of those traders with the most robust policies in the fight against deforestation. The aim is to support suppliers in making more informed decisions when selecting traders, by providing clearer information on deforestation-related risks. Carrefour is also in dialogue with key soybean traders to ensure they improve their practices.

In addition, in its 2024 Combatting Deforestation report, Carrefour disclosed more information about its geomonitoring of beef suppliers in Brazil, as well as monitoring processes for indirect suppliers. Since our first dialogue, Carrefour has scaled up its method of assessing areas in Brazil considered at high risk for deforestation, which allows it to improve the traceability of indirect suppliers and thus reduce the volume of beef from critical areas.

Next Steps

To strengthen Carrefour's approach to combatting deforestation, two areas for improvement have been identified:

- **Improving soy traceability —** Considering that, in 2023, the proportion of soy of unknown origin was 78.3%, Carrefour must improve its traceability processes for soybeans to achieve its objective of ensuring that Carrefour Quality Line and key Carrefour-branded products use soybeans that are not derived from deforestation for animal feed; and
- **Increasing the proportion of deforestation-free commodities —** We encourage Carrefour to continue taking action to achieve its targets, especially for cocoa and soybeans.

Human Rights in Global Supply Chains

Under the United Nations Guiding Principles on Business and Human Rights (UNGPs), companies have a responsibility to respect human rights throughout their value chains. Yet, these rights continue to be violated on a large scale. For example, even though the international community has made a commitment to eliminate forced labour and modern slavery by 2030 by adopting the Sustainable Development Goals (target 8.7), the most recent data from the International Labour Organization (ILO) show that millions of people remain in forced labour and that the number is rising. In response to this reality, regulations are increasingly being adopted to prevent, detect and remedy human rights violations. Today, companies are subject to growing reputational, financial and legal risks if they fail to comply with best practices in this area.

In 2024, notable advances were made with regulations on modern slavery and forced labour. In Canada, the first corporate reports were filed under the country's new Modern Slavery Act, shedding light on the risks involved and the measures taken to prevent and mitigate the risk of forced labour in corporate operations and supply chains. In the United States, the scope of the Uyghur Forced Labor Prevention Act (UFLPA) was expanded to cover three more product categories: aluminum, seafood and polyvinyl chloride.

In Europe, a new regulation similar to the UFLPA was adopted toward year-end by the European Council to ban from the European Union (EU) market products suspected of being linked to forced labour. Applicable companies will have to comply with it as early as 2027. Even so, the year ended on a note of uncertainty owing to the omnibus package proposed by the European Commission with the aim of simplifying the Corporate Sustainability Due Diligence Directive (CSDDD) adopted in 2024 as well as the Corporate Sustainability Reporting Directive (CSRD). The amendments may affect the scope of businesses' human rights due diligence and disclosure obligations.

In this context, many of the companies we engage with are preparing for an increasingly stringent regulatory framework. In 2025, a number of them will have to adapt their disclosure practices to comply with the requirements of the CSRD. In addition, the supply-chain due diligence requirement under the EU Battery Regulation, which is excluded from the omnibus legislative package, is schedules to come into effect in August.

CASE STUDY

Dollarama : Strengthening a Discount Retailer's Ruman Rights Due Diligence

Context

Companies in the retail sector sell a wide range of products that are associated with social impacts throughout their life cycles. In this context, it is crucial that retailers and low-cost chains, such as Dollarama, take responsibility for this matter because they frequently source products from regions vulnerable to high social risk. About 50% of Dollarama's products come from 25 countries around the world, with a significant volume from areas of China that pose increased human rights risks.

Accordingly, Dollarama has a responsibility to put in place robust measures to prevent and remedy human rights abuses in its supply chain. That being said, retailers are in the early stages of their efforts to address this complex matter, especially discount chains, whose visibility into their tier 2 suppliers and beyond is often limited and whose due diligence practices are underdeveloped.

Æquo's Initiatives

Æquo and Dollarama have been conducting a dialogue on this matter since 2016. In response to our requests, we have observed moderate progress from the company over the years. Notable developments include implementation of a social audit program for direct suppliers and revision of the company's code of conduct to clarify its expectations of suppliers. Despite the advances, we have not seen any significant improvement in response to one of our key requests, namely implementation of a human rights due diligence process aligned with the UNGPs. Moreover, despite our repeated requests, the group has long struggled to extend its processes beyond the tier 1 suppliers in its supply chain, due to limited visibility beyond commercial intermediaries.

Engagement Goals

We clarified our due diligence expectations in 2024, leveraging the evolving legislative framework to reinforce our initiatives. We chose to prioritize **identification of human rights risks** in the supply chain, the first pillar of a due diligence process according to the UNGPs. We requested that Dollarama do the following in relation to the process:

- **Map the full supply chain and broaden the scope** of risk identification to include tier 2, 3, and 4 suppliers to gain greater visibility into potential human rights risks and impacts;
- Identify **upstream risks proactively and conduct periodic reassessments;**
- **Consult** potentially affected **stakeholders** to understand their perspective on the risks and concerns; and
- **Disclose information publicly** about identified risks.

Results

We welcomed the measures implemented by Dollarama to structure its approach and enhance its human rights governance. During the year, the group:

- **recruited a human rights expert** to oversee this matter;
- **deployed mandatory training** on the subject for its procurement team; and
- **strengthened oversight of the issue** by its Nominating and Governance Committee.

In response to our requests concerning disclosure of information on the risk-identification process, we saw significant improvements that went beyond the requirements of Canada's Modern Slavery Act, including sources of information used to identify areas and products at risk. In addition, through collaboration with sales agents, Dollarama took a major step forward by gaining visibility into the risks associated with some of its tier 2 suppliers.

Dollarama plans to continue its progress in 2025 by including some tier 2 suppliers in its social audit program.

Next steps

We encouraged the group to continue to strengthen its risk-identification process, notably by establishing a structured dialogue with the workers in its supply chain. This dialogue is essential to enhance the risk analysis as well as make necessary adjustments based on perspectives from the field. We will also continue to call for greater transparency on the results of assessments and audits, as well as on mechanisms to assess the effectiveness of prevention and remediation measures.

Automotive Sector : Strengthening Human Rights Vigilance in the Context of the Energy Transition

The extraction of natural resources and the production of some materials used to manufacture vehicles pose significant human rights risks. These issues are exacerbated by the growing demand for critical minerals needed to produce electric vehicle batteries, such as cobalt, lithium and nickel. As the market evolves rapidly, the automotive industry is being called upon to address these pressing social challenges.

Æquo maintains an active dialogue on these issues with several automakers. Our objective is to encourage the implementation of a comprehensive due diligence process covering the entire supply chain, in line with the United Nations Guiding Principles on Business and Human Rights. It is essential that companies be able to trace the origin of the materials used in their vehicles and proactively assess the social risks associated with their extraction and processing, a requirement that will become increasingly imperative when the EU Battery Regulation comes into force in August 2025.

Even though most of the companies we engage with are still in the early stages of their efforts, some stand out from their competitors:

- Ford has adopted a human rights policy aligned with international standards, including an explicit commitment to conduct due diligence in its supply chain. The company has also appointed a dedicated human rights lead, with whom we are in contact, to oversee its human rights initiatives; and
- Tesla is working to expand its supply-chain traceability and has identified risks related to high-risk critical resources, such as cobalt, nickel and lithium.

That being said, despite these initiatives, a recent Amnesty International report points out that even the most advanced automakers still fall short of full alignment with international human rights standards. Æquo will continue to work with companies in the sector to encourage them to adopt more transparent and accountable supply chain practices.

Toward Responsible Use of Artificial Intelligence

Digital technologies, and artificial intelligence (AI) in particular, are reshaping our daily lives. It is transforming business models, communication, access to information and work dynamics. Such innovations offer major efficiency gains but also raise critical human rights issues.

In automating complex processes, AI can reinforce inequality if it relies on biased data or is not properly monitored. The risks include disinformation (hallucinations often created by generative AI tools), algorithmic discrimination (in recruitment or facial recognition), privacy breaches (related to mass data collection) and malicious uses (such as deepfake videos).

In the global context, regulatory and normative frameworks for AI have continued to advance. Internationally, the OECD Principles and ISO/OEC 42,001 on AI management systems serve as benchmarks to guide organizations toward responsible use of these technologies. The EU took a major step forward when the Artificial Intelligence Act was approved by the European Parliament in 2024, making it the first jurisdiction to regulate AI using a risk-based approach. The act imposes differentiated obligations according to the risk levels of AI systems, while prohibiting applications deemed contrary to fundamental rights.

In the United States, AI regulation is still fragmented, as it relies on a combination of federal initiatives, state laws and voluntary standards. In January 2025, the Trump administration issued an executive order aimed at removing perceived barriers to AI innovation. The order takes a pro-innovation approach but raises concerns about the lack of robust ethical safeguards. At the same time, states such as Colorado have passed laws to regulate high-risk AI systems. In Canada, while the government continues to work on Bill C-27, including the Artificial Intelligence and Data Act (AIDA), the Code of Conduct on Generative AI Systems serves as a voluntary framework, pending formal legislation.

In designing AI tools, technology companies have a profound influence on how these technologies are integrated across sectors. They must demonstrate that performance and responsibility can go hand in hand.

We expect technology companies to do the following:

- **Adopt principles for the responsible use of AI**, including respect for human rights, transparency and stakeholder consultation;
- **Provide effective governance** by ensuring their boards of directors have the expertise to address these issues and, ideally, by creating internal ethics committees;
- **Proactively assess risks by conducting human rights impact assessments to identify, prevent and mitigate the negative effects of their technologies;**
- **Implement rigorous management mechanisms**, including due diligence with customers and suppliers, employee training, independent audits and access to recourse for affected individuals; and
- **Report transparently** on measures taken, with concrete disclosures and illustrative case studies.

Even though a number of technology companies adopted high-level ethical-AI commitments and governance structures in 2024, few go beyond principles to demonstrate their effective implementation. Turing these commitments into action remains a top priority.

CASE STUDY

CGI and the Adoption of Ethical Artificial Intelligence Principles

Context

As a provider of digital solutions, CGI has a special responsibility to ensure that the AI it designs or integrates respects human rights and minimizes risks such as bias, discrimination and privacy breaches. AI is becoming increasingly strategic for CGI, both in optimizing its own operations and in the technology solutions it offers clients. The company develops and deploys AI systems in sensitive areas, such as health care, insurance and manufacturing.

Æquo's Initiatives

For several years, Æquo has maintained an open, constructive dialogue with CGI on various ESG issues, including personal data management and, more recently, AI. Initially our discussions focused on data protection, for which we recommended the adoption of a global policy. This recommendation led to concrete action. CGI also strengthened its disclosure practices, notably by aligning its sustainability report with recognized standards. As AI gain importance in CGI's activities, our dialogue broadened to address the associated risks. Before 2024, the company had already set up an ethics committee to oversee AI and had initiated internal training on the topic.

Engagement Goals

In our engagement on AI, we identified four main priorities to strengthen CGI's responsible management of this issue:

- **Establishment of robust governance**, including the creation of an ethics committee responsible for the strategic direction of AI, and active oversight by a board of directors, which must have the necessary expertise;
- **Adoption and operationalization of responsible principles** governing the development and use of AI, grounded in respect for human rights, transparency and stakeholder consultation;
- **Human rights impact assessments** to identify risks associated with AI and adjust the company's practices accordingly; and
- **Ongoing employee training**, both for the development teams and those responsible for the purchasing and commercialization of technologies.

Results

In 2024, we were delighted to learn that CGI is committed to creating and overseeing sophisticated AI systems in an ethical, trustworthy and robust way. In addition, the company has endorsed Canada's Voluntary Code of Conduct on the Responsible Development and Management of Advanced Generative AI Systems.

Moreover, in its most recent sustainability report published in 2025, the company expanded its disclosure on AI management. It elaborates on its governance framework and provides more detailed information on the risks identified, as well as examples of the practices implemented to mitigate those risks.

Next Steps

To strengthen its responsible approach to AI, several areas for improvement were identified:

- **Implementation of ethical principles** — CGI must provide more detailed information on the concrete application of its ethical principles, particularly by disclosing case studies showing how they are integrated into specific projects;
- **Human rights impact assessment** — We encourage CGI to systematically integrate human rights impact assessments, covering risks such as data protection and algorithmic bias, and to publish concrete examples of the actions taken; and
- **Employee training on responsible AI** — CGI must disclose detailed information on its training efforts, including the number of employees trained, the frequency and the topics covered, with particular attention to key roles (designers, buyers and technology vendors).

Climate Risks in the Real Estate Sector

Building operations and construction accounted for 34% of global CO_2 emissions in 2023, making the real estate sector a major contributor to climate change. At the same time, climate change is having a direct impact on buildings around the world. A recent report by First Street, a climate risk modelling firm, estimates that the increase in extreme weather events, combined with rising insurance costs, could lead to net property losses of US$1.47 trillion in the United States over the next 30 years. Of course, events exacerbated by climate change are not limited to the United States, but this figure illustrates the potentially high financial impact on asset valuation. Physical climate risks directly affect the structure and operation of properties and can even pose systemic risk to the financial sector.

In response, regulators in many countries are tightening their building codes and emission standards, encouraging property owners to invest in "greener" technologies, sustainable building materials and renovations to improve energy efficiency. Even in regions with less regulatory pressure, tenants and investors are increasingly partial to low-emission buildings, forcing owners to adopt energy-efficient technologies and renewable energy sources.

Conversely, real estate assets that do not meet ecological standards risk losing value or attractiveness. For example, 66% of the annual revenue of the world's 2,000 largest companies is now covered by a net-zero target. To that end, these companies will have to operate in buildings that comply with these targets, which will directly influence their choice of location. Indeed, decisions about office locations will increasingly be guided by sustainable-mobility criteria and strict energy-efficiency requirements. This context creates not only physical risks but also major transition risks for the real estate sector.

Despite increasing pressure from regulators and consumers, the 2024 Global Status Report for Buildings and Construction highlights a concerning lag in the sector's progress toward meeting the Paris Agreement's net-zero targets by 2050. Unfavourable investment conditions due to inflation and rising costs are further widening the funding gap for low-carbon buildings.

Our Engagement Strategy

In response to these challenges, Æquo begin dialogues in 2025 with several real estate investment trusts (REITs), notably those investing primarily in office and commercial properties in the United States. Discussions will focus on the decarbonization of real estate portfolios as well as measures to improve buildings' resilience to physical climate risks, such as floods, extreme heat and wildfires.

In one specific case, we will engage with a residential trust developing affordable housing in Eastern Canada, an important reminder of the need to address social and environmental issues together in the real estate sector.

The comfort and well-being of occupants are essential in all things construction and renovation—especially when affordability is a priority. The question that arises is: How can we build quality housing while respecting budgetary constraints? Challenges vary by asset type and geographic location, but the core issue remains: building resilient, low-carbon, and affordable real estate.

Through these dialogues, we aim to foster meaningful progress toward environmental sustainability while encouraging solutions that take also consider social realities, including access to affordable housing and the improved quality of life for the communities served.

Appendix — 2024-2025 Action Plan

Our Dialogues and Key Issues by Industry

New companies included in the 2025 engagement pools are in **boldface**.

CANADIAN MARKET

Industry	Company	Low-carbon economy	Ecosystems and biodiversity	Just, equitable and inclusive economy	Robust governance
Commercial banks	CIBC Bank of Montreal National Bank of Canada *(not renewed in 2025)* Royal Bank of Canada TD Bank Banque TD	Climate crisis			
Retailers, food products and restaurants	Alimentation Couche-Tard Empire Company Loblaw Metro Premium Brands *(not renewed in 2025)* Restaurant Brands Saputo	Climate crisis	Ecological impact	Human rights in the supply chain Employee relations and well-being	
Specialty retailers	Dollorama	Climate crisis	Waste management	Human rights in the supply chain Employee health and safety	
Electricity and renewable energy	**Boralex**		Ecological impact	Relations with local communities and indigenous peoples Human rights in the supply chain	
Metals and mining	Barrick Gold Teck resources	Climate crisis	Ecological impact	Relations with local communities and indigenous peoples	
Oil and gas	Canadian Natural Resources Cenovus Energy Enbridge Imperial Oil Pembina Pipeline Suncor TC Energy Tourmaline Oil	Climate crisis		Relations with local communities and indigenous peoples	

Industry	Company	Low-carbon economy	Ecosystems and biodiversity	Just, equitable and inclusive economy	Robust governance
Chemicals	Nutrien	Climate crisis	Ecological impact		
Engineering and construction services	WSP			Diversity, equity and inclusion Product and Service Liability	Ethics, fraud and corruption
Technology and communications	CGI Descartes Telus	Climate crisis		Data management, cybersecurity and artificial intelligence Diversity, equity and inclusion Employee relations and well-being	

U.S. MARKET

Industry	Company	Low-carbon economy	Ecosystems and biodiversity	Just, equitable and inclusive economy	Robust governance
Automobiles and auto parts	AutoZone Ford Tesla Fox Factory Lear *(not renewed in 2025)*	Climate crisis	Ecological impact	Human rights in the supply chain Employee relations and well-being Product liability	
Commercial banks	Bank of America	Climate crisis			
Retailers, food products and restaurants	Costco Dominos Pizza McDonald's Walmart	Climate crisis	Ecological impact	Employee relations and well-being	
Specialty retailers	Dollar General Dollar Tree Five Below *(not renewed in 2025)* Target *(not renewed in 2025)* TJX Companies	Climate crisis	Ecological impact	Human rights in the supply chain Employee health and safety Employee relations and well-being	
Property management	Public Storage	Climate crisis			
Hotels	**Marriott Vacations Worldwide**	Climate crisis	Ecological impact	Employee relations and well-being	

Industry	Company	Low-carbon economy	Ecosystems and biodiversity	Just, equitable and inclusive economy	Robust governance
Industrial machinery	**Deere & Co**	Climate crisis		Product liability Employee health and safety	
	Otis				
Oil and gas	EOG Resources	Climate crisis			
	Kinder Morgan				
	MidAmerican Energy *(not renewed in 2025)*				
	Valero				
	Williams Companies				
Leisure products	**Yeti**		Ecological impact	Human rights in the supply chain Product and service liability	
Household and personal products	Procter & Gamble	Climate crisis	Ecological impact Waste management		
Technology and Communications	Apple *(not renewed in 2025)*	Climate crisis		Data management, cybersecurity and artificial intelligence Diversity, equity and inclusion Product liability Employee relations and well-being	
	AT&T				
	Comcast *(not renewed in 2025)*				
	Texas Instruments				
	Verizon				
Engineering and construction services	Primoris Services			Diversity, equity and inclusion Employee relations and well-being	Ethics, fraud and corruption
Financial services	**Mastercard**	Climate crisis		Product and service liability	Ethics, fraud and corruption
	Visa				

INTERNATIONAL MARKETS

Industry	Company	Low-carbon economy	Ecosystems and biodiversity	Just, equitable and inclusive economy	Robust governance
Automobiles and parts	Ferrari *(not renewed in 2025)* Mazda Toyota	Climate crisis	Ecological impact	Ecological impact Employee relations and well-being	
Commercial banks	**ABN Amro** **Barclays** BNP Paribas HSBC	Climate crisis			
Retailers, food products and restaurants	Ahold Delhaize Carrefour **Danone** **Diageo** Nestlé	Climate crisis	Ecological impact Water management	Human rights in the supply chain	
Electronic equipment	Keyence	Climate crisis	Ecological impact	Human rights in the supply chain	
Property management	**Scentre Group**	Climate crisis			
Hotels	Intercontinental Hotels	Climate crisis	Ecological impact	Employee relations and well-being	
Industrial machinery	**Daikin Industries** **Vestas Wind Systems**	Climate crisis	Ecological impact	Human rights in the supply chain Employee health and safety	
Oil and gas	Enagás Total Énergies	Climate crisis	Ecological impact		
Chemicals	**DSM-Firmenich** **Symrise**	Climate crisis		Product and service liability Human rights in the supply chain	
Household and personal products	**Henkel** **L'Oreal**	Climate crisis	Ecological impact Waste management		
Engineering and construction services	Vinci			Diversity, equity and inclusion Product and service liability	Ethics, fraud and corruption
Clothing and accessories	**Inditex** **Adidas** **Hermès** **LVMH** Richemont	Climate crisis	Ecological impact	Human rights in the supply chain Product liability	

SMALL- AND MID-CAP MARKET

Industry	Company	Low-carbon economy	Ecosystems and biodiversity	Just, equitable and inclusive economy	Robust governance
Aerospace	Bombardier	Climate crisis		Product liability Employee relations and well-being	
	Lisi				
Appliances	De'Longhi		Ecological impact Waste management	Human rights in the supply chain	
Retailers, food products and restaurants	MTY Group	Climate crisis	Ecological impact	Human rights in the supply chain Employee relations and well-being	
	Lassonde Industries				
	Nomad Foods				
	Roger Sugar				
	Salmar				
Specialty retailers	**Kingfisher**	Climate crisis		Employee relations and well-being	
Property management	**Agree Realty**	Climate crisis			
	Brandywine Realty Trust				
	Highwoods Properties				
	Killam Apartment REIT				
	Kite Realty Group Trust				
	Savills				
Hotels	Meliá Hotels	Climate crisis	Ecological impact	Employee relations and well-being	
Industrial machinery	Bucher Industries *(not renewed in 2025)*	Climate crisis	Ecological impact	Product liability Employee health and safety	
	Federal Signal				
	Linamar				
	Schoeller-Bleckman *(not renewed in 2025)*				
Metals and mining	**Algoma Steel**	Climate crisis	Ecological impact	Relations with local communities and Indigenous peoples	Structuring and ESG approach
	Orbit Garant Drilling				
	K92 Mining				
Paper and forest products	**Canfor**	Climate crisis	Ecological impact	Employee health and safety	
	Stella-Jones				
Leisure products	BRP	Climate crisis	Ecological impact	Product and service liability Employee health and safety	
	Brunswick				
Semiconductor	**5N Plus**	Climate crisis		Human rights in the supply chain Employee health and safety	

Industry	Company	Low-carbon economy	Ecosystems and biodiversity	Just, equitable and inclusive economy	Robust governance
Clothing and accessories	Asics *(not renewed in 2025)*		Ecological impact	Human rights in the supply chain	
	Samsonite				

EMERGING MARKETS

Industry	Company	Low-carbon economy	Ecosystems and biodiversity	Just, equitable and inclusive economy	Robust governance
Automotive and auto parts	Hyundai Motor	Climate crisis	Ecological impact	Employee relations and well-being	
	Kia Motors *(not renewed in 2025)*				
Biotechnology	Celltrion *(not renewed in 2025)*	Climate crisis		Employee relations and well-being	Ethics, fraud and corruption
E-commerce	Alibaba			Data management, cybersecurity and artificial intelligence Diversity, equity and inclusion Employee relations and well-being	
Construction	**Emaar Properties**	Climate crisis	Water management	Human rights in the supply chain	
Retailers, food products and restaurants	Ambev	Climate crisis	Ecological impact Water management		
	Fomento Economico Mexicano				
Electronic equipment	**LG**	Climate crisis		Human rights in the supply chain Data management, cybersecurity and artificial intelligence Product and service liability	
	Samsung Electronics				
Metals and mining	Antofagasta	Climate crisis	Ecological impact	Relations with local communities and Indigenous peoples	
	Grupo México				
	Vale				

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