BMO Responsible Global Emerging Markets Equity Strategy

ESG Profile and Impact Report 2021

BMO Global Asset Management

Part of COLUMBIA THREADNEEDLE INVESTMENTS

Helping investors to evaluate what we offer

At BMO Global Asset Management, we have developed a clear framework to demonstrate the ESG credentials of multiple funds across different asset classes. This allows us to support our Investors by demonstrating how these funds meet our three pillar philosophy of Avoid Invest Improve.

Avoid

Certain industries or securities excluded from the investible universe based on products and services or business conduct.

Invest

Proactive selection of securities for their favourable ESG profile or positive contribution to society and the environment.

Improve

Active ownership activities conducted post investment to drive positive change in the management of ESG issues.

Key risks

Screening out sectors or companies may result in less diversification and hence more volatility in investment values.

The value of investments and any income derived from them can go down as well as up as a result of market or currency movements and investors may not get back the original amount invested. In the worst case, a total loss of capital may occur.

Investing in emerging markets is generally considered to involve more risk than developed markets.

Views and opinions have been arrived at by BMO Global Asset Management and should not be considered to be a recommendation or solicitation to buy or sell any stocks or products that may be mentioned.

Investing with impact in mind

We launched our Responsible Global Emerging Markets strategy in early 2010. It was one of the first emerging markets (EM) funds that sought to integrate ESG (environmental, social and governance) considerations into the investment decision-making process. It was a challenging endeavor at a time when ESG reporting in EM was very poor and companies were not used to, nor particularly open about, discussing ESG issues. We took up the challenge, backed by BMO GAM's track record in running ESG funds, and the strength and expertise of our Responsible Investment and EM Investment teams. These have proved to be robust foundations that we have built on to improve the strategy's ESG profile over time.

The celebration of our 10-year anniversary in 2020 came at a time when the very fabric of our global community began to be tested by the far reaching and disruptive impacts of the COVID-19 pandemic. Despite the debilitating strains of the past year, we remain optimistic about the future.

We see the pandemic as a catalyst for progress in achieving the Sustainable Development Goals (SDGs). It has effectively unveiled the pervasive inequities and broken governance the SDGs themselves can help rectify in our way to achieving a sustainable and inclusive recovery for people and planet. For companies in our strategy's universe, the post-pandemic recovery presents clear opportunities to work on setting a purpose and pursuing the strategic integration of sustainability into their businesses. By doing so, they will enhance their resilience and growth prospects, while contributing to the achievement of the SDGs.

Capital can be a source for good if deployed with a long-term intention to create mutual value for all stakeholders. Our experience over the last decade leaves us more convinced than ever that it is possible to deliver on our twin ambitions of delivering attractive risk-adjusted investment returns and achieving positive non-financial impact. With this in mind, in 2020 we launched two new offerings to expand our Responsible EM equities range – Responsible Asia and Responsible China A-Shares.

We are glad to share our 5th impact report with our valued clients. In the year that the UK finally plans to host the 2021 United Nations Climate Change Conference (COP-26), we are for the first time providing more granular insight around our approach to climate change reporting, including company-level data on net zero alignment, and what we think this means at a portfolio level.

After what has been an extraordinary year, we hope that this report is an enjoyable, enlightening read, and continues to deepen your understanding of our strategy. As ever, we welcome all feedback, and we thank you for the trust that you place in our strategy and our team.

Responsible Global Emerging Markets team, London

Juan Salazar

Gokce Bulut

Rishikesh Patel

Sam Mahtani

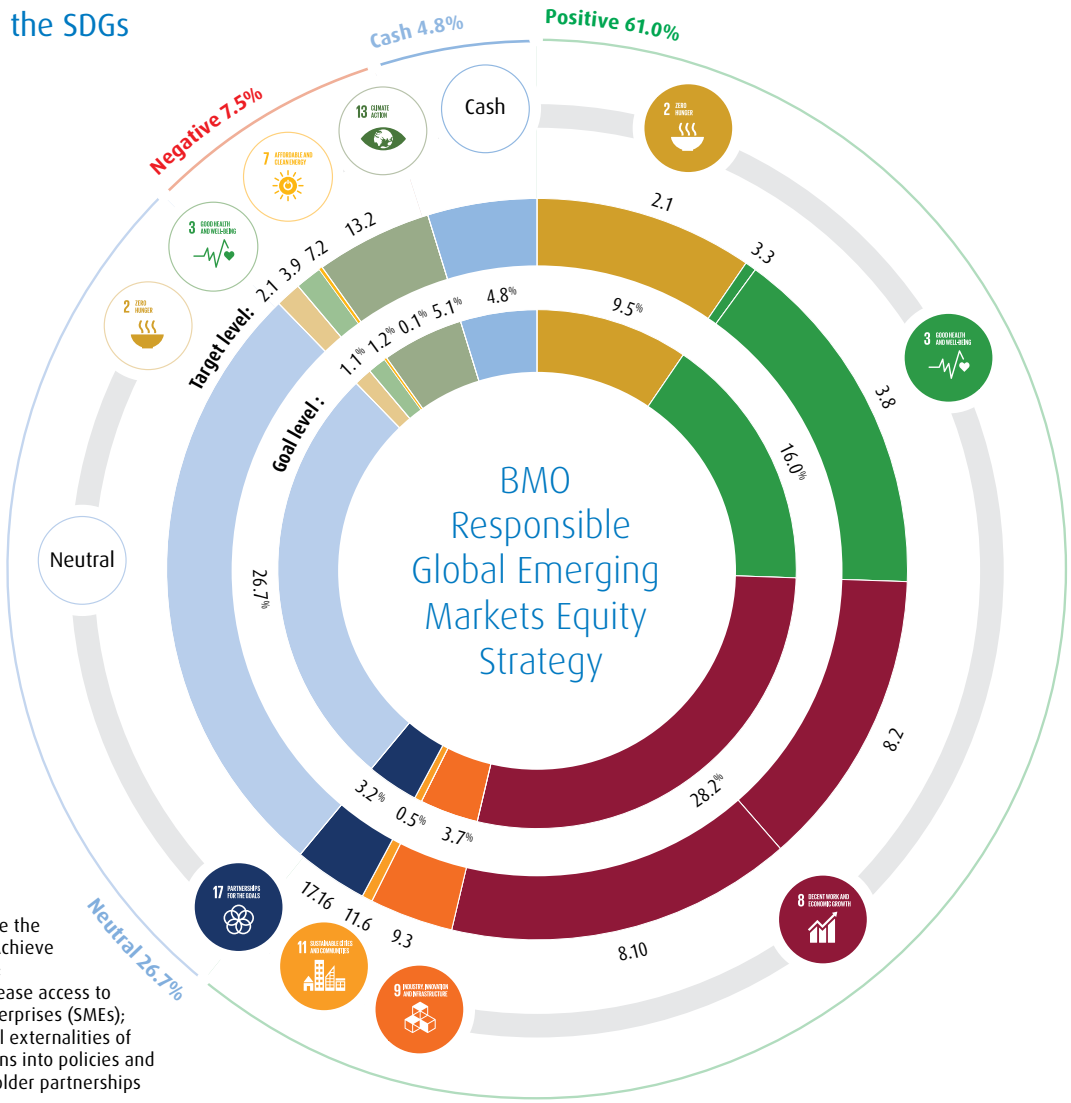
Investing for a **better future**

We assess how the companies in the Responsible Global Emerging Markets Equity strategy support the achievement of the Sustainable Development Goals (SDGs) through their products and services.

As in past reports, we have assessed the connection between our strategy and the SDGs, based on an analysis of the main sources of revenue for each of the companies in the portfolio. Specifically, we measure how the individual sources of revenue for each company correspond to the 169 targets that underlie the goals – so that one company, depending on its mix of goods and services, may have links to more than one goal.

The results of this analysis are summarised below, with a full breakdown of the portfolio and relevant SDG links provided in the following pages.

Portfolio alignment with the SDGs and underlying targets



Source: BMO Global Asset Management, as at 31st December 2020, designed for illustrative purposes, subject to change.

2.1 End hunger and ensure access to safe and nutritious food; **3.3** End AIDS, TB, malaria and other water-borne and communicable diseases; **3.8** Access to medicines and healthcare; **3.9** Reduce deaths and illnesses from pollution and contamination; **7.2** Substantially increase the global share of renewable energy; **8.2** Achieve greater productivity through innovation; **8.10** Increase access to finance; **9.3** Increase access to finance for small and medium-sized enterprises (SMEs); **11.6** Reduce the negative environmental externalities of cities; **13.2** Integrate climate change plans into policies and strategies; **17.16** Leverage multi-stakeholder partnerships to share resources

The goal most represented in the fund is SDG 8 – Decent Work and Economic Growth. This reflects holdings in technology companies including **Taiwan Semiconductor Manufacturing** and **Naver**, which support SDG target 8.2 calling for boosting economic productivity through technological upgrading and innovation; and in banks such as **HDFC Bank** and **Bank Mandiri** that are mapped to SDG target 8.10, which focuses on expanding access to financial services.

SDG 3 – Good Health and Well-being also has a significant weight. The fund's holdings in this area include pharmaceutical firms such as **Biocon**, pharmacy and healthcare stores **Clicks Group** and **Raia Drogasil**, and companies like **Discovery** that are involved in promoting wider well-being amongst their customers.

Our SDG mapping methodology, which is largely based on the analysis of revenue streams published by companies, has some limitations that can prevent us from recognising all the ways in which companies contribute to the SDGs. Examples include our holdings **Infosys** and **Tata Consultancy Services**, two of the top players in India's IT Services industry, which are among the country's largest private sector employers. Moreover, their products and services help clients across the globe create and execute digital transformation strategies that improve their productivity and, in the process, might lead to positive environmental and social impacts.

Our analysis identified a 7.5% negative mapping representing business activities that could be detrimental to sustainable development. These mostly relate to SDG 13 – Climate Action and encompass the activities of companies such as natural gas distributor **China Resources Gas** (CRG) and European airline **Wizz Air**. We note, however, that CRG has played a significant role in helping over 40 million industrial, commercial and residential customers across China transition away from coal-fired power, the most carbon-intensive, for their energy needs. Also, Wizz Air's continuous measures to reduce emissions have led it to report carbon emissions per passenger kilometer that are almost half the industry average.

The SDGs not only identify where we have to be in 2030 to create a sustainable world, they also outline new opportunities for companies all over the world.

Lise Kingo, Executive Director, UN Global Compact

Investing responsibly in China's development story

Despite China being the world's second-largest economy, Chinese equities remain under-represented in many investment portfolios. A broad and growing opportunity set geared into China's structural development story is being overlooked.

Through A-shares, or RMB-denominated equity shares of China-based companies that trade on the Shanghai and Shenzhen Stock Exchanges, China's onshore equity market provides access to a wealth of opportunities through a diverse pool of domestic Chinese companies – businesses that are operating in a vibrant and growing economy. We, therefore, see scope for generating outperformance through detailed bottom-up analysis that fully integrates ESG factors, a long-term investment horizon and a focus on valuation.

The impact of rapid economic growth and development creates opportunities for companies offering products and services that contribute to sustainable development. In this context, we focus our investment research on trends like income growth, increasing access to healthcare, environmental protection and technology advancement.

New China-A holdings in our fund contribute to the achievement of SDGs 3 and 8. They include **Dian Diagnostics**, which is strategically positioned as a holistic medical diagnostic solutions provider to hospitals across China; **Beijing Sinnet Technology**, one of the country's leading operators of internet data centres and providers of cloud services; and **By-Health**, the leading Chinese brand for health and dietary supplements.

Chinese companies tend to be at the beginning of their journey of integrating ESG considerations into their business, risk management and reporting strategies. As active owners, we have placed additional focus on engaging our China-A companies on issues that are financially material as well as important to maximising their positive contribution to the SDGs.

Sustainable finance

The financial sector is uniquely positioned to adapt and promote innovation to address global sustainability challenges – including climate change, inequality and resource scarcity.

As providers of financial needs and expertise for people and businesses, we believe financial institutions have a critical role to play in promoting new economic and business models that support the transition to a low-carbon economy as well as the achievement of other sustainability goals as expressed in the Sustainable Development Goals, the Paris Agreement and relevant national and regional frameworks.

The integration of sustainability considerations into business strategies will help financial institutions enhance risk management practices and their social license to operate, whilst capturing emerging business opportunities. Ultimately, it enhances their ability to create long-term shared value.

We are particularly interested in firms advancing financial inclusion for our strategy. Over 1.5 billion people and countless businesses remain excluded from traditional banking systems across emerging markets. By increasing efforts to reach the unbanked and underbanked, including through leveraging technological advances, the finance sector can help eliminate poverty, improve healthcare, create jobs and promote gender equality. Ultimately, financial institutions can help propel rapid expansion and development of high-potential economies, while profitably growing their own customer and revenue base.

Company	Company description	SDG Alignment	Number and subject of engagement(s)
Bank Mandiri Persero Tbk PT Banks INDONESIA	Provides general banking services, serving corporate, commercial and SME, retail and microfinance, and treasury customers.	⊕ **Target 8.10; Share of company revenue 84%** Promotes access to financial services for all through its retail banking operations ⊕ **Target 9.3; Share of company revenue 12%** Promotes socioeconomic growth by enabling access to financial services for small and medium enterprises, including affordable credit	6: Climate change, environmental stewardship, labour standards, corporate governance
Bank Tabungan Pensiunan Nasional Syariah Tbk PT Banks INDONESIA	Provides banking services for unbanked and underbanked individuals and businesses across Indonesia	⊕ **Target 8.10; Share of company revenue: 100%.** Promotes access to financial services for all through its retail banking operations	2: Corporate governance
Guaranty Trust Bank PLC Banks NIGERIA	Provides general banking services serving corporate, commercial and SME, retail, and treasury customers.	⊕ **Target 8.10; Share of company revenue 17%** Promotes access to financial services for all through its retail banking operations ⊕ **Target 9.3; Share of company revenue 83%** Promotes socioeconomic growth by enabling access to financial services for local enterprises, including small and medium enterprises	2: Corporate governance
HDFC Bank Ltd Banks INDIA	Provides general banking services serving corporate, commercial and SME, retail and microfinance, and treasury customers.	⊕ **Target 8.10; Share of company revenue 73%** Promotes access to financial services for all through its retail banking operations ⊕ **Target 9.3; Share of company revenue 19%** Promotes socioeconomic growth by enabling access to financial services for small, medium and large enterprises, including affordable credit	1: Climate change

Where company revenues do not add to 100%, then there is no SDG link for the remainder of the business revenues

Company	Company description	SDG Alignment	Number and subject of engagement(s)
Hong Kong Exchanges & Clearing Ltd Capital Markets HONG KONG	Operates a range of equity, commodity, fixed income and currency markets.	**Target 17.16; Share of company revenue 59%** Promotes corporate transparency – and ultimately performance – on ESG issues amongst listed companies and encourages sustainable investment **Target 8.10; Share of company revenue 41%** Helps development of local capital markets through clearing, post-trade and technology services	n/a
Kasikornbank PCL Banks THAILAND	Provides general banking services serving corporate, commercial and SME, retail, and treasury customers.	**Target 8.10; Share of company revenue 46%** Promotes access to financial services for all through its retail banking operations **Target 9.3; Share of company revenue 42%** Promotes socioeconomic growth by enabling access to financial services for small and medium enterprises, including affordable credit	6: Climate change, corporate governance
Moscow Exchange MICEX-RTS PJSC Capital Markets RUSSIA	Operator of the Moscow Stock Exchange	**Target 17.16; Share of company revenue 57%** Promotes corporate transparency – and ultimately performance – on ESG issues amongst listed companies and encourages sustainable investment **Target 8.10; Share of company revenue 43%** Helps development of local capital markets through clearing, post-trade and technology services	1: Corporate governance

Where company revenues do not add to 100%, then there is no SDG link for the remainder of the business revenues

Food and nutrition

Issues related to food and nutrition are increasingly important as global food systems seek to provide food for nearly 10 billion people by 2050 within planetary boundaries that are under increasing pressure.

Rising incomes across emerging markets have led these to exhibit significantly fast growth rates in demand for food and beverages. The opportunities for manufacturing, distribution and retail companies operating in these markets are vast; however, they face significant supply and demand challenges from sustainability factors. On the supply side, expected changes in climatic and environmental conditions over the coming decades will certainly have important implications for future planetary health and food security. In fact, environmental variability and extreme events are already leading to harvest losses and distribution disruptions each year. On the demand side, pressure is coming from evolving consumer preferences and regulatory standards in terms of affordability, diversity, quality and nutrition.

We aim to invest in businesses that, by strategically addressing sustainable production and consumption issues, are helping drive food systems transformation. We expect companies in our portfolio to work towards providing affordable, safe and nutritious food and beverages whilst advancing the effective management of natural resources, including water, soil and biodiversity. We also expect them to incorporate circular economy principles in their business strategies, provide decent and inclusive work and equitable trade, and work with smallholders across their supply chains to improve livelihoods.

Company	Company description	SDG Alignment	Number and subject of engagement(s)
BIM Birlesik Magazalar AS Food & Staples Retailing TURKEY	Operates food and basic consumer goods discount stores in Turkey.	n/a	1: Corporate governance, environmental stewardship
Dali Foods Group Co Ltd Food & Beverage CHINA	Branded food and beverage company with a diversified multi-brand product portfolio.	⊕ **Target 2.1; Share of company revenue 12%** Provides affordable, safe and nutritious food, including soy milk and fresh bread, all year round ⊖ **Target 2.1; Share of company revenue 33%** Produces snack foods and beverages that provide limited nutritional value	6: Climate change, environmental stewardship
Inner Mongolia Yili Industrial Group Co Ltd Food & Beverage CHINA	Manufactures and distributes milk and dairy-based products.	⊕ **Target 2.1; Share of company revenue 83%** Provides affordable, safe and nutritious food all year round ⊕ **Target 2.2; Share of company revenue 11%** Helps achieve targets on stunting and wasting in children under 5 years of age through its infant milk powder formula ⊖ **Target 2.1; Share of company revenue 6%** Produces snack foods and beverages that provide limited nutritional value	3: Climate change, environmental stewardship, corporate governance
Jeronimo Martins SGPS SA Food & Staples Retailing PORTUGAL	Through its subsidiaries, distributes food in Portugal, Poland, and Colombia.	n/a	6: Environmental stewardship, labour standards, corporate governance

Where company revenues do not add to 100%, then there is no SDG link for the remainder of the business revenues

Company	Company description	SDG Alignment	Number and subject of engagement(s)
Marico Ltd Consumer Staples INDIA	Provides consumer products and services in the areas of health, beauty and wellness in over 25 countries across Asia and Africa.	⊕ **Target 2.1; Share of company revenue 58%** Provides affordable, safe and nutritious food all year round	2: Labour standards
Nestle India Ltd Food & Beverage INDIA	Produces food, beverages, chocolate and confectioneries.	⊕ **Target 2.1; Share of company revenue 75%** Provides affordable, safe and nutritious food all year round ⊖ **Target 2.1; Share of company revenue 13%** Produces snack foods and beverages that provide limited nutritional value	n/a
Vietnam Dairy Products JSC Food & Beverage VIETNAM	Manufactures and distributes milk and dairy-based products.	⊕ **Target 2.1; Share of company revenue 100%** Provides affordable, safe and nutritious food all year round	3: Climate change, environmental stewardship, corporate governance
Vitasoy International Holdings Ltd Food & Beverage HONG KONG	Manufactures and distributes plant-based food and beverages.	⊕ **Target 2.1; Share of company revenue 100%** Provides affordable, safe and nutritious food all year round	6: Climate change, environmental stewardship, corporate governance
Wal-Mart de Mexico SAB de CV Food & Staples Retailing MEXICO	Retails food, clothing, and other merchandise under a variety of store formats across Mexico and Central America.	n/a	1: Climate change, environmental stewardship

Where company revenues do not add to 100%, then there is no SDG link for the remainder of the business revenues

Health & Well-being

We appreciate, now more than ever, the requirement for access to robust, affordable and equitable healthcare systems around the world.

Almost 90 million people are impoverished by health expenses every year, and up to five billion people will still lack access to healthcare in 2030 if current global trends persist[1]. Poorly funded healthcare systems are struggling to manage the rise of non-communicable diseases fueled by mass urbanisation, sedentary lifestyles and the growing availability of nutrient-poor processed foods. Furthermore, high medicine and treatment costs coupled with persistent health protection and insurance gaps lead to out-of-pocket spending that can have potentially catastrophic financial implications for households.

With the COVID-19 pandemic exposing the severely underfunded nature of global health care, emerging markets in particular, the movement towards universal health coverage is more urgent than ever.

Our strategy aims to invest in companies seeking to tackle these issues through a range of initiatives which enable accurate diagnoses, critical clinical research, safe drug development, quality treatments, better hygiene, and broad health insurance coverage. These include companies innovating through consistent launches of high quality and affordable medicines, capturing health & wellness data digitalisation opportunities, delivering drugs and key medical supplies, and providing inclusive health insurance. Together, our healthcare holdings are actively contributing towards the targets of SDG3 – Good Health and Well-being.

Company	Company description	SDG Alignment	Number and subject of engagement(s)
AIA Group Ltd Insurance HONG KONG	Offers insurance and investment services across Asia.	⊕ **Target 8.10; Share of company revenue 69%** Promotes access to insurance products for all, including health and life insurance	1: Corporate governance
AK Medical Holdings Ltd Health Care Equipment & Services CHINA	Manufactures and markets medical devices in China, including orthopaedic implants.	⊕ **Target 3.8; Share of company revenue 100%** Promotes access to safe, effective and affordable healthcare devices and equipment	n/a
Biocon Ltd Pharmaceuticals INDIA	Manufactures generic active pharmaceutical ingredients that are sold in over 120 countries across the globe.	⊕ **Target 3.8; Share of company revenue 100%** Promotes access to safe, effective and affordable essential medicines	2: Labour standards, public health
By-Health Co. Ltd Vitamin & Dietary Supplements CHINA	Produces and sells nutritional and dietary supplements primarily in China.	⊕ **Target 3.8; Share of company revenue 100%** Promotes access to safe, effective and affordable essential vitamins and dietary supplements	n/a
Colgate-Palmolive India Ltd Household & Personal Products INDIA	Manufactures consumer products for oral and body care.	⊕ **Target 3.3; Share of company revenue 100%** Helps improve oral care and personal hygiene across India	n/a
Clicks Group Ltd Healthcare Providers & Services SOUTH AFRICA	Owns and operates drug, health and beauty retail stores across South Africa.	⊕ **Target 3.8; Share of company revenue 100%** Promotes access to safe, effective and affordable essential medicines through its drug manufacturing and distribution activities	6: Environmental stewardship, public health, labour standards

[1] Source: World Health Organization, Universal Health Coverage Monitoring Report, 22 September 2019

Where company revenues do not add to 100%, then there is no SDG link for the remainder of the business revenues

Company	Company description	SDG Alignment	Number and subject of engagement(s)
Dian Diagnostics Group Co Ltd Healthcare Providers & Services CHINA	Engages in the provision of medical diagnosis outsourcing service.	⊕ **Target 3.8; Share of company revenue 100%** Promotes access to safe, effective and affordable essential medical diagnostics services	1: Corporate governance
Discovery Ltd Insurance SOUTH AFRICA	Offers insurance, banking and investment services worldwide, focusing in South Africa.	⊕ **Target 3.8; Share of company revenue 31%** Helps achieve universal health coverage, including financial risk protection, through its health insurance products ⊕ **Target 8.10; Share of company revenue 34%** Promotes access to insurance products for all, including health and life insurance	1: Labour standards
Raia Drogasil SA Healthcare Providers & Services BRAZIL	Owns and operates a chain of pharmaceutical stores across Brazil.	⊕ **Target 3.8; Share of company revenue 100%** Promotes access to safe, effective and affordable essential medicines through its drug retail and distribution activities	3: Corporate governance, labour standards, public health
Torrent Pharmaceuticals Ltd Pharmaceuticals INDIA	Manufactures and sells branded, as well as unbranded generic pharmaceutical products.	⊕ **Target 3.8; Share of company revenue 100%** Promotes access to safe, effective and affordable essential medicines	1: Public health
Unilever PLC Consumer Staples BRITAIN	Manufactures branded and packaged consumer goods, including food, detergents, fragrances, home and personal care products.	⊕ **Target 3.3; Share of company revenue 15%** Helps prevent the spread of communicable diseases through its personal and home cleaning products, including soap ⊖ **Target 2.1; Share of company revenue 13%** Produces foods that provide limited nutritional value	5: Environmental stewardship, human rights, labour standards

Where company revenues do not add to 100%, then there is no SDG link for the remainder of the business revenues

Technological Innovation

Digital technologies and innovation are increasingly critical for reaching ambitious sustainability goals whilst enhancing value creation for business, society and the environment.

Meeting the SDGs will require action on several fronts, including harnessing and maximising the potential of technological innovation. Used as commercial leverage, technology can work simultaneously as an accelerator for companies' environmental and social positive impacts. At the same time, we recognise that while new digital and other technologies hold significant promise for society, their development and adoption come with a set of ethical and accessibility challenges that can interfere with human rights or reinforce existing social, economic and gender inequalities.

We will aim to find and invest in companies working on disruptive innovations for transformative change. Companies that, through tech-based solutions, are making breakthrough advances, or helping their clients make such advances, in areas like data science and advanced analytics, productivity, supply chain efficiencies and natural resource management, as well as facilitating access to finance, healthcare and education. Importantly, we will look for companies that are taking steps to monitor and address the potential social sustainability and ethical risks of new technologies, advance the development of digital skills and competencies, and foster an inclusive digital transformation that can help reduce the digital divide.

Company	Company description	SDG Alignment	Number and subject of engagement(s)
Beijing Sinnet Technology Co Ltd Software & Services CHINA	Provides customers with broadband access services, IDC and its value-added services, and other internet integrated services.	⊕ **Target 8.2; Share of company revenue 99%** Helps its customers achieve higher levels of productivity through diversification, technological upgrading and innovation ⊕ **Target 9.c; Share of company revenue 1%** Promotes affordable and universal access to internet broadband services	n/a
Infosys Ltd Software & Services INDIA	Provides IT consulting and software services, including e-business, program management and supply chain solutions.	n/a	2: Corporate governance, labour standards
NAVER Corporation Software & Services SOUTH KOREA	Operates as a search engine and e-commerce platform providing fintech, digital content, and cloud services.	⊕ **Target 8.2; Share of company revenue 100%** Helps its customers achieve higher levels of productivity through diversification, technological upgrading and innovation	n/a
Taiwan Semiconductor Manufacturing Co Ltd Semiconductors & Semiconductor TAIWAN	The world's largest dedicated pure-play semiconductor foundry, TSMC manufactures and markets integrated circuits.	⊕ **Target 8.2; Share of company revenue 100%** Helps its customers achieve higher levels of productivity through diversification, technological upgrading and innovation	1: Corporate governance
Tata Consultancy Services Ltd Software & Services INDIA	Global IT services organisation that provides a comprehensive range of IT services to its clients in diverse industries.	n/a	1: Labour standards

Where company revenues do not add to 100%, then there is no SDG link for the remainder of the business revenues

Company	Company description	SDG Alignment	Number and subject of engagement(s)
Tencent Holdings Ltd Media & Entertainment CHINA	Provides internet and mobile value-added services (VAS), online advertising, online gaming, and e-commerce transactions.	⊕ **Target 8.2; Share of company revenue 27%** Helps its customers achieve higher levels of productivity through diversification, technological upgrading and innovation	1: Corporate governance

New technologies hold the promise of the future, from climate action and better health to more democratic and inclusive societies [...] Let us use them wisely, for the benefit of all.

António Guterres, United Nations Secretary-General

Where company revenues do not add to 100%, then there is no SDG link for the remainder of the business revenues

Other

Companies focusing on building and operating critical infrastructure, offering transport solutions and supporting the energy transition have a significant role to play in achieving sustainable development in emerging markets.

Energy Transition: There are still close to 900 million people worldwide that lack access to energy – the vast majority of whom live in emerging markets. We will aim to find and invest in companies offering solutions that can help balance people's need for access to reliable and affordable energy while helping to reduce global emissions.

Infrastructure & transport: From transport systems to power-generation facilities and water and sanitation networks, infrastructure is essential to the efficient functioning of society and its ability to achieve sustainable development. We aim to invest in companies designing, building and operating infrastructure, including transport systems, in a way that incorporates sustainability considerations.

We note that most of our companies falling under these two themes are negatively linked to SDG 13 – Climate Action, as per our SDG mapping methodology. Regarding our investment in **China Resources Gas** (**CRG**), we acknowledge concerns about viewing natural gas as a transitional fuel – gas is, after all, a fossil fuel and the industry still struggles to address methane emissions from its extraction, transportation and distribution. Furthermore, gas has started to face economic pressure from clean energy technologies. At the same time, we highlight the significant role CRG plays in helping achieve a transition away from coal-generated energy in China and, in the process, improve air quality and limit carbon emissions across the country.

We also recognise the significant climate-related impacts of air, road and marine transport and, therefore, assess and monitor companies' actions to minimise such impacts. **Wizz Air**, for example, has over 60 fuel savings initiatives in place that lead to estimated carbon emissions reductions of 100,000 tonnes per year. With this in mind, and considering that the efficient mobility of people, goods and materials is a vital enabler of sustainable social and economic development, connecting people to basic services, jobs, markets and each other, we see a place for these companies in our strategy.

Please note that our thinking on these important issues, including how to balance environmental and social positive impacts in the context of increasing carbon emissions and the need for alignment with the objectives of the Paris Agreement, continues to evolve.

Company	Company description	70.176 mm	Number and subject of engagement(s)
Bajaj Auto Ltd Automobiles & Components INDIA	Manufactures and distributes motorised two-wheeled and three-wheeled scooters, motorcycles and mopeds.	⊖ **Target 3.9; Share of company revenue 100%** Manufactures two- and three-wheelers that contribute to air pollution	2: Corporate governance
China Resources Gas Group Ltd Utilities HONG KONG	Distributes natural gas to a growing number of cities across China.	⊖ **Target 13.2; Share of company revenue 91%** Distributes natural gas to commercial and residential customers across China ⊖ **Target 7.2; Share of company revenue 7%** Owns and operates natural gas stations ⊖ **Target 9.1; Share of company revenue 1%** Provides design and construction to the natural gas industry	2: Climate change, environmental stewardship, labour standards

Where company revenues do not add to 100%, then there is no SDG link for the remainder of the business revenues

Company	Company description	70.176 mm	Number and subject of engagement(s)
Home Product Center PCL Specialty Retail THAILAND	Retailer of building materials and home improvement products.	⊕ **Target 11.6; Share of company revenue 28%** Sells energy saving, sustainably sourced and safe home decoration and furnishing products	1: Corporate governance
Shanghai International Airport Co Ltd Transportation Infrastructure CHINA	Operates the Pudong International and Hongquiao airports in Shanghai, China.	⊖ **Target 13.2; Share of company revenue 37%** Aviation has significant impacts on climate change	n/a
SITC International Holdings Co Ltd Marine HONG KONG	Offers marine shipping and other logistics services.	⊖ **Target 13.2; Share of company revenue 91%** Marine transport has significant impacts on climate change	3: Climate change, corporate governance, environmental stewardship
Wizz Air Holdings Plc Airlines SWITZERLAND	Provides low-cost air transportation services across Europe, with a focus on Central and Eastern Europe	⊖ **Target 13.2; Share of company revenue 100%** Aviation has significant impacts on climate change	2: Corporate governance, labour standards
Zhejiang Supor Co Ltd Household Durables CHINA	Manufactures and markets cookware and home appliance products.	**n/a**	2: Corporate governance

Where company revenues do not add to 100%, then there is no SDG link for the remainder of the business revenues

Measuring real-world **impact**

Expectations of companies' measuring and reporting on the environmental and social impacts of their businesses continue to grow. While significant progress has been made, challenges remain.

Impact metrics differ from outputs and other performance indicators mainly because they are built to track the outcomes that a company's operations, products or services have for the environment or on the lives of stakeholders, such as workers, suppliers, and customers.

Ideally, impact metrics should also address the multiple dimensions of impact, as set out by the Impact Management Project. We would like companies to consider not just **what** type of impact they have but also **how much**; **who** is affected (e.g. marginalised groups, low-income countries); the **contribution** their actions have, beyond what would have happened anyway; and, where they are forecasting future impacts, the **risk** that these may not materialise as planned.

We would like to highlight impact metrics disclosed by our holding **BTPN Syariah**, an Indonesian microfinance firm solely focused on the 'productive poor' segment in Indonesia. 100% of its active customers in 2020, 3.9 million in total, are women in underprivileged families across Indonesia.

	Lending Cycle 1 (first loan)	Lending Cycle 2	Lending Cycle 3
Chance of customer going below the poverty line	25.8%	23.5%	20.9%
Number of Children who do not go to school	15.3%	12.0%	9.9%
Number of households that do not have a toilet/latrine	14.3%	12.2%	8.4%

Source: BTPN Syriah Q3 2020 report

"Allocating our clients' capital sustainably comes with great responsibility and demands a deeper understanding of the environmental and social impacts our investments have in the societies they are deployed in."

Gokce Bulut – Lead Portfolio Manager

We have also selected some examples from companies in the portfolio that report impact-related outputs or outcomes to illustrate some of the different metrics being used.

800,000 workouts

Logged in Vitality in 2020, AIA's leading platform for engagement and positive behaviour change

AIA Group

25 million

COVID-19 tests performed in 2020 in China

Dian Diagnostics

2,468 tonnes of sugar

Prevented from entering the market in 2020 by reformulating private brand products

Jeronimo Martins

Less than 10 cents per day

Cost of recombinant human insulin made available by Biocon in low- and middle-income countries

Biocon

12,900,000

people reached through the bank's financial literacy programme across India during 2109-20

HDFC Bank

15% increase in harvest yields

Achieved on average by over 20,000 coconut farmers enrolled in the sustainable agriculture programme

Marico

50%

Proportion of South Africa's population that now lives within 6 km of a Clicks pharmacy

Clicks Group

12.4 million plastic bags

Saved in 2019 after decision to stop providing free plastic bags to customers

Home Product Center

6 out of **8**

Number of factories in India that are zero waste to landfill at year end 2019

Nestle India

Climate **Change**

With world leaders gathering for the Glasgow COP26 climate negotiations, 2021 will be a crucial landmark year in the fight to tackle the climate crisis, and every part of society needs to play its part. We have committed to support the low-carbon transition, including by continuing our engagement with companies and our efforts to decarbonise our portfolio.

Our approach

We have a comprehensive climate change policy for the Responsible Global Emerging Markets Equity Strategy, formalised in 2017, which includes divestment from companies with fossil fuel reserves, investment in solutions and engagement.

Furthermore, BMO Global Asset Management committed in December 2020 to an ambition of reaching net zero emissions by 2050 or sooner across all assets under management as one of the founding members of the **Net Zero Asset Managers Initiative**.

Since announcing our commitment, we have:

- Continued to contribute to industry standards through our work on the **Net Zero Investment Framework**, launched by the Institutional Investors Group on Climate Change and which will form the basis for our approach;
- Discussed progress with our Responsible Investment Advisory Council, including newly appointed member **Dr Ben Caldecott**, a climate expert from the University of Oxford; and
- Established guiding principles for our approach to net zero.

We expect to set out further details on our approach during the course of 2021.

How our portfolio companies are **supporting the renewable energy revolution**

Nearly two-thirds of the world's population today lives in countries, including China and India, where solar and onshore wind power are the cheapest sources of new power generation. In 2020, more than 80% of all new electricity generating projects built were renewable, leading to a 10.3% rise in total installed zero carbon electricity generation globally[1].

Several of our portfolio companies have developed strategies to increase the use of wind, solar and other clean energy sources for their own operations, or to support the development of renewable energy projects.

100%

Renewable grid electricity powers all of **Unilever's** factories, offices, R&D facilities, data centres, warehouses and distribution centres globally.

2.189 million metric tons

Estimated carbon emissions eliminated per year from **TSMC**'s renewable power purchasing agreements totalling 1.2 GW capacity as of July 2020.

2,268 Megawatts

Solar and wind energy capacity financed by **HDFC Bank** (cumulatively since 2017) across India.

1st place

Achieved by **Tencent** in clean energy scorecard for China's tech sector[2] partly due to its strategy to build data centres where clean energy resources are abundant.

2020 Performance

We use weighted average carbon intensity (Scope 1 and 2 emissions) as one of the factors to monitor and manage climate-related risks and opportunities in our investment portfolio. This metric, which allows for simple attribution analysis and portfolio decomposition, helps us understand and report to our clients the exposure of the portfolio to climate change-related risk in a relatively straightforward manner.

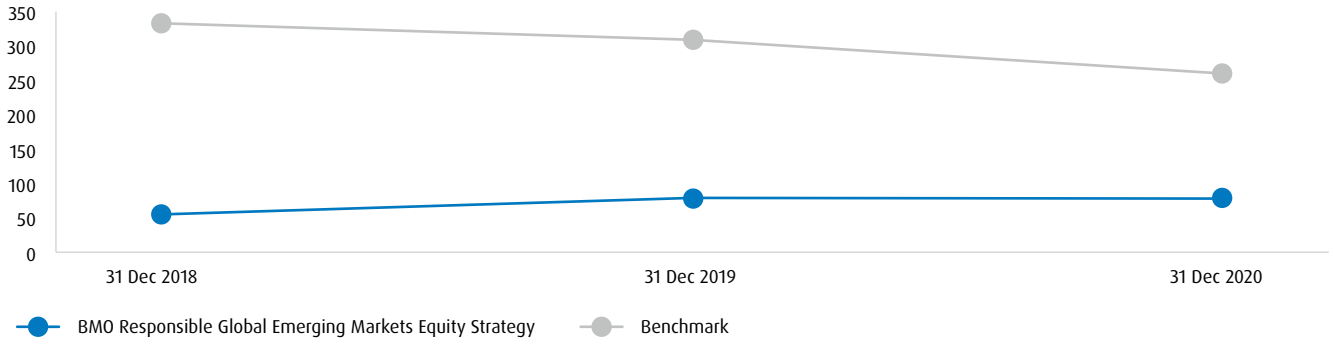
The fund remains well below its benchmark in terms of portfolio-weighted carbon intensity. This is explained by our stringent screening process as well as by the much lower active weight we have in traditionally high carbon-emitting sectors, such as materials, energy and utilities.

The largest contributors to portfolio carbon intensity are transport companies **SITC International Holdings** and **Wizz Air**.

SITC's measures to achieve fuel efficiency gains include selection of optimal navigation routes and speed, efficient cargo loading, systematic equipment monitoring and maintenance, and adoption of new technologies. These allowed the company to reduce the carbon intensity of its operations by 5% between 2017 and 2019. We have engaged and will continue to engage with the company to encourage it develop a more strategic approach to carbon emissions management, with a focus on alignment with the objectives of the Paris Agreement.

As mentioned throughout the report, Wizz Air's approach to managing carbon emissions is industry leading. The company operates at the lowest carbon footprint in the European aviation industry and it has committed to reducing it by a further 33 per cent by 2030.

Scope 1 + 2 Intensity (tCO2e/USD million sales)



Source: MSCI ESG and Bloomberg

Net zero alignment

We will lay out details in due course of our full net zero alignment approach, which will incorporate both portfolio-level targets and analysis of underlying investee companies' alignment.

Only 2 of our investee companies, **Marico** and **Unilever**, have committed to set or have already set emissions reduction targets approved by the Science-based Targets Initiative (SBTi). Unilever's targets are assessed as being compliant with a 1.5-degree global temperature pathway. Some other portfolio companies, including **Tencent**, **Kasikornbank** and **Infosys**, have made net zero commitments, but have not validated these through the SBTi.

The Transition Pathway Initiative (TPI) and Climate Action 100+ (CA100+) Benchmark give a fuller analysis of company net zero alignment, which also takes into account factors such as governance, strategy and lobbying. However, they cover only a small number of portfolio companies due to our limited exposure to high emitters. **Unilever** is the only company included in the CA100+ programme and its assessment within the Benchmark is generally positive. **Unilever** and **Wizz Air** have both been assessed by TPI and have a 3 and 2 (out of 4) rating for climate management, respectively, with some areas for improvement noted by TPI that include lobbying practices for Unilever and stronger integration of climate factors into operational decision making for Wizz Air.

[1] https://www.irena.org/publications/2021/March/Renewable-Capacity-Statistics-2021
[2] https://www.greenpeace.org/static/planet4-eastasia-stateless/2021/04/03a3ce1a-clean-cloud-english-briefing.pdf

Impact **Metrics**

We have selected a small number of ESG metrics to show how the Responsible GEM portfolio ranks relative to the benchmark, as well as to identify potential areas for company engagement. The metrics relate to environmental stewardship, fairness and equality, and economic development.

Assessing our impact

A 'positive' performance, represented by a green circle, shows that the companies in the fund have a stronger positive environmental or social impact than the benchmark; while a 'negative' performance, represented by a red circle, indicates a weaker impact relative to the benchmark.

Impact ranking relative to our benchmarks

The numbers in the table show the score for the specific metric, again relative to the benchmark. For some metrics, such as water intensity, a lower score indicates positive impact, as lower water use is preferable from a sustainability perspective. For others, such as gender equality, positive impact is indicated by a higher score, as greater gender diversity is preferred.

For each section we explain the key reasons for the portfolios' impact performance, discuss notably contributing companies and highlight where we will be seeking to drive improvement over time.

	BMO Responsible Global Emerging Markets Equity Strategy	Benchmark: MSCI EM Index
Thousands of litres of water to generate $1M of revenue**	**0.7**	8.0
Tonnes of solid waste generated to create one unit of revenue**	**4.8**	727.2
Female Directors %*	**21%**	12%
CEO pay relative to average employee compensation**	**56.5x**	47.3x
Company geographical spread of operations matched against GDP per capita**[1]	**US$ 20,320.1**	US$ 24,071.0
Company geographical spread of employment against unemployment rates provided by the ILO** [2]	**6%**	5%

* Source: MSCI ESG

** Source: Impact Cubed

[1] A higher figure indicates that the companies in the portfolio register less economic activity in low GDP/capita countries, in aggregate, than the benchmark and hence has a lower impact on development.

[2] A higher figure indicates that the companies in the portfolio register more activity in high unemployment countries, in aggregate, than the benchmark, and hence has a higher impact on employment.

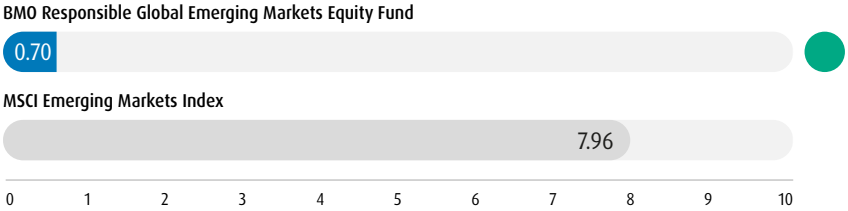
Environmental stewardship

The strategy's water and waste metrics are well below the benchmark, mainly on account of us not investing in water- or waste-intensive industries such as steel, power generation and mining. **Taiwan Semiconductor Manufacturing** (TSMC) is our most water intensive company, which reflects the significant water requirements of the semiconductor industry. The company leads its peers when it comes to water stewardship, reporting consistent improvements in water efficiency per unit of production over time. Our food and beverage companies **Dali Foods**, **Yili Group** and **Vietnam Dairy Products** are also large water users. We have engaged with them to encourage adoption or improvement of practices to increase water efficiency and map water-related risks in the supply chain.

On waste intensity, our supermarket holdings, including **BIM**, **Jeronimo Martins** and **Wal-mart de Mexico**, report the highest figures. Through pursuing a philosophy of minimising its operational costs which is in turn reflected as discounts to its customers, BIM keeps close tabs on optimising and reducing waste. The other two companies have developed robust waste management strategies that include ambitious targets to reduce food waste and avoid sending waste to landfills.

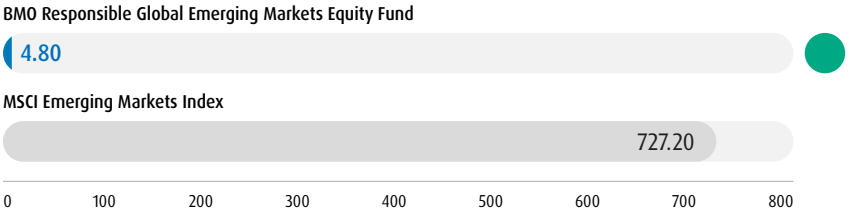
Water intensity

Thousands cubic metres of fresh water used per $1 million revenue.



Waste intensity

Tonnes of waste generated per $1 million revenue.



> TSMC's robust water stewardship strategy has led to consistent and sustainable improvements in water efficiency per unit of production.

Source: Impact Cubed

Better than benchmark Neutral Worse than benchmark

Fairness and equality

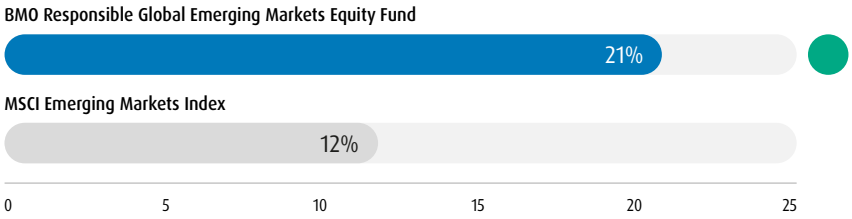
On gender diversity at board level, the portfolio performs significantly better than the benchmark. A handful of companies, including **BTPN Syariah**, **Yili Group** and **Beijing Sinnet Technology**, boast over 40% female representation on their boards. The performance of three of our top five holdings, namely **TSMC**, **Tencent** and **AIA Group**, is, however, less impressive – their boards have only 10% female representation. We have engaged with the three companies, as well as other companies in Greater China, to call for improved board diversity.

On pay, the fund overall shows a larger gap between executive and average employee pay than the benchmark. This is mainly because the fund is overweight in India, South Africa and the UK, three of the countries with the highest ratio between CEO and average worker pay worldwide. At the same time, we note that three of our holdings – **Biocon**, **Home Product Center** and **Kasikornbank**, have single-digit pay differentials.

Issues around executive pay and board diversity are firmly integrated into our approach to voting. We will vote against management where companies fail to meet our standards of good practice, and we regularly engage to drive improvements.

Gender

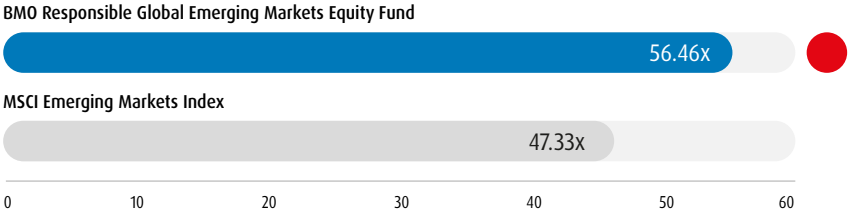
% female executives and board members.



Source: MSCI ESG

Executive pay

Ratio of chief executive to median employee pay.



Source: Impact Cubed

Better than benchmark Neutral Worse than benchmark

"Business has its share of responsibilities to honor and a substantial role to play in building back an economy that is socially inclusive and environmentally sustainable."

Yousef Al-Benyan, Chairman of the Business Twenty (B20) Group

Economic development

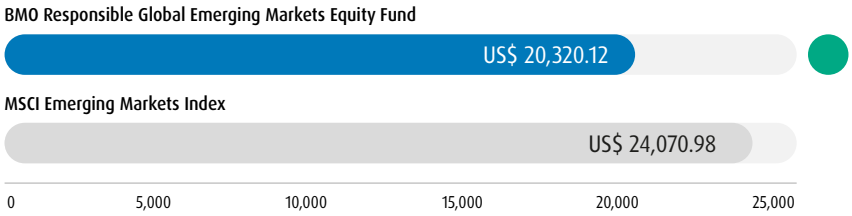
We consider the effect of our investments on global inequality by looking at how companies support economic growth in parts of the world with the greatest needs. The two metrics used compare the location of companies' operations and employment with local GDP per capita and unemployment rates, respectively.

On economic development, the fund registers a lower value than the composite benchmark, indicating that it has a potentially higher development impact due to its higher exposure to companies operating in lower-income countries. This is a reflection of the fund being overweight in India, the country with the lowest GDP per capita amongst the top emerging economies.

The employment metric of the fund is close to that of the benchmark's. We note, however, our investment in South Africa's **Clicks Group** and **Discovery**, both in our top 10 holdings. With figures hovering around the 30%-mark in the past year, South Africa suffers from one of the worst unemployment rates worldwide.

Economic development

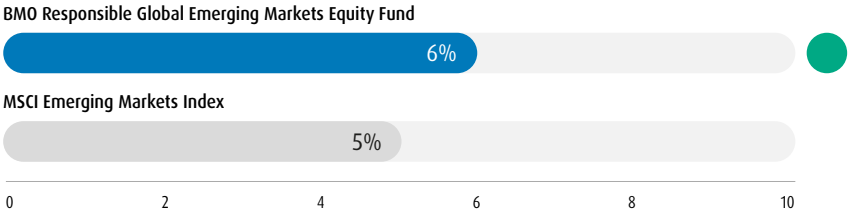
Company geographical spread of operations matched against GDP per capita.*



Source: Impact Cubed

Employment

Company geographical spread of employment against unemployment rates provided by the ILO.**



Source: Impact Cubed

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** A higher figure indicates that the companies in the portfolio register more activity in high unemployment countries, in aggregate, than the benchmark, and hence has a higher impact on employment.

Better than benchmark · Neutral · Worse than benchmark

Impact through **our engagement**

In 2020, we engaged with 31 companies representing 87% of our portfolio by value with the aim of improving their management of material ESG issues.

UK

- **Unilever** announced plans to let shareholders vote on its climate transition plans, in a first for a major global company.

India

- We engaged with **Biocon**, **Infosys** and **Marico** to encourage they enhance efforts to increase the proportion of women in leadership positions.
- **Colgate-Palmolive India** appointed two new independent directors to the board, improving its balance and, potentially, its effectiveness.

Brazil

- We encouraged **Raia Drogasil** to incorporate access to medicines and healthcare considerations as it reviewed its future corporate ESG strategy.

Portugal

- We welcomed **Jeronimo Martins'** actions to address deforestation risks in its agricultural supply chains and asked for a stronger approach to supplier auditing and certification.

South Africa

- We spoke to **Discovery** to discuss measures to protect the health and safety its employees and its customers during the COVID-19 pandemic.
- We engaged with **Clicks Group** on its plans to improve employee and supplier racial diversity practices.

Nigeria

- We asked **Guaranty Trust Bank** to appoint additional independent, non-executive directors to improve board balance and diversity.

Vietnam

- We strongly encouraged **Vinamilk** to develop tools and systems to identify, assess and manage climate-related risks to its operations and supply chain.

- **Engagement**
- **Milestones**

China

- **Tencent** improved disclosure of its data privacy and security policies, including concerning retention and removal of user personal data.

Taiwan

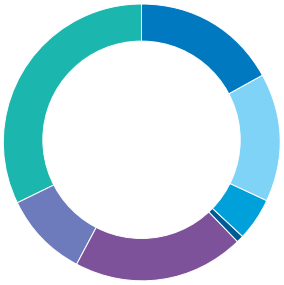
- **Taiwan Semiconductor Manufacturing** entered into the world's largest renewables corporate power purchase agreement by agreeing to buy the entire power produced in an offshore wind farm.

Hong Kong

- We engaged with **SITC International Holdings** to encourage it set and disclose performance indicators on fuel intensity and carbon emissions for its fleet of ships.
- **Vitasoy** enhanced its sustainable packaging practices, including through increased use of recyclable materials and working with stakeholders on collection and recycling initiatives.

Active **ownership**

Engagement on ESG issues presenting the greatest threats or opportunities to long-term value creation is a cornerstone of our approach to investing.



Companies Engaged by Issue

Climate Change	17%
Environmental Standards	15%
Business Conduct	5%
Human Rights	1%
Labour Standards	20%
Public Health	10%
Corporate Governance	32%

Engagement

- As has been the case in previous years, corporate governance engagement addressed mainly board composition and effectiveness: strong boards are critical for effective oversight of companies' material sustainability risks, opportunities and impacts and the way these are managed.
- Our engagement on labour standards was centred on companies' actions to minimise business disruptions during the pandemic and maintain good employee relations by protecting the physical health and safety of their workers and giving balanced attention to their mental and financial wellbeing.
- The heightened vulnerability of emerging markets to climate change requires companies to develop strategic responses to manage potential regulatory and physical impacts as well as meet evolving societal expectations. Our climate-related engagement focused on emissions management and on management of climate risks in supply chains.

Voting

- Our voting policies take account of local practices and are applied in a pragmatic fashion that reflects an integrated understanding of local and international good practice. In all cases, we aim to achieve the same result: the preservation and enhancement of long-term shareholder value through management accountability and transparency.
- In 2020, we voted at 64 out of 65 company meetings – the one meeting we did not vote was due to the market, Egypt in this case, applying shareblocking. We voted against management on 13.4% of all resolutions voted, with capital issuances and director elections the issues we most frequently had concerns on.

Company **case studies**

Our engagement approach varies by company and the ESG-related issues at hand, ranging from ongoing, constructive dialogue to dedicated site visits.

Vitasoy

SDGs:

Background

Started in 1940 as a way to fight malnutrition among Hong Kong's growing immigrant population, **Vitasoy** has grown to become an international brand of plant-based food products – soy milk mostly, but also almond, oat, coconut and rice milk. Secure access to a reliable and low-cost agricultural supply base is, therefore, critical to the business. Such access is, however, increasingly challenged by climate change and its impacts on weather patterns, water availability and soil quality. With soybean sourcing concentrated in a small number of farms in China and Australia, countries where the impacts of climate change are being acutely felt, Vitasoy is highly exposed to potential disruptions in the supply chain that can negatively impact its bottom line.

Our approach

We have had a constructive dialogue with the company over the past couple of years that has allowed us to gain significant insight into its approach to managing climate-related risks to its soybean supply chain. Our engagement has sought to drive the implementation of procurement policies and systems that integrate climate and other environmental risks and opportunities, as well as improvements in environmental supply chain governance, traceability and reporting. We have seen significant progress over time, including the launch of a responsible procurement policy, completion of supply chain climate risk assessments for key agri supply chains, and commitment to work together with crucial suppliers to advance climate-smart and other sustainable agricultural practices.

Outlook

We are confident that the measures Vitasoy has taken to strengthen climate change management practices along its agricultural supply chain will help it mitigate its exposure to supply chain disruption risks that could compromise productivity and increase procurement costs. Furthermore, the company is using a concentrated soybean supply chain to its advantage by helping suppliers advance agricultural practices that over the medium- to long-term will enhance the reliability of supply. Overall, the progress the company has made over a relatively short period of time, i.e. two years, is remarkable. Together with other measures such as the creation of a dedicated sustainability chief role, such progress signals a high level of commitment from senior management to bring to life Vitasoy's sustainability vision.

Clicks Group

SDGs:

Background

South Africa has among the highest levels of inequality in the world when measured by the commonly used Gini index. Inequality reveals itself through a skewed income distribution, and unequal access to opportunities in education, finance and healthcare. As the largest drug and healthcare retail chain in the country, we believe **Clicks Group** is well-placed to help address some of the prevailing inequalities.

Our approach

We had several meetings with executives at the company to discuss its access to medicines and healthcare strategy. We encouraged management to leverage Clicks' extensive network to become a key player in combatting communicable diseases, including sexually transmitted diseases, expand its offer of lower-priced generic medicines, and manage the impacts of the pandemic to employees and customers so as to avoid exacerbating existing inequalities. We also urged the company to review and improve its approach to ensuring effective equality, empowerment and transformation of its workforce, black South Africans in particular, and its supply chain in the wake of a significant reputational backlash surrounding a racially insensitive advert put up by a vendor on Clicks' website.

Outlook

While Clicks mostly targets consumers in the growing middle to upper income markets, it has taken steps to serve a growing number of lower income customers. These include increasing generics offering, switching patients to generic medications and opening stores in townships across the Western Cape. In regard to the controversial advert, management acted swiftly to restore the company's reputation and improve existing employee and supplier diversity practices and, in the process, assure stakeholders of its commitment to the principles of racial diversity and transformation. We see these actions helping Clicks build a trusted, accessible healthcare network that can enhance long-term value creation whilst aiding address South Africa's persistent socio-economic inequalities.

Taiwan Semiconductor Manufacturing

SDGs:

Background

Semiconductor manufacturing is a highly water-intensive operation as plants need to use large quantities of ultrapure water ("UPW") – which has been treated to 1,000x the purity of drinking water – for cleaning, etching, and rinsing components throughout the manufacturing process. **TSMC**, the world's largest semiconductor foundry, used in 2019 alone more than 64,000 megalitres of water: 1 megalitre is approximately an Olympic-sized swimming pool. In the first quarter of 2021, the Taiwanese government implemented restrictions on water supply amid the country's worst drought in over 50 years that could threaten semiconductor production, including at TSMC. At the time of writing, the company had had to order water by the truckload to supply some of its facilities across the island.

Our approach

We first engaged with TSMC on water management issues in 2016, including to encourage the company to enhance its approach to identifying, assessing and managing the impacts of climate change on its ability to source the vast amounts of water required for its production facilities. Since the start of our engagement, we have been impressed with the strength of the company's commitments and actions when it comes to water stewardship, including water risk mapping and management. These, which have led to significant water savings and recycling rates, focus on water conservation, recycling and wastewater management. TSMC has also done significant work to pursue geographical diversification of manufacturing plants, develop diverse water sources and seek external partnerships, including with the Taiwanese government.

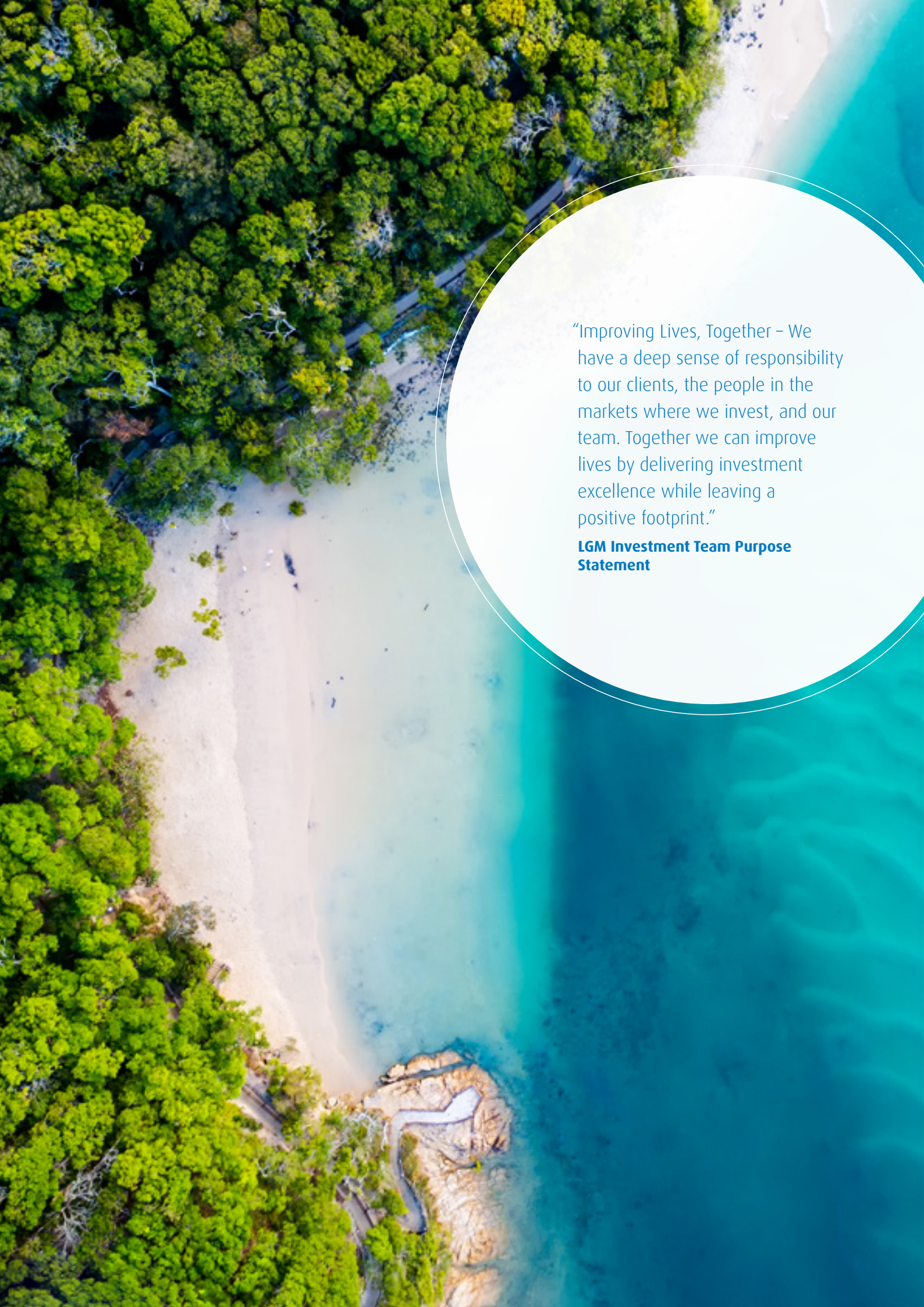
Outlook

TMSC is a driving force in the semiconductor industry in terms of water management – its strategic approach places it well to respond to disruption in the water supplies the company depends on. The company has been able to navigate the current crisis brought upon by the drought without significant impact to chip production and incurring only marginal additional costs to truck water in. It has said it does not expect material impacts to operations in the next few months, even if seasonal rains fail to materialise in the second quarter of 2021. Beyond that, TSMC and the industry as a whole depend on the typhoon season in the summer to replenish dwindling water reserves. With the physical impacts of climate change on an accelerating trend, this is, however, not guaranteed. We will continue to closely monitor developments and engage with the company to ensure climate and water considerations are embedded into strategic planning.

Portfolio **at a glance**

Company/Security Name	Stock was first bought	Portfolio Weight (%)
Taiwan Semiconductor Manufacturing Co. Ltd.	2010	7.3
Tencent Holdings Ltd.	2010	7.2
HDFC Bank Ltd.	2011	4.9
AIA Group Ltd.	2012	4.3
Infosys Ltd.	2019	3.5
Top 5		**27.2**
Unilever plc	2018	3.2
Hong Kong Exchanges & Clearing Ltd.	2020	3.2
Tata Consultancy Services Ltd.	2019	3.1
Discovery Limited	2019	3.1
Clicks Group Ltd.	2015	3.0
Top 10		**42.8**
Jeronimo Martins SGPS SA	2019	3.0
Inner Mongolia Yili Industrial Group Co. Ltd.	2018	2.7
Vitasoy International Holdings Ltd.	2017	2.6
Raia Drogasil SA	2019	2.5
Colgate Palmolive (India) Ltd.	2017	2.3
PT Bank Mandiri (Persero) Tbk	2013	2.3
Moscow Exchange Micex-RTS	2020	2.3
NAVER Corporation	2020	2.3
Marico Ltd.	2020	2.2
China Resources Gas Group Ltd.	2018	2.2
Top 20		**67.2**
Walmart De Mexico SAB de CV	2016	2.1
Biocon Ltd.	2020	2.1
Vietnam Dairy Products JSC	2017	1.8
Torrent Pharmaceuticals Ltd.	2020	1.8
Zhejiang Supor Co. Ltd.	2020	1.7
Kasikornbank PCL	2011	1.7
Home Product Center PCL	2020	1.7
BIM Birlesik Magazalar AS	2011	1.6
Nestle India Ltd.	2020	1.5
Beijing Sinnet Technology Co. Ltd.	2020	1.5
SITC International Holdings Co. Ltd.	2020	1.4
Wizz Air Holdings Plc	2020	1.4
By-Health Co. Ltd.	2020	1.2
Bajaj Auto Ltd.	2019	1.2
PT BTPN Bank Syariah	2020	1.2
Shanghai International Airport Co. Ltd.	2020	1.0
Dali Foods Group Co. Ltd.	2018	0.9
Dian Diagnostics Group Co. Ltd.	2020	0.9
Guaranty Trust Bank plc	2015	0.7
AK Medical Holdings Co. Ltd.	2018	0.1
Cash		5.4

Data as at December 31, 2020



"Improving Lives, Together – We have a deep sense of responsibility to our clients, the people in the markets where we invest, and our team. Together we can improve lives by delivering investment excellence while leaving a positive footprint."

LGM Investment Team Purpose Statement

Pioneers in responsible investment

At BMO GAM, responsible investing is at our core – from the launch of Europe's first ethically screened fund in 1984 and our position as a founding signatory of the UN PRI, to the comprehensive suite of ESG specialist funds and services available today.

A leading voice on a vital conversation

35+ years
of investing responsibly

20+ years
of driving positive change through ESG engagement

21 sustainability experts
within the Responsible Investment team

275+ combined years of experience

A+ Rated
for strategy and governance, and ESG incorporation and active ownership in listed equities by UN Principles for Responsible Investment

Co-heads

Alice Evans
Managing Director, Co-Head of Responsible Investment

Claudia Wearmouth
Managing Director, Co-Head of Responsible Investment

Recent awards

Investment Week – Sustainable & ESG Investment Awards 2020 – WINNER – Best Sustainable & ESG Equity Fund

Investment Week – Sustainable & ESG Investment Awards 2020 – WINNER – Best Sustainable & ESG Research Team

Investment Week – Sustainable & ESG Investment Awards 2019 – WINNER – Best ESG/SRI/Impact Research Team

Investment Week – Sustainable & ESG Investment Awards 2019 – WINNER – Best ESG Investment Fund

Investment Week – Sustainable & ESG Investment Awards 2018 – WINNER – Best ESG Research Team

Environmental Finance – Sustainable Investment Awards – 2020 Winner – ESG research of the year (fixed income)

Environmental Finance – Sustainable Investment Awards – 2019 Winner – Best ESG reporting by an asset or fund manager: large

WINNER – ESG Investing Awards 2020

WINNER – ESG Investing Awards 2021

Best ESG Investment Fund: Equities – ESG Investing – Winner: Awards 2021

Past performance is not a guide to future performance. All information as at 31 Dec 2020

Investing responsibly is at our core

Our experienced Responsible Investment capability is structured to cover:

- Responsible investing skills such as ESG analysis, engagement, screening and proxy voting
- Responsible investing themes across E, S and G
- Industry sector knowledge

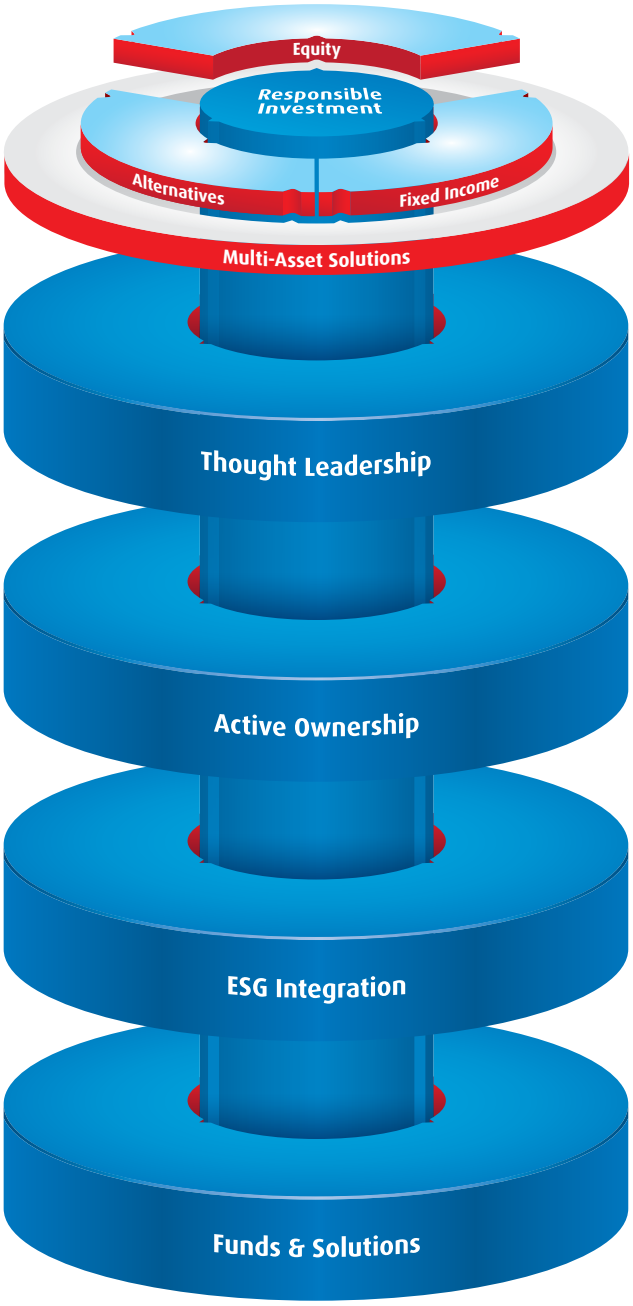
How we drive positive change

We use our experience, expertise and influence to have a positive impact on investments and the wider world, sharing actionable insights with our clients.

We use our sector knowledge, ESG data and recognised influence to engage thoughtfully with the companies that we, or our clients, are invested in to bring about positive change.

We ensure that all relevant ESG factors are considered in our investment analysis to provide a more comprehensive and rounded risk perspective.

We offer a comprehensive suite of responsible products and solutions that are constantly evolving to meet the needs of our investors and our world.



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