



## **PRIVATE TRANSPARENCY REPORT**

**2024**

**NEI Investments**

Generated 25-11-2024

# About this report

PRI reporting is the largest global reporting project on responsible investment. It was developed with investors, for investors. PRI signatories are required to report publicly on their responsible investment activities each year. In turn, they receive a number of outputs, including a public and private Transparency Report.

The private Transparency Reports, which are produced using signatories' reported information, support signatories to have internal discussions about their practices. Signatories can also choose to make these available to clients, beneficiaries, and other stakeholders.

This private Transparency Report is an export of your responses to the PRI Reporting Framework during the 2024 reporting period. It includes all responses (public and private) to core and plus indicators.

In response to signatory feedback, the PRI has not summarised your responses – the information in this document is presented exactly as it was reported.

For each of the indicators in this document, all options that you selected are presented, including links and qualitative responses. In some indicators, all applicable options are included for additional context.

## Disclaimers

### Legal Context

PRI recognises that the laws and regulations to which signatories are subject differ by jurisdiction. We do not seek or require any signatory to take an action that is not in compliance with applicable laws. All signatory responses should therefore be understood to be subject to and informed by the legal and regulatory context in which the signatory operates.

### Responsible investment definitions

Within the PRI Reporting Framework Glossary, we provide definitions for key terms to guide reporting on responsible investment practices in the Reporting Framework. These definitions may differ from those used or proposed by other authorities and regulatory bodies due to evolving industry perspectives and changing legislative landscapes. Users of this report should be aware of these variations, as they may impact interpretations of the information provided.

### Data accuracy

This document presents information reported directly by signatories in the 2024 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented.

The PRI has taken reasonable action to ensure that data submitted by signatories in the reporting tool is reflected in their official PRI reports accurately. However, it is possible that small data inaccuracies and/or gaps remain, and the PRI shall not be responsible or liable for such inaccuracies and gaps.

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# SENIOR LEADERSHIP STATEMENT (SLS)

## SENIOR LEADERSHIP STATEMENT

### SENIOR LEADERSHIP STATEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1	CORE	N/A	N/A	PUBLIC	Senior Leadership Statement	GENERAL

#### Section 1. Our commitment

- Why does your organisation engage in responsible investment?
- What is your organisation's overall approach to responsible investment, and what major responsible investment commitment(s) have you made?

NEI Investments is focused on producing strong financial outcomes for our clients, based on a disciplined investment process incorporating broad data sets, diverse perspectives, and a holistic view of investment opportunities. We seek to invest responsibly by considering all the factors that could impact companies' viability, profitability and future value. We also engage with companies in our portfolios to help them become more resilient over the long term.

We believe that companies can mitigate risk and take advantage of emerging business opportunities by improving their performance on environmental, social and governance (ESG) factors (also referred to as non-financial factors), and by integrating best practices into their strategies and operations.

Further, we believe it is paramount for long-term sustainable value creation that companies carefully consider all forms of capital—that's economic capital, social capital, and natural capital. Without appropriate management of these inputs to a company's operations, the capital is at risk of being destroyed, perhaps permanently. In order to meet our clients' needs we take it upon ourselves, through stewardship, to influence the companies in our portfolio to improve their capital management for future cash-flow generation.

To deliver on our objectives, NEI operates an "open architecture" investment model that incorporates two interlinked roles.

First, we are a manager of managers. Our roster of global sub-advisors includes both large and boutique firms with varying degrees of responsible investment expertise, which is assessed as part of our manager selection and ongoing due diligence process. We maintain active, collaborative relationships with our sub-advisors on the implementation of our responsible investment program and its outcomes.

Second, we offer innovative standalone and multi-asset investment solutions.

Using the standalone investment funds managed by our sub-advisors as building blocks, we assemble multi-asset solutions where we make strategic and tactical asset allocation decisions in the pursuit of long-term success for our clients.

Embedded within these two roles are the activities we undertake as responsible investors:

Sub-advisor oversight – ongoing due diligence and collaboration

Exclusionary screens - two-tiers of revenue-based exclusions

ESG evaluations - in-house program to determine and monitor investment eligibility

Thematic investing- managed by the sub-advisor

Impact investing - managed by the sub-advisor

Stewardship – applies to our entire investment portfolio

Proxy voting – in-house program covers all votable equity securities

Corporate dialogue – primarily focused on equities; solo and collaborative initiatives

Policy advocacy – broad-based influence on key industry developments and challenges

This is a dynamic, flexible, and continually evolving approach that broadens our perspective on risks and opportunities and widens the range of data points that inform our investment decisions.

With this model in place, we feel we are well positioned to deliver the long-term results our clients expect when they choose to invest with NEI.

Our commitment to responsible investment is evidenced by our membership and participation in the following non-exhaustive list of groups:

Responsible Investment Association of Canada (1999)

Canadian Sustainability Standards Board (2023)

Canadian Coalition for Good Governance (2005)

Principles for Responsible Investment (2006)

CDP (2006)

Interfaith Center on Corporate Responsibility (2006)

Ceres (2008)

International Corporate Governance Network (2008)

Climate Action 100+ (2017)

Circular Economy Leadership Canada (2019)

Energy Futures Lab (2019)

Task Force on Climate-related Financial Disclosures (2018)

Climate Engagement Canada (2021)

Net Zero Asset Managers initiative (2021).

## Section 2. Annual overview

- Discuss your organisation's progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.
- Reflect on your performance with respect to your organisation's responsible investment objectives and targets during the reporting year. Details might include, for example, outlining your single most important achievement or describing your general progress on topics such as the following (where applicable):
  - refinement of ESG analysis and incorporation
  - stewardship activities with investees and/or with policymakers
  - collaborative engagements
  - attainment of responsible investment certifications and/or awards

Climate strategy implementation was once again a significant area of focus in 2023. We onboarded our key data provider, MSCI, and published our first climate strategy progress report in November, in line with recommendations of the TCFD (now incorporated into the ISSB global climate reporting standard). We built out our climate alignment framework, which we will use to assess how companies in our portfolio are progressing on their path to net-zero emissions. We published a paper explaining the framework and how we intend to integrate the results into our evaluation program, so that corporate net-zero progress can begin to be more meaningfully incorporated into our engagements and proxy voting decisions. This all feeds into our NZAM commitments.

Another key initiative we undertook was to advance our engagement program in the area of goal-setting and outcome-oriented reporting, so we can make it more clear to our clients how the work we do in this area is contributing to long-term objectives. Reporting under the new framework will be introduced in 2025.

We also initiated a deeper dive on the topic of nature and deforestation. We made progress in developing a framework to assess our exposure to nature-related risks that we have been solidifying in 2024. As well, we progressed on engagements on nature-related topics, with a particular focus on deforestation, to help us in identifying the risks in our portfolio.

Further points of progress and achievement made in 2023 include:

We continued to serve on the board of the Responsible Investment Association of Canada, supporting the group's mandate to promote responsible investment in Canada's retail and institutional markets.

We overshot our 30% target of equity AUM engaged, ending the year at 35%.

We launched NEI Canadian Impact Bond Fund, as well as a suite of three target-risk impact portfolios.

We submitted 16 responses to regulators, governments and standard-setters on topics such as climate change, human rights, and nature concerns.

We continued to play leading roles in climate-related engagements as part of the Climate Engagement Canada initiative.

We hosted our inaugural full day climate disclosure event for companies and investors after taking a break from the annual event due to the pandemic.

We co-filed shareholder resolutions at Amazon and Meta Platforms.

### Section 3. Next steps

■ What specific steps has your organisation outlined to advance your commitment to responsible investment in the next two years?

Over the next two years (2024 and 2025), there are a number of steps we intend to take to advance our commitment to responsible investment. Here are some that we consider especially important:

Continue to allocate resources to improve our research, analysis, and data capabilities.

Continue to seek ways to support Indigenous rights throughout our program.

In 2023 and early 2024 we developed a framework for assessing our portfolio companies' impacts and dependencies on nature; we will work to incorporate the framework into our stewardship and evaluation programs.

In her role as a board member for the Canadian Sustainability Standards Board, our Head of Responsible Investing will work to facilitate uptake of the ISSB standards in Canada.

Continuing to seek partnership opportunities with external investment managers who may benefit from our expertise in responsible investment.

Exploring the potential to expand our corporate engagement program further into emerging markets.

Expand our engagement activities to our fixed income portfolios.

Continuing to enhance our company evaluations framework to reflect evolving material risks and identify investment opportunities.

Continue to develop responsible investment funds that meet investors' desire for non-financial outcomes in addition to competitive returns, and that reflect our commitment to RI.

#### Section 4. Endorsement

**'The Senior Leadership Statement has been prepared and/or reviewed by the undersigned and reflects our organisation-wide commitment and approach to responsible investment'.**

Name

Tim Prescott

Position

Senior Vice President, Head of Asset Management

Organisation's Name

NEI Investments

A

**'This endorsement applies only to the Senior Leadership Statement and should not be considered an endorsement of the information reported by the above-mentioned organisation in the various modules of the Reporting Framework. The Senior Leadership Statement serves as a general overview of the above-mentioned organisation's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such. Further, it is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions'.**

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# ORGANISATIONAL OVERVIEW (OO)

## ORGANISATIONAL INFORMATION

### REPORTING YEAR

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 1	CORE	N/A	N/A	PUBLIC	Reporting year	GENERAL

What is the year-end date of the 12-month period you have chosen to report for PRI reporting purposes?

	Date	Month	Year
Year-end date of the 12-month period for PRI reporting purposes:	31	12	2023

## SUBSIDIARY INFORMATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2	CORE	N/A	OO 2.1	PUBLIC	Subsidiary information	GENERAL

Does your organisation have subsidiaries?

- (A) Yes
- (B) No



# ASSETS UNDER MANAGEMENT

## ALL ASSET CLASSES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 4	CORE	OO 3	N/A	PUBLIC	All asset classes	GENERAL

What are your total assets under management (AUM) at the end of the reporting year, as indicated in [OO 1]?

USD

(A) AUM of your organisation, including subsidiaries, and excluding the AUM subject to execution, advisory, custody, or research advisory only

US\$ 8,428,145,762.00

(B) AUM of subsidiaries that are PRI signatories in their own right and excluded from this submission, as indicated in [OO 2.2]

US\$ 0.00

(C) AUM subject to execution, advisory, custody, or research advisory only

US\$ 0.00

**Additional information on the exchange rate used: (Voluntary)**

1.3226 from Bank of Canada December 29, 2023

## ASSET BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5	CORE	OO 3	Multiple indicators	PRIVATE	Asset breakdown	GENERAL

Provide a percentage breakdown of your total AUM at the end of the reporting year as indicated in [OO 1].

	(1) Percentage of Internally managed AUM	(2) Percentage of Externally managed AUM
(A) Listed equity	2.49%	66.07%
(B) Fixed income	0%	31.44%
(C) Private equity	0%	0%
(D) Real estate	0%	0%
(E) Infrastructure	0%	0%
(F) Hedge funds	0%	0%
(G) Forestry	0%	0%
(H) Farmland	0%	0%
(I) Other	0%	0%
(J) Off-balance sheet	0%	0%

## ASSET BREAKDOWN: EXTERNALLY MANAGED ASSETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.1	CORE	OO 5	Multiple	PRIVATE	Asset breakdown: Externally managed assets	GENERAL

Provide a further breakdown of your organisation's externally managed listed equity and/or fixed income AUM.

	(1) Listed equity	(2) Fixed income - SSA	(3) Fixed income - corporate	(4) Fixed income - securitised	(5) Fixed income - private debt
(A) Active	97.51%	49.88%	44.82%	5.3%	0%
(B) Passive	2.49%	0%	0%		

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.2	CORE	OO 5, OO 5.1	SAM 3, SAM 8	PRIVATE	Asset breakdown: Externally managed assets	GENERAL

Provide a breakdown of your organisation's externally managed AUM between segregated mandates and pooled funds or investments.

	(1) Segregated mandate(s)	(2) Pooled fund(s) or pooled investment(s)
(A) Listed equity - active	100%	0%
(B) Listed equity - passive	100%	0%
(C) Fixed income - active	100%	0%

## ASSET BREAKDOWN: INTERNALLY MANAGED LISTED EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 LE	CORE	OO 5	Multiple	PRIVATE	Asset breakdown: Internally managed listed equity	GENERAL

**Provide a further breakdown of your internally managed listed equity AUM.**

(A) Passive equity 100%

(B) Active – quantitative 0%

(C) Active – fundamental 0%

(D) Other strategies 0%

## MANAGEMENT BY PRI SIGNATORIES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6	CORE	OO 5	N/A	PRIVATE	Management by PRI signatories	GENERAL

**What percentage of your organisation's externally managed assets are managed by PRI signatories?**

100%

## GEOGRAPHICAL BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 7	CORE	Multiple, see guidance	N/A	PUBLIC	Geographical breakdown	GENERAL

How much of your AUM in each asset class is invested in emerging markets and developing economies?

### AUM in Emerging Markets and Developing Economies

(A) Listed equity	(2) >0 to 10%
(B) Fixed income – SSA	(2) >0 to 10%
(C) Fixed income – corporate	(2) >0 to 10%
(D) Fixed income – securitised	(1) 0%

## STEWARDSHIP

### STEWARDSHIP

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 8	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship	GENERAL

Does your organisation conduct stewardship activities, excluding (proxy) voting, for any of your assets?

	(1) Listed equity - active	(2) Listed equity - passive	(3) Fixed income - active
(A) Yes, through internal staff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Yes, through service providers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(C) Yes, through external managers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(D) We do not conduct stewardship	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship: (Proxy) voting	GENERAL

Does your organisation conduct (proxy) voting activities for any of your listed equity holdings?

	(1) Listed equity - active	(2) Listed equity - passive
(A) Yes, through internal staff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Yes, through service providers	<input type="checkbox"/>	<input type="checkbox"/>
(C) Yes, through external managers	<input type="checkbox"/>	<input type="checkbox"/>
(D) We do not conduct (proxy) voting	<input type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9.1	CORE	OO 9	PGS 10.1, PGS 31	PUBLIC	Stewardship: (Proxy) voting	GENERAL

For each asset class, on what percentage of your listed equity holdings do you have the discretion to vote?

	Percentage of your listed equity holdings over which you have the discretion to vote
(A) Listed equity – active	(11) >90 to <100%
(B) Listed equity - passive	(12) 100%

## ESG INCORPORATION

### INTERNALLY MANAGED ASSETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 11	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Internally managed assets	1

For each internally managed asset class, does your organisation incorporate ESG factors, to some extent, into your investment decisions?

(1) Yes, we incorporate ESG factors into our investment decisions

(2) No, we do not incorporate ESG factors into our investment decisions

(A) Listed equity - passive



### EXTERNAL MANAGER SELECTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 12	CORE	OO 5, OO 5.1	Multiple indicators	PUBLIC	External manager selection	1

For each externally managed asset class, does your organisation incorporate ESG factors, to some extent, when selecting external investment managers?

(1) Yes, we incorporate ESG factors when selecting external investment managers

(2) No, we do not incorporate ESG factors when selecting external investment managers

(A) Listed equity - active



(B) Listed equity - passive



(C) Fixed income - active



## EXTERNAL MANAGER APPOINTMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 13	CORE	OO 5, OO 5.1	Multiple indicators	PUBLIC	External manager appointment	1

For each externally managed asset class, does your organisation incorporate ESG factors, to some extent, when appointing external investment managers?

	(1) Yes, we incorporate ESG factors when appointing external investment managers	(2) No, we do not incorporate ESG factors when appointing external investment managers
(A) Listed equity - active	<input checked="" type="radio"/>	<input type="radio"/>
(B) Listed equity - passive	<input type="radio"/>	<input checked="" type="radio"/>
(C) Fixed income - active	<input checked="" type="radio"/>	<input type="radio"/>

## EXTERNAL MANAGER MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 14	CORE	OO 5, OO 5.1	Multiple indicators	PUBLIC	External manager monitoring	1

For each externally managed asset class, does your organisation incorporate ESG factors, to some extent, when monitoring external investment managers?

	(1) Yes, we incorporate ESG factors when monitoring external investment managers	(2) No, we do not incorporate ESG factors when monitoring external investment managers
(A) Listed equity - active	<input checked="" type="radio"/>	<input type="radio"/>
(B) Listed equity - passive	<input type="radio"/>	<input checked="" type="radio"/>
(C) Fixed income - active	<input checked="" type="radio"/>	<input type="radio"/>



## ESG NOT INCORPORATED

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 16	CORE	OO 11, OO 12–14	N/A	PUBLIC	ESG not incorporated	1

**Describe why your organisation does not currently incorporate ESG factors into your investment decisions and/or in the selection, appointment and/or monitoring of external investment managers.**

Externally managed  
(Q) Listed equity – passive

NEI manages a small amount of assets (<2% AUM) in our Managed Asset Allocation Pool, made up of ETFs and derivatives. This fund is used exclusively for short-term tactical purposes within a larger fund-of-fund portfolio structure, where we prioritize liquidity. We have found that ESG-focused ETFs are not yet liquid enough to meet our needs in this respect.

## ESG/SUSTAINABILITY FUNDS AND PRODUCTS

### LABELLING AND MARKETING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18	CORE	OO 11–14	OO 18.1	PRIVATE	Labelling and marketing	1

**Do you explicitly market any of your products and/or funds as ESG and/or sustainable?**

**(A) Yes, we market products and/or funds as ESG and/or sustainable**

Provide the percentage of AUM that your ESG and/or sustainability-marketed products or funds represent:

95%

- (B) No, we do not offer products or funds explicitly marketed as ESG and/or sustainable
- (C) Not applicable; we do not offer products or funds

**Additional information: (Voluntary)**

This is the percentage of AUM for funds that specify they apply our approach to responsible investing in their investment objectives, as written in the funds' prospectus.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18.1	CORE	OO 18	OO 18.2	PUBLIC	Labelling and marketing	1

Do any of your ESG and/or sustainability-marketed products and/or funds hold formal ESG and/or RI certification(s) or label(s) awarded by a third party?

- (A) Yes, our ESG and/or sustainability-marketed products and/or funds hold formal labels or certifications
- (B) No, our ESG and/or sustainability-marketed products and/or funds do not hold formal labels or certifications

## PASSIVE INVESTMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 19	CORE	OO 5.3 FI, OO 11	LE 8, FI 10	PRIVATE	Passive investments	1

What percentage of your total internally managed passive listed equity and/or fixed income passive AUM utilise an ESG index or benchmark?

Percentage of AUM that utilise an ESG index or benchmark

(A) Listed equity - passive	100%
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## SUMMARY OF REPORTING REQUIREMENTS

### SUMMARY OF REPORTING REQUIREMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 21	CORE	Multiple indicators	Multiple indicators	PUBLIC	Summary of reporting requirements	GENERAL

The following table shows which modules are mandatory or voluntary to report on in the separate PRI asset class modules. Where a module is voluntary, indicate if you wish to report on it.

Applicable modules	(1) Mandatory to report (pre-filled based on previous responses)	(2.1) Voluntary to report. Yes, I want to opt-in to reporting on the module	(2.2) Voluntary to report. No, I want to opt-out of reporting on the module
Policy, Governance and Strategy	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Confidence Building Measures	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(A) Listed equity – passive	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
(T) External manager selection, appointment and monitoring (SAM) – listed equity - active	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(V) External manager selection, appointment and monitoring (SAM) – fixed income - active	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

## SUBMISSION INFORMATION

### REPORT DISCLOSURE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 32	CORE	OO 3, OO 31	N/A	PUBLIC	Report disclosure	GENERAL

How would you like to disclose the detailed percentage figures you reported throughout the Reporting Framework?

- (A) Publish as absolute numbers
- (B) Publish as ranges

# POLICY, GOVERNANCE AND STRATEGY (PGS)

## POLICY

### RESPONSIBLE INVESTMENT POLICY ELEMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 1	CORE	OO 8, OO 9	Multiple indicators	PUBLIC	Responsible investment policy elements	1, 2

Which elements are covered in your formal responsible investment policy(ies)?

- (A) Overall approach to responsible investment
- (B) Guidelines on environmental factors
- (C) Guidelines on social factors
- (D) Guidelines on governance factors
- (E) Guidelines on sustainability outcomes
- (F) Guidelines tailored to the specific asset class(es) we hold
- (G) Guidelines on exclusions
- (H) Guidelines on managing conflicts of interest related to responsible investment
- (I) Stewardship: Guidelines on engagement with investees
- (J) Stewardship: Guidelines on overall political engagement
- (K) Stewardship: Guidelines on engagement with other key stakeholders
- (L) Stewardship: Guidelines on (proxy) voting
- (M) Other responsible investment elements not listed here
- (N) Our organisation does not have a formal responsible investment policy and/or our policy(ies) do not cover any responsible investment elements

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 2	CORE	PGS 1	Multiple, see guidance	PUBLIC	Responsible investment policy elements	1

Does your formal responsible investment policy(ies) include specific guidelines on systematic sustainability issues?

- (A) Specific guidelines on climate change (may be part of guidelines on environmental factors)
- (B) Specific guidelines on human rights (may be part of guidelines on social factors)
- (C) Specific guidelines on other systematic sustainability issues

Specify:

Our policies includes guidelines on inequality, specifically: executive compensation and diversity (gender and racial). They also include a statement of commitment on nature.

- (D) Our formal responsible investment policy(ies) does not include guidelines on systematic sustainability issues

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 3	CORE	PGS 1, PGS 2	N/A	PUBLIC	Responsible investment policy elements	6

**Which elements of your formal responsible investment policy(ies) are publicly available?**

**(A) Overall approach to responsible investment**

Add link:

<https://www.neiinvestments.com/content/dam/nei/docs/en/responsible-investing/reports/NEI-RI-Policy.pdf>

**(B) Guidelines on environmental factors**

Add link:

<https://www.neiinvestments.com/content/dam/nei/docs/en/responsible-investing/reports/NEI-RI-Policy.pdf>

**(C) Guidelines on social factors**

Add link:

<https://www.neiinvestments.com/content/dam/nei/docs/en/responsible-investing/reports/NEI-RI-Policy.pdf>

**(D) Guidelines on governance factors**

Add link:

<https://www.neiinvestments.com/content/dam/nei/docs/en/responsible-investing/reports/NEI-proxy-guidelines-en.pdf>

**(E) Guidelines on sustainability outcomes**

**(F) Specific guidelines on climate change (may be part of guidelines on environmental factors)**

Add link:

<https://www.neiinvestments.com/content/dam/nei/docs/en/responsible-investing/reports/NEI-proxy-guidelines-en.pdf>

**(G) Specific guidelines on human rights (may be part of guidelines on social factors)**

Add link:

<https://www.neiinvestments.com/content/dam/nei/docs/en/responsible-investing/reports/NEI-proxy-guidelines-en.pdf>

**(H) Specific guidelines on other systematic sustainability issues**

Add link:

<https://www.neiinvestments.com/content/dam/nei/docs/en/responsible-investing/reports/NEI-RI-Policy.pdf>

**(J) Guidelines on exclusions**

Add link:

<https://www.neiinvestments.com/content/dam/nei/docs/en/responsible-investing/reports/NEI-RI-Policy.pdf>

**(L) Stewardship: Guidelines on engagement with investees**

Add link:

<https://www.neiinvestments.com/content/dam/nei/docs/en/responsible-investing/reports/NEI-RI-Policy.pdf>

**(M) Stewardship: Guidelines on overall political engagement**

**(N) Stewardship: Guidelines on engagement with other key stakeholders**

Add link:

<https://www.neiinvestments.com/content/dam/nei/docs/en/responsible-investing/reports/NEI-RI-Policy.pdf>

**(O) Stewardship: Guidelines on (proxy) voting**

Add link:

- (Q) No elements of our formal responsible investment policy(ies) are publicly available

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 4	PLUS	PGS 1	N/A	PUBLIC	Responsible investment policy elements	1 – 6

**Does your formal responsible investment policy(ies) identify a link between your responsible investment activities and your fiduciary duties or equivalent obligations?**

- (A) Yes

Elaborate:

Our approach to responsible investment includes a stated, explicit connection between investors' financial goals and making a positive impact, using language in our RI Policy such as:

"We believe that companies can mitigate risk and take advantage of emerging business opportunities by improving their performance on environmental, social and governance (ESG) factors (also referred to as non-financial factors), and by integrating best practices into their strategies and operations. Further, we believe it is paramount for long-term sustainable value creation that companies carefully consider all forms of capital—that's economic capital, social capital, and natural capital. Without appropriate management of these inputs to a company's operations, the capital is at risk of being destroyed, perhaps permanently. In order to meet our clients' needs we take it upon ourselves, through stewardship, to influence the companies in our portfolio to improve their capital management for future cash-flow generation."

- (B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 5	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

**Which elements are covered in your organisation's policy(ies) or guidelines on stewardship?**

- (A) Overall stewardship objectives
- (B) Prioritisation of specific ESG factors to be advanced via stewardship activities
- (C) Criteria used by our organisation to prioritise the investees, policy makers, key stakeholders, or other entities on which to focus our stewardship efforts
- (D) How different stewardship tools and activities are used across the organisation
- (E) Approach to escalation in stewardship
- (F) Approach to collaboration in stewardship
- (G) Conflicts of interest related to stewardship
- (H) How stewardship efforts and results are communicated across the organisation to feed into investment decision-making and vice versa
- (I) Other
- (J) None of the above elements is captured in our policy(ies) or guidelines on stewardship

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 6	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

Does your policy on (proxy) voting include voting principles and/or guidelines on specific ESG factors?

- (A) Yes, it includes voting principles and/or guidelines on specific environmental factors
- (B) Yes, it includes voting principles and/or guidelines on specific social factors
- (C) Yes, it includes voting principles and/or guidelines on specific governance factors
- (D) Our policy on (proxy) voting does not include voting principles or guidelines on specific ESG factors

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 7	CORE	OO 9	N/A	PUBLIC	Responsible investment policy elements	2

Does your organisation have a policy that states how (proxy) voting is addressed in your securities lending programme?

- (A) We have a publicly available policy to address (proxy) voting in our securities lending programme

Add link(s):

<https://www.neiinvestments.com/content/dam/nei/docs/en/responsible-investing/reports/NEI-proxy-guidelines-en.pdf>

- (B) We have a policy to address (proxy) voting in our securities lending programme, but it is not publicly available
- (C) We rely on the policy of our external service provider(s)
- (D) We do not have a policy to address (proxy) voting in our securities lending programme
- (E) Not applicable; we do not have a securities lending programme

## RESPONSIBLE INVESTMENT POLICY COVERAGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 8	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy coverage	1

What percentage of your total AUM is covered by the below elements of your responsible investment policy(ies)?

### Combined AUM coverage of all policy elements

(A) Overall approach to responsible investment

(B) Guidelines on environmental factors

(C) Guidelines on social factors

(D) Guidelines on governance factors

(6) >90% to <100%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 9	CORE	PGS 2	N/A	PUBLIC	Responsible investment policy coverage	1

What proportion of your AUM is covered by your formal policies or guidelines on climate change, human rights, or other systematic sustainability issues?

### AUM coverage

(A) Specific guidelines on climate change

(2) for a majority of our AUM

(B) Specific guidelines on human rights

(2) for a majority of our AUM

(C) Specific guidelines on other systematic sustainability issues

(2) for a majority of our AUM



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10	CORE	OO 8, OO 9, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

**Per asset class, what percentage of your AUM is covered by your policy(ies) or guidelines on stewardship with investees?**

**(A) Listed equity**

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%
- (11) 100%

(2) If your AUM coverage is below 100%, explain why: (Voluntary)

We have a small portion of equity AUM invested in ETFs that our stewardship guidelines do not cover.

**(B) Fixed income**

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%
- (11) 100%

(2) If your AUM coverage is below 100%, explain why: (Voluntary)

We engage a portion of our fixed income holdings where there is overlap with our equity positions. We plan to enact a formal fixed income engagement process in 2024 to address this gap, but currently do not explicitly engage on fixed income holdings where the only exposure is through those instruments.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10.1	CORE	OO 9.1, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

**What percentage of your listed equity holdings is covered by your guidelines on (proxy) voting?**

**(A) Actively managed listed equity**

(1) Percentage of your listed equity holdings over which you have the discretion to vote

- (1) >0% to 10%

- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%
- (11) 100%

(2) If your AUM coverage is below 100%, explain why: (Voluntary)

Our actively managed listed equity holdings include a small allocation to ETFs over which we do not have discretion to vote.

(B) **Passively managed listed equity**

(1) Percentage of your listed equity holdings over which you have the discretion to vote

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%
- (11) 100%

## GOVERNANCE

### ROLES AND RESPONSIBILITIES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11	CORE	N/A	Multiple indicators	PUBLIC	Roles and responsibilities	1

**Which senior level body(ies) or role(s) in your organisation have formal oversight over and accountability for responsible investment?**

- (A) Board members, trustees, or equivalent
- (B) **Senior executive-level staff, or equivalent**

Specify:

Our Head of Asset Management is a member of our Responsible Investment Committee, which votes on strategic direction/initiatives related to responsible investment.

- (C) **Investment committee, or equivalent**

Specify:

Our Responsible Investment Committee votes on strategic direction/initiatives related to responsible investment. Our Asset Management Executive Committee also votes on certain matters pertaining to responsible investment, among other strategic initiatives. Our Investment Committee is updated on our activities regularly.

- (D) **Head of department, or equivalent**

Specify department:

Heads of departments with oversight and accountability for responsible investment include: VP and Head of Responsible Investing; Head of Stewardship; VP and Chief Investment Officer; VP Manager Research & Oversight; VP Head of Multi-asset Portfolios

- (E) None of the above bodies and roles have oversight over and accountability for responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.1	CORE	PGS 1, PGS 2, PGS 11	N/A	PUBLIC	Roles and responsibilities	1, 2

**Does your organisation's senior level body(ies) or role(s) have formal oversight over and accountability for the elements covered in your responsible investment policy(ies)?**

**(2) Senior executive-level staff, investment committee, head of department, or equivalent**

(A) Overall approach to responsible investment	<input checked="" type="checkbox"/>
(B) Guidelines on environmental, social and/or governance factors	<input checked="" type="checkbox"/>
(C) Guidelines on sustainability outcomes	<input checked="" type="checkbox"/>
(D) Specific guidelines on climate change (may be part of guidelines on environmental factors)	<input checked="" type="checkbox"/>
(E) Specific guidelines on human rights (may be part of guidelines on social factors)	<input checked="" type="checkbox"/>
(F) Specific guidelines on other systematic sustainability issues	<input checked="" type="checkbox"/>
(H) Guidelines on exclusions	<input checked="" type="checkbox"/>
(J) Stewardship: Guidelines on engagement with investees	<input checked="" type="checkbox"/>
(K) Stewardship: Guidelines on overall political engagement	<input checked="" type="checkbox"/>
(L) Stewardship: Guidelines on engagement with other key stakeholders	<input checked="" type="checkbox"/>
(M) Stewardship: Guidelines on (proxy) voting	<input checked="" type="checkbox"/>

(N) This role has no formal oversight over and accountability for any of the above elements covered in our responsible investment policy(ies)

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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.2	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1 – 6

**Does your organisation have governance processes or structures to ensure that your overall political engagement is aligned with your commitment to the principles of PRI, including any political engagement conducted by third parties on your behalf?**

(A) Yes

Describe how you do this:

We have several policies and procedures in place to ensure all of our public policy work is aligned with our RI mandate. We do not perform any "political" activities outside of our public policy submissions, and we ensure that all submissions are 100% aligned with our mission through two key mechanisms. The first is the oversight of the RI program by the Responsible Investment Committee, and the oversight of the policy work by the RI team. This governance structure (outlined in our RI Policy) ensures that all policy work aligns.

Second, our RI Policy outlines our commitment to transparency, in particular our transparency on any submissions to government. Having a policy of transparently reporting on, where feasible, the entirety of our submissions ensures that we are held accountable to our commitments.

- o (B) No
- o (C) Not applicable, our organisation does not conduct any form of political engagement directly or through any third parties

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 12	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1

**In your organisation, which internal or external roles are responsible for implementing your approach to responsible investment?**

(A) Internal role(s)

Specify:

Our Head of Responsible Investing oversees a team of nine. Our Portfolio Management team includes four individuals with implementation duties, and our Product Development team includes two. Legal and Compliance staff also play an important role in monitoring the implementation of our activities.

(B) External investment managers, service providers, or other external partners or suppliers

Specify:

All our sub-advisors are signatory to the PRI and are responsible to some degree for implementing our approach. Depending on the mandate, the sub-advisors may be responsible for the integration of ESG factors into the investment selection process, implementing the RI team's eligibility and exclusion decisions, and measuring and reporting on impact metrics where applicable. We work with a number of data providers including Sustainalytics, ISS, MSCI, RepRisk, and FactSet.

- o (C) We do not have any internal or external roles with responsibility for implementing responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 14	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

**Does your organisation use responsible investment KPIs to evaluate the performance of your senior executive-level staff (or equivalent), and are these KPIs linked to compensation?**

**● (A) Yes, we use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)**

Indicate whether these responsible investment KPIs are linked to compensation

**● (1) KPIs are linked to compensation**

- (2) KPIs are not linked to compensation as these roles do not have variable compensation
- (3) KPIs are not linked to compensation even though these roles have variable compensation

Describe: (Voluntary)

All members of the RI team have targets relating to the implementation of our RI program embedded in their annual performance review process, which is itself tied to remuneration. Key metrics will depend on the specific role of the team member. For example, team members responsible for proxy voting will have specific KPIs tied to the successful implementation of on-time votes aligned with our proxy voting guidelines. Likewise, analysts will be expected to successfully meet internal deadlines for all company reviews for eligibility. Engagement specialists will have expectations tied to our stewardship goals.

- (B) No, we do not use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 15	PLUS	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

**What responsible investment competencies do you regularly include in the training of senior-level body(ies) or role(s) in your organisation?**

**(2) Senior executive-level staff, investment committee, head of department or equivalent**

(A) Specific competence in climate change mitigation and adaptation	<input checked="" type="checkbox"/>
(B) Specific competence in investors' responsibility to respect human rights	<input checked="" type="checkbox"/>
(C) Specific competence in other systematic sustainability issues	<input checked="" type="checkbox"/>
(D) The regular training of this senior leadership role does not include any of the above responsible investment competencies	<input type="checkbox"/>

## EXTERNAL REPORTING AND DISCLOSURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 16	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

What elements are included in your regular reporting to clients and/or beneficiaries for the majority of your AUM?

- (A) Any changes in policies related to responsible investment
- (B) Any changes in governance or oversight related to responsible investment
- (C) Stewardship-related commitments
- (D) Progress towards stewardship-related commitments
- (E) Climate-related commitments
- (F) Progress towards climate-related commitments
- (G) Human rights-related commitments
- (H) Progress towards human rights-related commitments
- (I) Commitments to other systematic sustainability issues
- (J) Progress towards commitments on other systematic sustainability issues
- (K) We do not include any of these elements in our regular reporting to clients and/or beneficiaries for the majority of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 17	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, did your organisation publicly disclose climate-related information in line with the Task Force on Climate-Related Financial Disclosures' (TCFD) recommendations?

- (A) Yes, including all governance-related recommended disclosures
- (B) Yes, including all strategy-related recommended disclosures
- (C) Yes, including all risk management-related recommended disclosures
- (D) Yes, including all applicable metrics and targets-related recommended disclosures

(E) None of the above

Add link(s):

<https://www.neiinvestments.com/content/dam/nei/docs/en/responsible-investing/reports/Climate%20strategy%20report%202023%20EN.pdf>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 19	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

**During the reporting year, did your organisation publicly disclose its membership in and support for trade associations, think tanks or similar bodies that conduct any form of political engagement?**

(A) Yes, we publicly disclosed our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement

Add link(s):

<https://www.neiinvestments.com/responsible-investing/responsible-investing-expertise/program-overview/advocacycollaboration.html>

- (B) No, we did not publicly disclose our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement
- (C) Not applicable, we were not members in or supporters of any trade associations, think tanks, or similar bodies that conduct any form of political engagement during the reporting year

## STRATEGY

### CAPITAL ALLOCATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 20	CORE	N/A	N/A	PUBLIC	Capital allocation	1

**Which elements do your organisation-level exclusions cover?**

- (A) Exclusions based on our organisation's values or beliefs regarding particular sectors, products or services
- (B) Exclusions based on our organisation's values or beliefs regarding particular regions or countries
- (C) Exclusions based on minimum standards of business practice aligned with international norms such as the OECD Guidelines for Multinational Enterprises, the International Bill of Human Rights, UN Security Council sanctions or the UN Global Compact
- (D) Exclusions based on our organisation's climate change commitments
- (E) Other elements
- (F) Not applicable; our organisation does not have any organisation-level exclusions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 21	CORE	N/A	N/A	PUBLIC	Capital allocation	1

**How does your responsible investment approach influence your strategic asset allocation process?**

- (A) We incorporate ESG factors into our assessment of expected asset class risks and returns
- (B) We incorporate climate change-related risks and opportunities into our assessment of expected asset class risks and returns

- (C) We incorporate human rights–related risks and opportunities into our assessment of expected asset class risks and returns
- (D) We incorporate risks and opportunities related to other systematic sustainability issues into our assessment of expected asset class risks and returns
- (E) We do not incorporate ESG factors, climate change, human rights or other systematic sustainability issues into our assessment of expected asset class risks and returns
- (F) Not applicable; we do not have a strategic asset allocation process

## STEWARDSHIP: OVERALL STEWARDSHIP STRATEGY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 22	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

For the majority of AUM within each asset class, which of the following best describes your primary stewardship objective?

### (1) Listed equity

### (2) Fixed income

(A) Maximise our portfolio-level risk-adjusted returns. In doing so, we seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.



(B) Maximise our individual investments' risk-adjusted returns. In doing so, we do not seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.





Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 23	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**How does your organisation, or the external service providers or external managers acting on your behalf, prioritise the investees or other entities on which to focus its stewardship efforts?**

Our Focus List is an annual program of targeted, in-depth dialogues with companies on specific ESG issues and themes set out at the beginning of each year. Examples of Focus List dialogues include: dialogues with sector leaders capable of breakthroughs in corporate sustainability practice and disclosure, and with sector laggards that need to catch up; dialogues at specific companies in response to emerging risks and opportunities.

The companies selected for engagement are chosen based on a review of three factors: 1) Investment exposure, meaning the weight of the holdings within our portfolio. 2) Risk and opportunity exposure, determined by the significance of the ESG issues identified. 3) Impact potential, where our intervention is most likely to result in change or where we can leverage existing relationships and collaborations to effect change.

The Focus List is published at the start of the year. Updates on our progress with certain companies are published in our quarterly Active Ownership Reports (published throughout 2023 but discontinued in 2024 as we move toward annual reporting), respecting business confidentiality where necessary. The Focus List does not preclude us from initiating additional engagements over the course of the year. We will seek dialogue with companies outside of those mentioned in the Focus List to advance broader corporate action on material ESG issues, and as part of our effort to facilitate meaningful systemic change. We may also initiate engagements in response to acute, timely or newly developing ESG risks, or in response to proactive outreach from portfolio companies.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 24	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**Which of the following best describes your organisation's default position, or the position of the external service providers or external managers acting on your behalf, concerning collaborative stewardship efforts?**

- (A) We recognise the value of collective action, and as a result, we prioritise collaborative stewardship efforts wherever possible
- (B) We collaborate on a case-by-case basis
- (C) Other
- (D) We do not join collaborative stewardship efforts

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 24.1	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**Elaborate on your organisation’s default position on collaborative stewardship, or the position of the external service providers or external investment managers acting on your behalf, including any other details on your overall approach to collaboration.**

Collaboration has long been a core component of our engagement program. Where we can leverage the collective voice of investors to drive change, we actively seek out investor collaborations. These collaborations range from small and informal, where we will work with one or more like-minded investors, to actively working with established collaborations such as those through the PRI, Climate Action 100+, Climate Engagement Canada, ICCR, IOPA, IAHR, Ceres, and others. Our preference is to be an active member of collaborative efforts and where feasible we lead or co-lead these engagements. As well, we regularly invite other investors to join collaborative engagements and policy actions that we have organized. Aside from company meetings or collective letters, this can include investor statements in support of key policy asks or investor-focused roundtables on key sustainability issues.

As well as working with investors, we believe in the value of multi-stakeholder collaboration as a core aspect of our approach to driving long-term, sustainable impact. As such we are a member of various multi-stakeholder initiatives that bring diverse actors together to find areas of common ground. We believe strongly in the potential that working with other stakeholders can bring, as these initiatives help expand our own understanding of key ESG issues while also allowing us to build a critical mass for key sustainability outcomes. Examples of these initiatives include the Global Network Initiative, Circular Economy Leadership Canada, and the Energy Futures Lab.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 25	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**Rank the channels that are most important for your organisation in achieving its stewardship objectives.**

- (A) Internal resources, e.g. stewardship team, investment team, ESG team, or staff**  
Select from the list:  
 1
- (B) External investment managers, third-party operators and/or external property managers, if applicable**  
Select from the list:  
 4
- (C) External paid specialist stewardship services (e.g. engagement overlay services or, in private markets, sustainability consultants) excluding investment managers, real assets third-party operators, or external property managers**  
Select from the list:  
 5
- (D) Informal or unstructured collaborations with investors or other entities**  
Select from the list:  
 3
- (E) Formal collaborative engagements, e.g. PRI-coordinated collaborative engagements, Climate Action 100+, or similar**  
Select from the list:  
 2
- (F) We do not use any of these channels

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 27	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**How are your organisation’s stewardship activities linked to your investment decision making, and vice versa?**

We inform our sub-advisors when our engagements do not lead to progress at a given company. This information flows both ways, as our sub-advisors may inform us of their engagement outcomes and developments in order that we can incorporate those learnings in our evaluation process. For NEI ESG Canadian Enhanced Index Fund, which we manage internally, there is a direct line of sight between our engagement work and our investment decision making. What we learn through our engagements feeds into our evaluations process and can be leveraged in our proprietary model, where we strive to reward best practice by overweighting leaders in the fund. As such, what we learn from our engagement program directly impacts our evaluation model. More directly, what we learn from our engagement with a specific issuer can translate into immediate impact on our investment - whether that be divestment or re-weighting.

The reverse is also true, in that if our evaluations process identifies deficiencies, that is an input to our engagement prioritization process and we will use our stewardship program to address the shortcomings. In some cases, names are only allowed in the portfolio on the condition of being engaged to address key shortcomings, in cases where the identified risk is not material enough to discourage investment, but if addressed could lead to better performance.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 28	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**If relevant, provide any further details on your organisation's overall stewardship strategy.**

A unique aspect of our stewardship strategy is the use of investor-focused roundtables we convene to deepen the understanding of issues, while also helping to build momentum for collective action. We bring subject-matter experts to the table, providing investors access to independent expertise they might not otherwise receive. In some instances we bring in companies as well, so investors can have frank, solutions-based conversations with them on challenging subjects.

One example is an event we co-hosted with the CDP in the spring of 2023 that brought together subject-matter experts, investors and Calgary-based oil and gas companies for a full day session on climate-related disclosure.

The event brought representatives from 20 O&G companies along with 12 investment institutions (Chatham House rules). The forum allowed for a frank sharing of challenges and expectations, allowing investors to express their expectations and explain their needs to companies, while allowing companies to better understand those needs while also sharing the very real challenges they face in meeting those expectations. The event brought together companies from across the spectrum in regard to reporting and low-carbon transition planning, which allowed more advanced companies to share their experiences and learnings with those still growing this aspect of their business. Investors were able to flag areas that they saw as a focus area in the coming year, such as a push for methane emissions reductions.

## STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 29	CORE	OO 9, PGS 1	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**When you use external service providers to give recommendations, how do you ensure those recommendations are consistent with your organisation's (proxy) voting policy?**

**(A) Before voting is executed, we review external service providers' voting recommendations for controversial and high-profile votes**

Select from the below list:

- (1) in all cases**
- (2) in a majority of cases
- (3) in a minority of cases

**(B) Before voting is executed, we review external service providers' voting recommendations where the application of our voting policy is unclear**

Select from the below list:

- (1) in all cases**
- (2) in a majority of cases
- (3) in a minority of cases
- (D) We do not review external service providers' voting recommendations
- (E) Not applicable; we do not use external service providers to give voting recommendations

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 30	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**How is voting addressed in your securities lending programme?**

**(A) We recall all securities for voting on all ballot items**

- (B) When a vote is deemed important according to pre-established criteria (e.g. high stake in the company), we recall all our securities for voting
- (C) Other
- (D) We do not recall our securities for voting purposes
- (E) Not applicable; we do not have a securities lending programme

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 31	CORE	OO 9.1	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**For the majority of votes cast over which you have discretion to vote, which of the following best describes your decision making approach regarding shareholder resolutions (or that of your external service provider(s) if decision making is delegated to them)?**

**(A) We vote in favour of resolutions expected to advance progress on our stewardship priorities, including affirming a company's good practice or prior commitment**

- (B) We vote in favour of resolutions expected to advance progress on our stewardship priorities, but only if the investee company has not already publicly committed to the action(s) requested in the proposal
- (C) We vote in favour of shareholder resolutions only as an escalation measure

- (D) We vote in favour of the investee company management's recommendations by default
- (E) Not applicable; we do not vote on shareholder resolutions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 32	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**During the reporting year, how did your organisation, or your external service provider(s), pre-declare voting intentions prior to voting in annual general meetings (AGMs) or extraordinary general meetings (EGMs)?**

(A) We pre-declared our voting intentions publicly through the PRI's vote declaration system on the Resolution Database

(B) We pre-declared our voting intentions publicly by other means, e.g. through our website

Add link(s) to public disclosure:

<https://vds.issgovernance.com/vds/#/ODI3Mg==/>

(C) We privately communicated our voting decision to investee companies prior to the AGM/EGM

○ (D) We did not privately or publicly communicate our voting intentions prior to the AGM/EGM

○ (E) Not applicable; we did not cast any (proxy) votes during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 33	CORE	OO 9	PGS 33.1	PUBLIC	Stewardship: (Proxy) voting	2

**After voting has taken place, do you publicly disclose your (proxy) voting decisions or those made on your behalf by your external service provider(s), company by company and in a central source?**

(A) Yes, for all (proxy) votes

Add link(s):

<https://vds.issgovernance.com/vds/#/ODI3Mg==/>

○ (B) Yes, for the majority of (proxy) votes

○ (C) Yes, for a minority of (proxy) votes

○ (D) No, we do not publicly report our (proxy) voting decisions company-by-company and in a central source

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 33.1	CORE	PGS 33	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**In the majority of cases, how soon after an investee's annual general meeting (AGM) or extraordinary general meeting (EGM) do you publish your voting decisions?**

(A) Within one month of the AGM/EGM

○ (B) Within three months of the AGM/EGM

○ (C) Within six months of the AGM/EGM

○ (D) Within one year of the AGM/EGM

○ (E) More than one year after the AGM/EGM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 34	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**After voting has taken place, did your organisation, and/or the external service provider(s) acting on your behalf, communicate the rationale for your voting decisions during the reporting year?**

	(1) In cases where we abstained or voted against management recommendations	(2) In cases where we voted against an ESG-related shareholder resolution
(A) Yes, we publicly disclosed the rationale	(1) for all votes	(1) for all votes
(B) Yes, we privately communicated the rationale to the company	(3) for a minority of votes	(3) for a minority of votes
(C) We did not publicly or privately communicate the rationale, or we did not track this information	○	○
(D) Not applicable; we did not abstain or vote against management recommendations or ESG-related shareholder resolutions during the reporting year	○	○

**(A) Yes, we publicly disclosed the rationale - Add link(s):**

<https://vds.issgovernance.com/vds/#/ODI3Mg==/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 35	PLUS	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**How does your organisation ensure vote confirmation, i.e. that your votes have been cast and counted correctly?**

We use an external proxy advisor to help implement our votes. When our votes are submitted, we are able to track directly in our proxy advisor's system the status of the votes cast, from being instructed to confirmed. We also implement an alert system whereby we are notified when our votes are rejected for any technical reason. Rejected ballots are reviewed and investigated, which includes reaching out to the proxy advisor and/or the custodian as necessary. We conduct a comprehensive review of our voting records following the proxy season, which enables us to detect any other technical issues that may have arisen during the season.

## STEWARDSHIP: ESCALATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 36	CORE	OO 8, OO 9 HF, OO 9	N/A	PUBLIC	Stewardship: Escalation	2

**For your listed equity holdings, what escalation measures did your organisation, or the external investment managers or service providers acting on your behalf, use in the past three years?**

### (1) Listed equity

(A) Joining or broadening an existing collaborative engagement or creating a new one



(B) Filing, co-filing, and/or submitting a shareholder resolution or proposal



(C) Publicly engaging the entity, e.g. signing an open letter



(D) Voting against the re-election of one or more board directors



(E) Voting against the chair of the board of directors, or equivalent, e.g. lead independent director



(F) Divesting



(G) Litigation



(H) Other



(I) In the past three years, we did not use any of the above escalation measures for our listed equity holdings



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 37	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship: Escalation	2

For your corporate fixed income assets, what escalation measures did your organisation, or the external investment managers or service providers acting on your behalf, use in the past three years?

- (A) Joining or broadening an existing collaborative engagement or creating a new one
- (B) Publicly engaging the entity, e.g. signing an open letter
- (C) Not investing
- (D) Reducing exposure to the investee entity
- (E) Divesting
- (F) Litigation
- (G) Other
- (H) In the past three years, we did not use any of the above escalation measures for our corporate fixed income assets

## STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39	CORE	OO 8, OO 9	PGS 39.1, PGS 39.2	PUBLIC	Stewardship: Engagement with policy makers	2

Did your organisation, or the external investment managers or service providers acting on your behalf, engage with policy makers as part of your responsible investment approach during the reporting year?

- (A) Yes, we engaged with policy makers directly
- (B) Yes, we engaged with policy makers through the leadership of or active participation in working groups or collaborative initiatives, including via the PRI
- (C) Yes, we were members of, supported, or were in another way affiliated with third party organisations, including trade associations and non-profit organisations, that engage with policy makers, excluding the PRI
- (D) We did not engage with policy makers directly or indirectly during the reporting year beyond our membership in the PRI

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.1	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

During the reporting year, what methods did you, or the external investment managers or service providers acting on your behalf, use to engage with policy makers as part of your responsible investment approach?

- (A) We participated in 'sign-on' letters
- (B) We responded to policy consultations
- (C) We provided technical input via government- or regulator-backed working groups

Describe:



B.C. ESG Centre of Excellence roundtable - NEI was invited to provide input to the province's ESG strategy via the roundtable. We were invited to attend a roundtable for Environment and Climate Change Canada's Conversation Exchange project to provide feedback and input on the initiative. As a member of the Canadian Sustainability Standards Board (CSSB), we helped shape the CSSB recommendations for implementation of the ISSB standards.

**(D) We engaged policy makers on our own initiative**

Describe:

Met with the Superintendent of OSFI to discuss the implications of OSFI Guideline B-15: Climate Risk Management for smaller financial institutions (credit unions), capital impacts and Scope 3 measurement. We met with the Ontario Securities Commission (OSC) to provide feedback and share our perspective on the OSC's priorities regarding DEI and Indigenous engagement. As part of an investor collaboration, we wrote to the Ontario Ministry of Finance to encourage the government to support the Ontario Securities Commission in implementing changing to its diversity, equity and inclusion reporting requirements.

(E) Other methods

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.2	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

**During the reporting year, did your organisation publicly disclose details of your engagement with policy makers conducted as part of your responsible investment approach, including through external investment managers or service providers?**

**(A) We publicly disclosed all our policy positions**

Add link(s):

<https://www.neiinvestments.com/responsible-investing/responsible-investing-expertise/program-overview/advocacycollaboration.html>

**(B) We publicly disclosed details of our engagements with policy makers**

Add link(s):

<https://www.neiinvestments.com/responsible-investing/responsible-investing-expertise/reports/active-ownership.html>

(C) No, we did not publicly disclose details of our engagement with policy makers conducted as part of our responsible investment approach during the reporting year

## STEWARDSHIP: EXAMPLES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 40	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Examples	2

**Provide examples of stewardship activities that you conducted individually or collaboratively during the reporting year that contributed to desired changes in the investees, policy makers or other entities with which you interacted.**

(A) Example 1:

Title of stewardship activity:

Solo engagement

(1) Led by

**(1) Internally led**

(2) External service provider led

- (3) Led by an external investment manager, real assets third-party operator and/or external property manager
- (2) Primary focus of stewardship activity
  - (1) **Environmental factors**
  - (2) Social factors
  - (3) Governance factors
- (3) Asset class(es)
  - (1) **Listed equity**
  - (2) **Fixed income**
  - (3) Private equity
  - (4) Real estate
  - (5) Infrastructure
  - (6) Hedge funds
  - (7) Forestry
  - (8) Farmland
  - (9) Other
- (4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

We have been engaging the Royal Bank of Canada for several years on its climate strategy, in particular in regard to its financing activities. We have been meeting regularly with the company to provide feedback on its disclosures, assess the strength of their approach, and explore next steps. The company has steadily improved its disclosure and has incorporated several aspects of our feedback, including the creation and disclosure of expectations for its energy sector clients, along with a mapping of the maturity level of these clients relative to the framework.

- (B) Example 2:  
Title of stewardship activity:

Standards development for climate and sustainability-related disclosure

- (1) Led by
  - (1) **Internally led**
  - (2) External service provider led
  - (3) Led by an external investment manager, real assets third-party operator and/or external property manager
- (2) Primary focus of stewardship activity
  - (1) **Environmental factors**
  - (2) Social factors
  - (3) Governance factors
- (3) Asset class(es)
  - (1) **Listed equity**
  - (2) **Fixed income**
  - (3) Private equity
  - (4) Real estate
  - (5) Infrastructure
  - (6) Hedge funds
  - (7) Forestry
  - (8) Farmland
  - (9) Other
- (4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

As part of the Canadian Sustainability Standards Board (CSSB), we have been intimately engaged in the development of a framework for implementing the ISSB's S1 and S2 disclosure frameworks (sustainability and climate respectively). As a member of CSSB our input is providing an investor perspective to the development of CSSB recommendations. As well, we have provided our feedback to CSSB at the firm level, urging the CSSB (and ISSB) to focus on implementation of the existing S1 and S2 standards before moving to other disclosure topics, due to the urgent necessity to have the standards finalized and incorporated into mandatory disclosure frameworks.

- (C) Example 3:  
Title of stewardship activity:

Solo and collaborative engagement

- (1) Led by
  - (1) **Internally led**
  - (2) External service provider led

- (3) Led by an external investment manager, real assets third-party operator and/or external property manager
- (2) Primary focus of stewardship activity
  - (1) Environmental factors
  - (2) Social factors
  - (3) Governance factors
- (3) Asset class(es)
  - (1) Listed equity
  - (2) Fixed income
  - (3) Private equity
  - (4) Real estate
  - (5) Infrastructure
  - (6) Hedge funds
  - (7) Forestry
  - (8) Farmland
  - (9) Other
- (4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

We have been engaging O&G firms on the need for better methane measurement in light of the urgent need to address methane emissions and the apparent lack of certainty about company estimates. We wrote to Enbridge to explain our support for the Oil and Gas Methane Partnership 2.0 framework, a methane measurement framework that incorporates direct methane measurement to enhance the measurement (and management) of methane. We also asked the company to consider pursuing membership in OGMP 2.0. This letter followed earlier meetings where we raised the topic and asked the company to look closer at the standard. We reinforced this message in our collaborative engagements and through a roundtable we organized to discuss OGMP 2.0 (among other related topics). The company's most recent ESG report has a detailed discussion of the OGMP 2.0 framework, and the company has self-assessed itself against the framework's asks (which it also disclosed). As well, the company indicated that it had met with OGMP to discuss membership and would be considering the value of membership in 2024. From our discussions with OGMP, the company has been actively meeting with OGMP to understand how the framework would apply to them and what membership would entail.

(D) Example 4:

Title of stewardship activity:

Collaborative engagement with Meta Platforms

- (1) Led by
  - (1) Internally led
  - (2) External service provider led
  - (3) Led by an external investment manager, real assets third-party operator and/or external property manager
- (2) Primary focus of stewardship activity
  - (1) Environmental factors
  - (2) Social factors
  - (3) Governance factors
- (3) Asset class(es)
  - (1) Listed equity
  - (2) Fixed income
  - (3) Private equity
  - (4) Real estate
  - (5) Infrastructure
  - (6) Hedge funds
  - (7) Forestry
  - (8) Farmland
  - (9) Other
- (4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

We co-filed a shareholder proposal with Meta Platforms on performing a human rights impact assessment, following a filing the previous year related to the same topic. We were able to meet with the company to discuss the proposal and were pleased to see the company commit to performing a company-wide salient human rights risk assessment. While the commitment was not what we were specifically asking for, we were able to meet to provide our perspective of what should be covered by such an assessment and felt the public commitment was a step forward for the company. We note the company continues to provide better disclosure on its human rights risks and has been fairly responsive in meeting with investors to understand our concerns.

(E) Example 5:

Title of stewardship activity:

(1) Led by

- o (1) Internally led
- o (2) External service provider led
- o (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

## CLIMATE CHANGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41	CORE	N/A	PGS 41.1	PUBLIC	Climate change	General

### Has your organisation identified climate-related risks and opportunities affecting your investments?

(A) Yes, within our standard planning horizon

Specify the risks and opportunities identified and your relevant standard planning horizon:

The predominant climate-related risks faced by NEI are transition risks. The transition risks we highlight here are specific to NEI's role as an investment manager within the larger Aviso Wealth organization: 1) AUM remains exposed to companies/sectors that lose market value due to climate-related risks; 2) Heightened regulatory scrutiny of climate disclosure, more onerous disclosure requirements; 3) Manager is unable to provide the climate-related investment solutions the market demands; 4) Manager seen as not living up to stated goals or industry reporting standards such as PRI, NZAM, TCFD. We are increasingly seeing the physical risks of climate change becoming a material issue, though the ability to tie weather-related events to the physical risks of climate change is imprecise.

At the security level, we assess material climate risks as part our standard evaluations and monitoring framework for most of our holdings.

We take a sector-based approach that acknowledges varying degrees of materiality. Companies that do not meet our expectations may be deemed ineligible for investment or identified as a subject for engagement.

Key opportunities we have identified include: potential to improve long-term sustainability of portfolio returns for investors; build advisor and investor confidence in their ability to mitigate effects of climate change; develop climate-friendly investment products; contribute to real-world reductions in GHG emissions (the goal of our climate strategy).

Note that we see these risks panning out within our standard planning horizon (3-5 years) but see them growing in materiality beyond that horizon, though the same risks apply.

(B) Yes, beyond our standard planning horizon

Specify the risks and opportunities identified and your relevant standard planning horizon:

The predominant climate-related risks faced by NEI are transition risks. The transition risks we highlight here are specific to NEI's role as an investment manager within the larger Aviso Wealth organization: 1) AUM remains exposed to companies/sectors that lose market value due to climate-related risks; 2) Heightened regulatory scrutiny of climate disclosure, more onerous disclosure requirements; 3) Manager is unable to provide the climate-related investment solutions the market demands; 4) Manager seen as not living up to stated goals or industry reporting standards such as PRI, NZAM, TCFD. We are increasingly seeing the physical risks of climate change becoming a material issue, though the ability to tie weather-related events to the physical risks of climate change is imprecise.

At the security level, we assess material climate risks as part our standard evaluations and monitoring framework for most of our holdings.

We take a sector-based approach that acknowledges varying degrees of materiality. Companies that do not meet our expectations may be deemed ineligible for investment or identified as a subject for engagement.

Key opportunities we have identified include: potential to improve long-term sustainability of portfolio returns for investors; build advisor and investor confidence in their ability to mitigate effects of climate change; develop climate-friendly investment products; contribute to real-world reductions in GHG emissions (the goal of our climate strategy).

NEI's standard planning horizon is 3 to 5 years.

- (C) No, we have not identified climate-related risks and/or opportunities affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41.1	CORE	PGS 41	N/A	PUBLIC	Climate change	General

**Does your organisation integrate climate-related risks and opportunities affecting your investments in its overall investment strategy, financial planning and (if relevant) products?**

- (A) Yes, our overall investment strategy, financial planning and (if relevant) products integrate climate-related risks and opportunities

Describe how climate-related risks and opportunities have affected or are expected to affect your investment strategy, financial planning and (if relevant) products:

NEI's investment strategy hinges on appropriate manager selection and oversight. Climate-related risks and opportunities are taken into account during the manager selection process, and as part of our ongoing oversight of managers. We know whether they have net-zero commitments, and whether they have committed to report in line with TCFD. With some of our managers we regularly discuss their approach to corporate engagement on the topic of climate change, as well as their approach to determining portfolio alignment to net zero, among other climate-related conversations. We have internal targets with external managers to develop net-zero strategies at the fund level that we expect to have an impact on our investment strategy/strategies, and one manager has implemented a net-zero strategy on two of our funds that has just come into effect.

We also have portfolio alignment goals (per NZAM) that we expect will impact our investment strategy as far as sector allocation and individual security selection.

We are in the early stages of connecting our portfolio alignment results to investment selection.

From a product development standpoint we have emphasized environmental impact for many years. We manage equity, fixed income, and balanced mandates that seek to make a measurable environmental impact, including mitigating the effects of climate change by investing in energy transition solutions. NEI's commitment to NZAM includes growing assets in climate solution investments, per NZIF guidance.

- (B) No, our organisation has not yet integrated climate-related risks and opportunities into its investment strategy, financial planning and (if relevant) products

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 42	PLUS	N/A	N/A	PUBLIC	Climate change	General

### Which sectors are covered by your organisation's strategy addressing high-emitting sectors?

#### (A) Coal

Describe your strategy:

We have assessed our financed emissions associated with high-impact sectors and have set targets to have 70% of high-impact sector financed emissions to be net zero, aligned with net zero, or the subject of engagement by 2025 (90% target for 2030). We have referenced the Net Zero Investment Framework (NZIF) in developing our assessment of alignment and have assessed baseline numbers for 2022. Alignment is a function of several factors, including effective governance of climate-related risks, disclosure in line with the TCFD, ambitious GHG reduction targets, and robust transition plans. Our expectations for alignment will evolve as each sector evolves, and specific sectors will have nuances specific to their real-world operations, but the same high-level framework will apply across all high-impact sectors. Our primary strategy tool is engagement, though we are likely to increasingly rely on investment decisions as we tighten our expectations for companies in high-impact sectors.

For coal specifically, our expectations for any company in this sector is that it will be net-zero aligned or net zero, otherwise companies in this industry are ineligible for investment. Note that this expectation is currently only applied to companies in the coal industry.

#### (B) Gas

Describe your strategy:

We have assessed our financed emissions associated with high-impact sectors and have set targets to have 70% of high-impact sector financed emissions to be net zero, aligned with net zero, or the subject of engagement by 2025 (90% target for 2030). We have referenced the Net Zero Investment Framework (NZIF) in developing our assessment of alignment and have assessed baseline numbers for 2022. Alignment is a function of several factors, including effective governance of climate-related risks, disclosure in line with the TCFD, ambitious GHG reduction targets, and robust transition plans. Our expectations for alignment will evolve as each sector evolves, and specific sectors will have nuances specific to their real-world operations, but the same high-level framework will apply across all high-impact sectors.

Our primary strategy tool is engagement, though we are likely to increasingly rely on investment decisions as we tighten our expectations for companies in high-impact sectors.

Regarding gas specifically, the focus of our engagement efforts has been on methane measurement and management, as we see a role for natural gas as the transition plays out, but the size of that role will be greatly impacted by the ability of the sector to address its methane emissions. The secondary focus for us has been on engaging the sector on the pathway for natural gas, and in particular on the expected growth for new natural gas demand for home heating and energy generation, as we seek clarity on the industry's growth plans (and subsequent lobbying efforts) that may actually undermine the long-term transition if not done thoughtfully.

#### (C) Oil

Describe your strategy:

We have assessed our financed emissions associated with high-impact sectors and have set targets to have 70% of high-impact sector financed emissions to be net zero, aligned with net zero, or the subject of engagement by 2025 (90% target for 2030). We have referenced the Net Zero Investment Framework (NZIF) in developing our assessment of alignment and have assessed baseline numbers for 2022. Alignment is a function of several factors, including effective governance of climate-related risks, disclosure in line with the TCFD, ambitious GHG reduction targets, and robust transition plans. Our expectations for alignment will evolve as each sector evolves, and specific sectors will have nuances specific to their real-world operations, but the same high-level framework will apply across all high-impact sectors. Our primary strategy tool is engagement, though we are likely to increasingly rely on investment decisions as we tighten our expectations for companies in high-impact sectors.

Engagements with oil sector companies continue to focus on transition plans, setting robust targets, addressing methane emissions, and climate lobbying.

#### (D) Utilities

## Describe your strategy:

We have assessed our financed emissions associated with high-impact sectors and have set targets to have 70% of high-impact sector financed emissions to be net zero, aligned with net zero, or the subject of engagement by 2025 (90% target for 2030). We have referenced the Net Zero Investment Framework (NZIF) in developing our assessment of alignment and have assessed baseline numbers for 2022. Alignment is a function of several factors, including effective governance of climate-related risks, disclosure in line with the TCFD, ambitious GHG reduction targets, and robust transition plans. Our expectations for alignment will evolve as each sector evolves, and specific sectors will have nuances specific to their real-world operations, but the same high-level framework will apply across all high-impact sectors.

Our primary strategy tool is engagement, though we are likely to increasingly rely on investment decisions as we tighten our expectations for companies in high-impact sectors.

The focus for our utility conversations is on transition planning, and where relevant, a switch to renewable energy for electricity generation. The role of natural gas utilities is a specific focus as we seek to understand how the industry's growth plans can align with net zero pathways, particularly as we look at the expanded use of natural instead of lower emitting alternatives.

### (E) Cement

#### Describe your strategy:

We have assessed our financed emissions associated with high-impact sectors and have set targets to have 70% of high-impact sector financed emissions to be net zero, aligned with net zero, or the subject of engagement by 2025 (90% target for 2030). We have referenced the Net Zero Investment Framework (NZIF) in developing our assessment of alignment and have assessed baseline numbers for 2022. Alignment is a function of several factors, including effective governance of climate-related risks, disclosure in line with the TCFD, ambitious GHG reduction targets, and robust transition plans. Our expectations for alignment will evolve as each sector evolves, and specific sectors will have nuances specific to their real-world operations, but the same high-level framework will apply across all high-impact sectors. Our primary strategy tool is engagement, though we are likely to increasingly rely on investment decisions as we tighten our expectations for companies in high-impact sectors.

### (F) Steel

#### Describe your strategy:

We have assessed our financed emissions associated with high-impact sectors and have set targets to have 70% of high-impact sector financed emissions to be net zero, aligned with net zero, or the subject of engagement by 2025 (90% target for 2030). We have referenced the Net Zero Investment Framework (NZIF) in developing our assessment of alignment and have assessed baseline numbers for 2022. Alignment is a function of several factors, including effective governance of climate-related risks, disclosure in line with the TCFD, ambitious GHG reduction targets, and robust transition plans. Our expectations for alignment will evolve as each sector evolves, and specific sectors will have nuances specific to their real-world operations, but the same high-level framework will apply across all high-impact sectors. Our primary strategy tool is engagement, though we are likely to increasingly rely on investment decisions as we tighten our expectations for companies in high-impact sectors.

### (G) Aviation

#### Describe your strategy:

We have assessed our financed emissions associated with high-impact sectors and have set targets to have 70% of high-impact sector financed emissions to be net zero, aligned with net zero, or the subject of engagement by 2025 (90% target for 2030). We have referenced the Net Zero Investment Framework (NZIF) in developing our assessment of alignment and have assessed baseline numbers for 2022. Alignment is a function of several factors, including effective governance of climate-related risks, disclosure in line with the TCFD, ambitious GHG reduction targets, and robust transition plans. Our expectations for alignment will evolve as each sector evolves, and specific sectors will have nuances specific to their real-world operations, but the same high-level framework will apply across all high-impact sectors. Our primary strategy tool is engagement, though we are likely to increasingly rely on investment decisions as we tighten our expectations for companies in high-impact sectors.

### (H) Heavy duty road

#### Describe your strategy:

We have assessed our financed emissions associated with high-impact sectors and have set targets to have 70% of high-impact sector financed emissions to be net zero, aligned with net zero, or the subject of engagement by 2025 (90% target for 2030). We have referenced the Net Zero Investment Framework (NZIF) in developing our assessment of alignment and have assessed baseline numbers for 2022. Alignment is a function of several factors, including effective governance of climate-related risks, disclosure in line with the TCFD, ambitious GHG reduction targets, and robust transition plans. Our expectations for alignment will evolve as each sector evolves, and specific sectors will have nuances specific to their real-world operations, but the same high-level framework will apply across all high-impact sectors.



Our primary strategy tool is engagement, though we are likely to increasingly rely on investment decisions as we tighten our expectations for companies in high-impact sectors.

Our specific strategy for the trucking industry has focused on supporting policies and regulations that will create the incentive to transition to lower emitting vehicles. Our near-term strategy for the sector is to ensure it is supporting innovation in zero emission vehicles in order to ensure these technologies will be commercially viable in the near to mid term.

**(I) Light duty road**

Describe your strategy:

We have assessed our financed emissions associated with high-impact sectors and have set targets to have 70% of high-impact sector financed emissions to be net zero, aligned with net zero, or the subject of engagement by 2025 (90% target for 2030). We have referenced the Net Zero Investment Framework (NZIF) in developing our assessment of alignment and have assessed baseline numbers for 2022. Alignment is a function of several factors, including effective governance of climate-related risks, disclosure in line with the TCFD, ambitious GHG reduction targets, and robust transition plans. Our expectations for alignment will evolve as each sector evolves, and specific sectors will have nuances specific to their real-world operations, but the same high-level framework will apply across all high-impact sectors.

Our primary strategy tool is engagement, though we are likely to increasingly rely on investment decisions as we tighten our expectations for companies in high-impact sectors.

Our specific strategy for the trucking industry has focused on supporting policies and regulations that will create the incentive to transition to lower emitting vehicles. Our near-term strategy for the sector is to ensure it is supporting innovation in zero emission vehicles in order to ensure these technologies will be commercially viable in the near to mid term.

**(J) Shipping**

Describe your strategy:

We have assessed our financed emissions associated with high-impact sectors and have set targets to have 70% of high-impact sector financed emissions to be net zero, aligned with net zero, or the subject of engagement by 2025 (90% target for 2030). We have referenced the Net Zero Investment Framework (NZIF) in developing our assessment of alignment and have assessed baseline numbers for 2022. Alignment is a function of several factors, including effective governance of climate-related risks, disclosure in line with the TCFD, ambitious GHG reduction targets, and robust transition plans. Our expectations for alignment will evolve as each sector evolves, and specific sectors will have nuances specific to their real-world operations, but the same high-level framework will apply across all high-impact sectors. Our primary strategy tool is engagement, though we are likely to increasingly rely on investment decisions as we tighten our expectations for companies in high-impact sectors.

**(K) Aluminium**

Describe your strategy

We have assessed our financed emissions associated with high-impact sectors and have set targets to have 70% of high-impact sector financed emissions to be net zero, aligned with net zero, or the subject of engagement by 2025 (90% target for 2030). We have referenced the Net Zero Investment Framework (NZIF) in developing our assessment of alignment and have assessed baseline numbers for 2022. Alignment is a function of several factors, including effective governance of climate-related risks, disclosure in line with the TCFD, ambitious GHG reduction targets, and robust transition plans. Our expectations for alignment will evolve as each sector evolves, and specific sectors will have nuances specific to their real-world operations, but the same high-level framework will apply across all high-impact sectors. Our primary strategy tool is engagement, though we are likely to increasingly rely on investment decisions as we tighten our expectations for companies in high-impact sectors.

**(L) Agriculture, forestry, fishery**

Describe your strategy:

We have assessed our financed emissions associated with high-impact sectors and have set targets to have 70% of high-impact sector financed emissions to be net zero, aligned with net zero, or the subject of engagement by 2025 (90% target for 2030). We have referenced the Net Zero Investment Framework (NZIF) in developing our assessment of alignment and have assessed baseline numbers for 2022. Alignment is a function of several factors, including effective governance of climate-related risks, disclosure in line with the TCFD, ambitious GHG reduction targets, and robust transition plans. Our expectations for alignment will evolve as each sector evolves, and specific sectors will have nuances specific to their real-world operations, but the same high-level framework will apply across all high-impact sectors. Our primary strategy tool is engagement, though we are likely to increasingly rely on investment decisions as we tighten our expectations for companies in high-impact sectors.

**(M) Chemicals**

Describe your strategy:



We have assessed our financed emissions associated with high-impact sectors and have set targets to have 70% of high-impact sector financed emissions to be net zero, aligned with net zero, or the subject of engagement by 2025 (90% target for 2030). We have referenced the Net Zero Investment Framework (NZIF) in developing our assessment of alignment and have assessed baseline numbers for 2022. Alignment is a function of several factors, including effective governance of climate-related risks, disclosure in line with the TCFD, ambitious GHG reduction targets, and robust transition plans. Our expectations for alignment will evolve as each sector evolves, and specific sectors will have nuances specific to their real-world operations, but the same high-level framework will apply across all high-impact sectors. Our primary strategy tool is engagement, though we are likely to increasingly rely on investment decisions as we tighten our expectations for companies in high-impact sectors.

**(N) Construction and buildings**

Describe your strategy:

We have assessed our financed emissions associated with high-impact sectors and have set targets to have 70% of high-impact sector financed emissions to be net zero, aligned with net zero, or the subject of engagement by 2025 (90% target for 2030). We have referenced the Net Zero Investment Framework (NZIF) in developing our assessment of alignment and have assessed baseline numbers for 2022. Alignment is a function of several factors, including effective governance of climate-related risks, disclosure in line with the TCFD, ambitious GHG reduction targets, and robust transition plans. Our expectations for alignment will evolve as each sector evolves, and specific sectors will have nuances specific to their real-world operations, but the same high-level framework will apply across all high-impact sectors. Our primary strategy tool is engagement, though we are likely to increasingly rely on investment decisions as we tighten our expectations for companies in high-impact sectors.

- (O) Textile and leather
- (P) Water
- (Q) Other
- (R) We do not have a strategy addressing high-emitting sectors

**Provide a link(s) to your strategy(ies), if available**

<https://www.neiinvestments.com/content/dam/nei/docs/en/responsible-investing/reports/Whitepaper%20-%20A%20portfolio%20in%20transition%20EN.pdf>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 43	CORE	N/A	N/A	PUBLIC	Climate change	General

**Has your organisation assessed the resilience of its investment strategy in different climate scenarios, including one in which the average temperature rise is held to below 2 degrees Celsius (preferably to 1.5 degrees Celsius) above pre-industrial levels?**

- (A) Yes, using the Inevitable Policy Response Forecast Policy Scenario (FPS) or Required Policy Scenario (RPS)
- (B) Yes, using the One Earth Climate Model scenario
- (C) Yes, using the International Energy Agency (IEA) Net Zero scenario
- (D) Yes, using other scenarios
- (E) No, we have not assessed the resilience of our investment strategy in different climate scenarios, including one that holds temperature rise to below 2 degrees**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 44	CORE	N/A	N/A	PUBLIC	Climate change	General

**Does your organisation have a process to identify, assess, and manage the climate-related risks (potentially) affecting your investments?**

- (A) Yes, we have a process to identify and assess climate-related risks**  
(1) Describe your process

At the security level, we assess material climate risks as part our standard evaluations and monitoring framework for most of our holdings. We take a sector-based approach that acknowledges varying degrees of materiality. Companies that do not meet our expectations may be deemed ineligible for investment or identified as a subject for engagement.

We also consider climate-related risks as part of our manager selection and oversight process.

Broad climate-related risks are identified and a preliminary assessment is carried out through our Climate Working Group, a cross-departmental group that meets weekly.

Risks are discussed and then assessed using our parent company's enterprise risk assessment tool, which produces a score. Once the preliminary assessment is complete, it is presented to NEI's Responsible Investment Committee, a higher-level group with more senior-level stakeholders from across the organization, including the Head of Asset Management and heads of product development, sales, and investments. Risks are discussed further at that point and revisions to the assessment may be made. Once the assessment has been agreed to, a determination is made as to whether the risk is deemed material enough to be added to the corporate risk register and formally monitored therein.

The Climate Working Group has been using third-party scenario analysis tools to begin the process of understanding how we might use this tool to assess the resilience of our strategy. Next steps are to begin working with other internal stakeholders to develop a process to use (and understand) scenario analysis tools.

(2) Describe how this process is integrated into your overall risk management

NEI's risk register captures a multitude of risks across many factors that have the potential to negatively affect the business, including climate change. The risk register is monitored and updated regularly, with the most significant risks identified and brought to the attention to the board of directors of NEI's parent company.

(B) Yes, we have a process to manage climate-related risks

(1) Describe your process

Management of climate-related risks has been an ongoing process at NEI for many years. At the security evaluation level, companies that do not meet our expectations may be deemed ineligible for investment or identified as a subject for engagement. When we engage with companies, we encourage them to address their business-specific risks related to climate change. Among other things, we encourage companies to develop a climate strategy and within that, a net-zero strategy with interim targets and a credible path to get there. We have recently assessed our portfolio to determine issuer alignment with a net-zero pathway, and have identified key sectors and top contributors to financed emissions (as of 2021, our baseline year), so that we may pursue deeper engagement with those companies.

Proxy voting is another tool we use to manage climate-related risks within our portfolio. For example, for high-emitting companies in the energy and materials sectors, we may vote against board directors if we feel the company does not have an adequate climate strategy.

We also rely on our external managers for management of climate-related risks within their mandates, especially if their mandates are focused on making a positive environmental impact. We conduct regular due diligence on those managers in that respect.

(2) Describe how this process is integrated into your overall risk management

The risk-management tactics described above are carried out on a day-to-day basis at NEI, and results and learnings are carried forward into forums such as our Climate Working Group and Responsible Investment Committee.

- (C) No, we do not have any processes to identify, assess, or manage the climate-related risks affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 45	CORE	N/A	N/A	PUBLIC	Climate change	General

**During the reporting year, which of the following climate risk metrics or variables affecting your investments did your organisation use and publicly disclose?**

- (A) Exposure to physical risk
- (B) Exposure to transition risk
- (C) Internal carbon price

**(D) Total carbon emissions**

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
  - (1) Metric or variable used
  - (2) Metric or variable used and disclosed**
  - (3) Metric or variable used and disclosed, including methodology
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://www.neiinvestments.com/content/dam/nei/docs/en/responsible-investing/reports/Climate%20strategy%20report%202023%20EN.pdf>

**(E) Weighted average carbon intensity**

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
  - (1) Metric or variable used
  - (2) Metric or variable used and disclosed
  - (3) Metric or variable used and disclosed, including methodology**
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://www.neiinvestments.com/content/dam/nei/docs/en/responsible-investing/reports/Climate%20strategy%20report%202023%20EN.pdf>

(F) Avoided emissions

(G) Implied Temperature Rise (ITR)

(H) Non-ITR measure of portfolio alignment with UNFCCC Paris Agreement goals

(I) Proportion of assets or other business activities aligned with climate-related opportunities

(J) Other metrics or variables

(K) Our organisation did not use or publicly disclose any climate risk metrics or variables affecting our investments during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 46	CORE	N/A	N/A	PUBLIC	Climate change	General

**During the reporting year, did your organisation publicly disclose its Scope 1, Scope 2, and/or Scope 3 greenhouse gas emissions?**

(A) Scope 1 emissions

(B) Scope 2 emissions

**(C) Scope 3 emissions (including financed emissions)**

- (1) Indicate whether this metric was disclosed, including the methodology
  - (1) Metric disclosed**
  - (2) Metric and methodology disclosed
- (2) Provide links to the disclosed metric and methodology, as applicable

<https://www.neiinvestments.com/content/dam/nei/docs/en/responsible-investing/reports/Climate%20strategy%20report%202023%20EN.pdf>

(D) Our organisation did not publicly disclose its Scope 1, Scope 2, or Scope 3 greenhouse gas emissions during the reporting year

## SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47	CORE	N/A	Multiple indicators	PUBLIC	Sustainability outcomes	1, 2

**Has your organisation identified the intended and unintended sustainability outcomes connected to its investment activities?**

- (A) Yes, we have identified one or more specific sustainability outcomes connected to our investment activities
- (B) No, we have not yet identified the sustainability outcomes connected to any of our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.1	CORE	PGS 47	N/A	PUBLIC	Sustainability outcomes	1, 2

**Which widely recognised frameworks has your organisation used to identify the intended and unintended sustainability outcomes connected to its investment activities?**

- (A) The UN Sustainable Development Goals (SDGs) and targets
- (B) The UNFCCC Paris Agreement
- (C) The UN Guiding Principles on Business and Human Rights (UNGPs)
- (D) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
- (E) The EU Taxonomy
- (F) Other relevant taxonomies
- (G) The International Bill of Human Rights
- (H) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- (I) The Convention on Biological Diversity
- (J) Other international framework(s)  
Specify:  
UNDRIP
- (K) Other regional framework(s)
- (L) Other sectoral/issue-specific framework(s)
- (M) Our organisation did not use any widely recognised frameworks to identify the intended and unintended sustainability outcomes connected to its investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.2	CORE	PGS 47	PGS 48	PUBLIC	Sustainability outcomes	1, 2

**What are the primary methods that your organisation has used to determine the most important intended and unintended sustainability outcomes connected to its investment activities?**

- (A) Identify sustainability outcomes that are closely linked to our core investment activities
- (B) Consult with key clients and/or beneficiaries to align with their priorities

- (C) Assess which actual or potential negative outcomes for people are most severe based on their scale, scope, and irremediable character
- (D) Identify sustainability outcomes that are closely linked to systematic sustainability issues
- (E) Analyse the input from different stakeholders (e.g. affected communities, civil society, trade unions or similar)
- (F) Understand the geographical relevance of specific sustainability outcome objectives
- (G) Other method
- (H) We have not yet determined the most important sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48	CORE	PGS 47.2	PGS 48.1, SO 1	PUBLIC	Sustainability outcomes	1, 2

Has your organisation taken action on any specific sustainability outcomes connected to its investment activities, including to prevent and mitigate actual and potential negative outcomes?

- (A) Yes, we have taken action on some of the specific sustainability outcomes connected to our investment activities
- (B) No, we have not yet taken action on any specific sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48.1	PLUS	PGS 48	N/A	PUBLIC	Sustainability outcomes	1, 2

Why has your organisation taken action on specific sustainability outcomes connected to its investment activities?

- (A) We believe that taking action on sustainability outcomes is relevant to our financial risks and returns over both short- and long-term horizons
- (B) We believe that taking action on sustainability outcomes, although not yet relevant to our financial risks and returns, will become so over a long-time horizon
- (C) We have been requested to do so by our clients and/or beneficiaries
- (D) We want to prepare for and respond to legal and regulatory developments that are increasingly addressing sustainability outcomes
- (E) We want to protect our reputation, particularly in the event of negative sustainability outcomes connected to investments
- (F) We want to enhance our social licence-to-operate (i.e. the trust of beneficiaries, clients, and other stakeholders)
- (G) We believe that taking action on sustainability outcomes in parallel to financial return goals has merit in its own right
- (H) Other

## HUMAN RIGHTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49	PLUS	PGS 47	PGS 49.1	PUBLIC	Human rights	1, 2

**During the reporting year, what steps did your organisation take to identify and take action on the actual and potentially negative outcomes for people connected to your investment activities?**

**(A) We assessed the human rights context of our potential and/or existing investments and projected how this could connect our organisation to negative human rights outcomes**

Explain how these activities were conducted:

Human rights is a part of our regular evaluations process and as such companies coming into our portfolio are assessed for their potential impact. In an effort to abide by the OECD Guidelines, we also perform a quarterly review of our entire portfolio to assess whether any of our holdings are experiencing controversies linked to human rights impacts, and what actions could be taken to mitigate the risks. We participate in various collaborative forums that also provide us an opportunity to learn from subject matter experts who help identify potential human rights risks associated with our investments.

(B) We assessed whether individuals at risk or already affected might be at heightened risk of harm

**(C) We consulted with individuals and groups who were at risk or already affected, their representatives and/or other relevant stakeholders such as human rights experts**

Explain how these activities were conducted:

We are in regular contact, via our participation in groups such as the Investor Alliance on Human Rights and the Global Network Initiative, with subject matter experts on human rights where we seek to understand our exposure to human rights impacts. In some cases we have conducted more specific outreach to understand the perspective of impacted communities, such as our work in understanding the implications of our role in regard to respecting Indigenous rights, where we have sought to learn directly from Indigenous leaders and experts. (Note that we have not consulted Indigenous communities on the impacts of our specific investments or on any other investment decisions we have made.)

(D) We took other steps to assess and manage the actual and potentially negative outcomes for people connected to our investment activities

(E) We did not identify and take action on the actual and potentially negative outcomes for people connected to any of our investment activities during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49.1	PLUS	PGS 49	N/A	PUBLIC	Human rights	1, 2

**During the reporting year, which stakeholder groups did your organisation include when identifying and taking action on the actual and potentially negative outcomes for people connected to your investment activities?**

**(A) Workers**

Sector(s) for which each stakeholder group was included

- (1) Energy
- (2) Materials
- (3) Industrials
- (4) Consumer discretionary
- (5) Consumer staples
- (6) Healthcare
- (7) Finance
- (8) Information technology
- (9) Communication services

- (10) Utilities
- (11) Real estate

(B) Communities

Sector(s) for which each stakeholder group was included

- (1) Energy
- (2) Materials
- (3) Industrials
- (4) Consumer discretionary
- (5) Consumer staples
- (6) Healthcare
- (7) Finance
- (8) Information technology
- (9) Communication services
- (10) Utilities
- (11) Real estate

(C) Customers and end-users

Sector(s) for which each stakeholder group was included

- (1) Energy
- (2) Materials
- (3) Industrials
- (4) Consumer discretionary
- (5) Consumer staples
- (6) Healthcare
- (7) Finance
- (8) Information technology
- (9) Communication services
- (10) Utilities
- (11) Real estate

(D) Other stakeholder groups

Specify:

Indigenous communities

Sector(s) for which each stakeholder group was included

- (1) Energy
- (2) Materials
- (3) Industrials
- (4) Consumer discretionary
- (5) Consumer staples
- (6) Healthcare
- (7) Finance
- (8) Information technology
- (9) Communication services
- (10) Utilities
- (11) Real estate

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49.2	PLUS	PGS 47	N/A	PUBLIC	Human rights	1, 2

**During the reporting year, what information sources did your organisation use to identify the actual and potentially negative outcomes for people connected to its investment activities?**

(A) Corporate disclosures

Provide further detail on how your organisation used these information sources:

NEI refers to corporate disclosures to understand the existence of policies and processes put in place by the company with respect to human rights. The absence of such policies would be considered in our approach to responsible investing, particularly in high-risk circumstances (e.g., operations in a high-risk zone). We would also refer to corporate disclosures for any understanding of human rights due diligence processes conducted by the company to identify, mitigate and remedy any harms caused by the business, and their approaches to remedy.

**(B) Media reports**

Provide further detail on how your organisation used these information sources:

As part of our monitoring process for controversies, we refer to media reports to determine if company's policies and processes to identify, mitigate and respond to actual and potential harms are operating as intended, or if there is a gap in policies and processes. Severe media reports would trigger additional analysis and would be considered within our broader stewardship efforts.

**(C) Reports and other information from NGOs and human rights institutions**

Provide further detail on how your organisation used these information sources:

We find these reports most useful to inform our expectations of companies in a sector-specific context, or with respect to companies operating in certain high-risk settings for example. These reports also assist in ensuring our asks of companies are aligned with those of rights-affected individuals and communities.

**(D) Country reports, for example, by multilateral institutions, e.g. OECD, World Bank**

Provide further detail on how your organisation used these information sources:

We follow/apply the OECD Guidelines for Multinational Enterprises to our approach for monitoring controversies. We may use country reports on an ad hoc and as-needed basis. Notably, we also use research and surveys from multilateral and supranational entities to consider if companies operate in high-risk local, political or regional settings in determining the robustness of their approach to human rights.

**(E) Data provider scores or benchmarks**

Provide further detail on how your organisation used these information sources:

We rely mostly on the underlying data of our data providers as inputs in our analysis. We rely less on scores as the rationale or methodology of the data provider may not always be clear, or may not be aligned with our own approach to the issue.

**(F) Human rights violation alerts**

Provide further detail on how your organisation used these information sources:

We consider human rights violations alerts as part of our ongoing headline risk and controversy analysis. As part of this approach, we conduct a quarterly review of actual or potential violations of the OECD Guidelines for Multinational Enterprises and develop an appropriate action plan to respond to the alert. As well, we subscribe to daily monitoring risk alerts that provide timely indications of new risks.

**(G) Sell-side research**

**(H) Investor networks or other investors**

Provide further detail on how your organisation used these information sources:

We are members of different investor networks and collaboratives that consider human rights issues such as the Interfaith Center on Corporate Responsibility, the Investor Alliance for Human Rights, and the Global Network Initiative. Through our memberships in these networks we are able to 1) stay informed on evolving human rights issues; 2) learn more about the perspectives of rights-affected people and civil society organizations; 3) collaborate with other investors on stewardship efforts to address human rights issues.

**(I) Information provided directly by affected stakeholders or their representatives**

**(J) Social media analysis**

**(K) Other**



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 50	PLUS	PGS 47	N/A	PUBLIC	Human rights	1, 2

**During the reporting year, did your organisation, directly or through influence over investees, enable access to remedy for people affected by negative human rights outcomes connected to your investment activities?**

(A) Yes, we enabled access to remedy directly for people affected by negative human rights outcomes we caused or contributed to through our investment activities

**(B) Yes, we used our influence to ensure that our investees provided access to remedies for people affected by negative human rights outcomes we were linked to through our investment activities**

Describe:

As part of engagements on human rights, we often discuss the company’s approach to providing remedy to rights-affected persons, including whether the appropriate channels exist to access remedies.

(C) No, we did not enable access to remedy directly, or through the use of influence over investees, for people affected by negative human rights outcomes connected to our investment activities during the reporting year

# MANAGER SELECTION, APPOINTMENT AND MONITORING (SAM)

## OVERALL APPROACH

### EXTERNAL INVESTMENT MANAGERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 1	CORE	OO 21	N/A	PUBLIC	External investment managers	4

For the majority of your externally managed AUM in each asset class, which responsible investment aspects does your organisation consider important in the assessment of external investment managers?

	(1) Listed equity (active)	(3) Fixed income (active)
<b>Organisation</b>		
(A) Commitment to and experience in responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Responsible investment policy(ies)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Governance structure and senior-level oversight and accountability	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>People and Culture</b>		
(D) Adequate resourcing and incentives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Staff competencies and experience in responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Investment Process</b>		
(F) Incorporation of material ESG factors in the investment process	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(G) Incorporation of risks connected to systematic sustainability issues in the investment process	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(H) Incorporation of material ESG factors and ESG risks connected to systematic sustainability issues in portfolio risk assessment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Stewardship</b>		
(I) Policy(ies) or guidelines on stewardship	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(J) Policy(ies) or guidelines on (proxy) voting	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(K) Use of stewardship tools and activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(L) Incorporation of risks connected to systematic sustainability issues in stewardship practices	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(M) Involvement in collaborative engagement and stewardship initiatives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(N) Engagement with policy makers and other non-investee stakeholders	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(O) Results of stewardship activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Performance and Reporting</b>		
(P) ESG disclosure in regular client reporting	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(Q) Inclusion of ESG factors in contractual agreements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(R) We do not consider any of the above responsible investment aspects important in the assessment of external investment managers	<input type="radio"/>	<input type="radio"/>

## SERVICE PROVIDERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 2	CORE	OO 21	N/A	PUBLIC	Service providers	4

Which responsible investment aspects does your organisation consider important when assessing all service providers that advise you in the selection, appointment and/or monitoring of external investment managers?

- (A) Incorporation of their responsible investment policy into advisory services
- (B) Ability to accommodate our responsible investment policy
- (C) Level of staff's responsible investment expertise
- (D) Use of data and analytical tools to assess the external investment manager's responsible investment performance
- (E) Other
- (F) We do not consider any of the above responsible investment aspects important when assessing service providers that advise us in the selection, appointment and/or monitoring of external investment managers
- (G) Not applicable; we do not engage service providers in the selection, appointment or monitoring of external investment managers

## SELECTION

### RESPONSIBLE INVESTMENT PRACTICES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 4	CORE	OO 12, OO 21	SAM 5, SAM 6, SAM 7	PUBLIC	Responsible investment practices	General

During the reporting year, did your organisation select new external investment managers or allocate new mandates to existing investment managers?

- (A) Yes, we selected external investment managers or allocated new mandates to existing investment managers during the reporting year
- (B) No, we did not select new external investment managers or allocate new mandates to existing investment managers during the reporting year
- (C) Not applicable; our organisation is in a captive relationship with external investment managers, which applies to 90% or more of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 5	CORE	SAM 4	N/A	PUBLIC	Responsible investment practices	4

During the reporting year, what responsible investment aspects did your organisation, or the service provider acting on your behalf, review and evaluate when selecting new external investment managers or allocating new mandates to existing investment managers?

**Organisation**

**(A) Commitment to and experience in responsible investment (e.g. commitment to responsible investment principles and standards)**

Select from dropdown list

- (1) for all of our mandates**
- (2) for a majority of our mandates
- (3) for a minority of our mandates

**(B) Responsible investment policy(ies) (e.g. the alignment of their responsible investment policy with the investment mandate)**

Select from dropdown list

- (1) for all of our mandates**
- (2) for a majority of our mandates
- (3) for a minority of our mandates

**(C) Governance structure and senior-level oversight and accountability (e.g. the adequacy of their governance structure and reported conflicts of interest)**

Select from dropdown list

- (1) for all of our mandates**
- (2) for a majority of our mandates
- (3) for a minority of our mandates

**People and Culture**

**(D) Adequate resourcing and incentives (e.g. their team structures, operating model and remuneration structure, including alignment of interests)**

Select from dropdown list

- (1) for all of our mandates**
- (2) for a majority of our mandates
- (3) for a minority of our mandates

**(E) Staff competencies and experience in responsible investment (e.g. level of responsible investment responsibilities in their investment team, their responsible investment training and capacity building)**

Select from dropdown list

- (1) for all of our mandates**
- (2) for a majority of our mandates
- (3) for a minority of our mandates

**Investment Process**

**(F) Incorporation of material ESG factors in the investment process (e.g. detail and evidence of how such factors are incorporated into the selection of individual assets and in portfolio construction)**

Select from dropdown list

- (1) for all of our mandates**
- (2) for a majority of our mandates
- (3) for a minority of our mandates

**(G) Incorporation of risks connected to systematic sustainability issues in the investment process (e.g. detail and evidence of how such risks are incorporated into the selection of individual assets and in portfolio construction)**

Select from dropdown list

- (1) for all of our mandates**
- (2) for a majority of our mandates
- (3) for a minority of our mandates

**(H) Incorporation of material ESG factors and ESG risks connected to systematic sustainability issues in portfolio risk assessment (e.g. their process to measure and report such risks)**

Select from dropdown list

- (1) for all of our mandates**
- (2) for a majority of our mandates
- (3) for a minority of our mandates

**Performance and Reporting**

**(I) ESG disclosure in regular client reporting**

Select from dropdown list

- (1) for all of our mandates**
- (2) for a majority of our mandates
- (3) for a minority of our mandates

**(J) Inclusion of ESG factors in contractual agreements**

Select from dropdown list

- (1) for all of our mandates**
- (2) for a majority of our mandates
- (3) for a minority of our mandates

(K) We did not review and evaluate any of the above responsible investment aspects when selecting new external investment managers or allocating new mandates to existing investment managers during the reporting year

## STEWARDSHIP

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 6	CORE	OO 8, OO 21, SAM 4	N/A	PUBLIC	Stewardship	4

**During the reporting year, which aspects of the stewardship approach did your organisation, or the service provider acting on your behalf, review and evaluate when selecting new external investment managers or allocating new mandates to existing investment managers?**

(A) The alignment of their policy(ies) or guidelines on stewardship with the investment mandate

**(B) Evidence of how they implemented their stewardship objectives, including the effectiveness of their activities**

Select from dropdown list

- (1) for all of our mandates**
- (2) for a majority of our mandates
- (3) for a minority of our mandates

**(C) Their participation in collaborative engagements and stewardship initiatives**

Select from dropdown list

- (1) for all of our mandates**
- (2) for a majority of our mandates
- (3) for a minority of our mandates

(D) Details of their engagements with companies or issuers on risks connected to systematic sustainability issues

**(E) Details of their engagement activities with policy makers**

Select from dropdown list

- (1) for all of our mandates**
- (2) for a majority of our mandates
- (3) for a minority of our mandates

(F) Their escalation process and the escalation tools included in their policy on stewardship

(G) We did not review and evaluate any of the above aspects of the stewardship approach when selecting new external investment managers or allocating new mandates to existing investment managers during the reporting year

# APPOINTMENT

## SEGREGATED MANDATES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 8	CORE	OO 5.2, OO 13, OO 21	N/A	PUBLIC	Segregated mandates	4

Which responsible investment aspects do your organisation, or the service provider acting on your behalf, explicitly include in clauses within your contractual agreements with your external investment managers for segregated mandates?

- (A) Their commitment to following our responsible investment strategy in the management of our assets**
  - Select from dropdown list
    - (1) for all of our segregated mandates
    - (2) for a majority of our segregated mandates**
    - (3) for a minority of our segregated mandates
- (B) Their commitment to incorporating material ESG factors into their investment activities**
  - Select from dropdown list
    - (1) for all of our segregated mandates
    - (2) for a majority of our segregated mandates**
    - (3) for a minority of our segregated mandates
- (C) Their commitment to incorporating material ESG factors into their stewardship activities
- (D) Their commitment to incorporating risks connected to systematic sustainability issues into their investment activities
- (E) Their commitment to incorporating risks connected to systematic sustainability issues into their stewardship activities
- (F) Exclusion list(s) or criteria**
  - Select from dropdown list
    - (1) for all of our segregated mandates
    - (2) for a majority of our segregated mandates**
    - (3) for a minority of our segregated mandates
- (G) Responsible investment communications and reporting obligations, including stewardship activities and results**
  - Select from dropdown list
    - (1) for all of our segregated mandates
    - (2) for a majority of our segregated mandates**
    - (3) for a minority of our segregated mandates
- (H) Incentives and controls to ensure alignment of interests**
  - Select from dropdown list
    - (1) for all of our segregated mandates
    - (2) for a majority of our segregated mandates**
    - (3) for a minority of our segregated mandates
- (I) Commitments on climate-related disclosure in line with internationally-recognised frameworks such as the TCFD
- (J) Commitment to respect human rights as defined in the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights**
  - Select from dropdown list
    - (1) for all of our segregated mandates
    - (2) for a majority of our segregated mandates**
    - (3) for a minority of our segregated mandates
- (K) Their acknowledgement that their appointment is conditional on the fulfilment of their agreed responsible investment commitments**
  - Select from dropdown list
    - (1) for all of our segregated mandates
    - (2) for a majority of our segregated mandates**
    - (3) for a minority of our segregated mandates
- (L) Other

- (M) We do not include responsible investment aspects in clauses within our contractual agreements with external investment managers for segregated mandates

## MONITORING

### RESPONSIBLE INVESTMENT PRACTICES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 9	CORE	OO 14, OO 21	N/A	PUBLIC	Responsible investment practices	4

**For the majority of your externally managed AUM in each asset class, which aspects of your external investment managers' responsible investment practices did your organisation, or the service provider acting on your behalf, monitor during the reporting year?**

	(1) Listed equity (active)	(3) Fixed income (active)
<b>Organisation</b>		
(A) Commitment to and experience in responsible investment (e.g. commitment to responsible investment principles and standards)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Responsible investment policy(ies) (e.g. the continued alignment of their responsible investment policy with the investment mandate)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Governance structure and senior level oversight and accountability (e.g. the adequacy of their governance structure and reported conflicts of interest)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>People and Culture</b>		
(D) Adequate resourcing and incentives (e.g. their team structures, operating model and remuneration structure, including alignment of interests)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>



(E) Staff competencies and experience in responsible investment (e.g. level of responsible investment responsibilities in their investment team, their responsible investment training and capacity building)

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### Investment Process

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(F) Incorporation of material ESG factors in the investment process (e.g. detail and evidence of how such factors are incorporated into the selection of individual assets and in portfolio construction)

(G) Incorporation of risks connected to systematic sustainability issues in the investment process (e.g. detail and evidence of how such risks are incorporated into the selection of individual assets and in portfolio construction)

(H) Incorporation of material ESG factors and ESG risks connected to systematic sustainability issues in portfolio risk assessment (e.g. their process to measure and report such risks, their response to ESG incidents)

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### Performance and Reporting

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(I) ESG disclosure in regular client reporting (e.g. any changes in their regular client reporting)

(J) Inclusion of ESG factors in contractual agreements

(K) We did not monitor any of the above aspects of our external investment managers' responsible investment practices during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 12	CORE	OO 14, OO 21	N/A	PUBLIC	Responsible investment practices	1

For the majority of your externally managed AUM in each asset class, how often does your organisation, or the service provider acting on your behalf, monitor your external investment managers' responsible investment practices?

	(1) Listed equity (active)	(3) Fixed income (active)
(A) At least annually	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Less than once a year	<input type="checkbox"/>	<input type="checkbox"/>
(C) On an ad hoc basis	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

## STEWARDSHIP

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 13	CORE	OO 8, OO 21	N/A	PUBLIC	Stewardship	1, 2

For the majority of your externally managed AUM in each asset class, which aspects of your external investment managers' stewardship practices did your organisation, or the service provider acting on your behalf, monitor during the reporting year?

	(1) Listed equity (active)	(3) Fixed income (active)
(A) Any changes in their policy(ies) or guidelines on stewardship	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) The degree of implementation of their policy(ies) or guidelines on stewardship	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) How they prioritise material ESG factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) How they prioritise risks connected to systematic sustainability issues	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(E) Their investment team's level of involvement in stewardship activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(F) Whether the results of stewardship actions were fed back into the investment process and decisions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(G) Whether they used a variety of stewardship tools and activities to advance their stewardship priorities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(H) The deployment of their escalation process in cases where initial stewardship efforts were unsuccessful	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(I) Whether they participated in collaborative engagements and stewardship initiatives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(J) Whether they had an active role in collaborative engagements and stewardship initiatives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(K) Other	<input type="checkbox"/>	<input type="checkbox"/>
(L) We did not monitor our external investment managers' stewardship practices during the reporting year	<input type="radio"/>	<input type="radio"/>

## ENGAGEMENT AND ESCALATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 15	PLUS	OO 14, OO 21	N/A	PUBLIC	Engagement and escalation	4

**Describe how your organisation engaged with external investment managers to improve their responsible investment practices during the reporting year.**

We have regular due diligence calls with sub-advisors where we discuss the ongoing evolution of their responsible investment practices, with the expectation that managers will continue to deepen their approach to ESG integration. In certain cases, we may have a direct intervention on a specific name and will use that opportunity to share our assessment and analysis of the name to unpack why the manager assessed the risks differently. More broadly, we have been meeting with sub-advisors outside of the regular due-diligence process to discuss their approach to aligning with a net-zero pathway. In these meetings we are specifically digging into how the manager plans to meet any net-zero related targets and to determine where the manager might be able to align with NEI's targets and methodology. In several cases the manager has been looking for input on its approach and has adapted its strategy in response to our feedback on what would work for us.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 16	CORE	OO 14, OO 21	N/A	PUBLIC	Engagement and escalation	4

**What actions does your organisation, or the service provider acting on your behalf, include in its formal escalation process to address concerns raised during monitoring of your external investment managers' responsible investment practices?**

	(1) Listed equity (active)	(3) Fixed income (active)
(A) Engagement with their investment professionals, investment committee or other representatives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Notification about their placement on a watch list or relationship coming under review	<input type="checkbox"/>	<input type="checkbox"/>
(C) Reduction of capital allocation to the external investment managers until any concerns have been rectified	<input type="checkbox"/>	<input type="checkbox"/>
(D) Termination of the contract if failings persist over a (notified) period, including an explanation of the reasons for termination	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(E) Holding off selecting the external investment managers for new mandates or allocating additional capital until any concerns have been rectified

(F) Other

(G) Our organisation does not have a formal escalation process to address concerns raised during monitoring

## VERIFICATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 17	CORE	OO 14, OO 21	N/A	PUBLIC	Verification	1

**For the majority of your externally managed AUM in each asset class, how did your organisation, or the service provider acting on your behalf, verify that the information reported by external investment managers on their responsible investment practices was correct during the reporting year?**

**(1) Listed equity (active)**

**(3) Fixed income (active)**

(A) We checked that the information reported was verified through a third-party assurance process

(B) We checked that the information reported was verified by an independent third party

(C) We checked for evidence of internal monitoring or compliance

(D) Other

(E) We did not verify the information reported by external investment managers on their responsible investment practices during the reporting year

# LISTED EQUITY (LE)

## OVERALL APPROACH

### MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 1	CORE	OO 21	N/A	PUBLIC	Materiality analysis	1

**Does your organisation have a formal investment process to identify and incorporate material ESG factors across your listed equity strategies?**

#### (1) Passive equity

(A) Yes, our investment process incorporates material governance factors

(1) for all of our AUM

(B) Yes, our investment process incorporates material environmental and social factors

(1) for all of our AUM

(C) Yes, our investment process incorporates material ESG factors beyond our organisation's average investment holding period

(1) for all of our AUM

(D) No, we do not have a formal process. Our investment professionals identify material ESG factors at their discretion

o

(E) No, we do not have a formal or informal process to identify and incorporate material ESG factors

o

## MONITORING ESG TRENDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 2	CORE	OO 21	N/A	PUBLIC	Monitoring ESG trends	1

**Does your organisation have a formal process for monitoring and reviewing the implications of changing ESG trends across your listed equity strategies?**

### (1) Passive equity

(A) Yes, we have a formal process that includes scenario analyses

(B) Yes, we have a formal process, but it does not include scenario analyses

(1) for all of our AUM

(C) We do not have a formal process for our listed equity strategies; our investment professionals monitor how ESG trends vary over time at their discretion

o

(D) We do not monitor and review the implications of changing ESG trends on our listed equity strategies

o

### **(B) Yes, we have a formal process but it does not include scenario analysis - Specify: (Voluntary)**

There are several venues for this assessment, the two primary ones are our material risk assessment (MRA) process and our annual focus list development process. For the MRA, we have a sector-by-sector deep dive on material ESG risks that is performed by the analysts responsible for assessing the relevant sectors. The MRA is meant to uncover new risks/trends and map them against a probability/impact matrix to determine their materiality. The outcomes of the MRA help inform our evaluations process and metrics. The annual focus list planning process is an annual review of our corporate engagements from the year, a look at emerging trends that have surfaced via media or through our proxy voting process, and a stocktake on systemic risks. The outcome of the focus list planning process is the identification of key ESG issues we want to address that year and specific companies that have a material exposure to those risks.

# PRE-INVESTMENT

## ESG INCORPORATION IN RESEARCH

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 4	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**What information do you incorporate when you assess the ESG performance of companies in your financial analysis, benchmark selection and/or portfolio construction process?**

### (1) Passive equity

(A) We incorporate qualitative and/or quantitative information on current performance across a range of material ESG factors

(1) in all cases

(B) We incorporate qualitative and/or quantitative information on historical performance across a range of material ESG factors

(1) in all cases

(C) We incorporate qualitative and/or quantitative information on material ESG factors that may impact or influence future corporate revenues and/or profitability

(1) in all cases

(D) We incorporate qualitative and/or quantitative information enabling current, historical and/or future performance comparison within a selected peer group across a range of material ESG factors

(1) in all cases

(E) We do not incorporate qualitative or quantitative information on material ESG factors when assessing the ESG performance of companies in our financial analysis, equity investment or portfolio construction process

o



## ESG INCORPORATION IN PORTFOLIO CONSTRUCTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 5	PLUS	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

**Provide an example of how you incorporated ESG factors into your equity selection and research process during the reporting year.**

For NEI ESG Canadian Enhanced Index Fund, companies are assessed based on a number of material ESG factors that vary based on industry group. For each factor, companies are assessed based on a specific set of expectations that leverage, among other things, international frameworks and standards, best practices, and the overall state of corporate disclosures. Companies are ranked against peers to identify their ESG performance category: leaders, average performers, and below-average performers. Companies that significantly lag peers may not be included in the fund, whereas companies that demonstrate stronger performance may be given a higher weighting.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 6	CORE	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

**How do material ESG factors contribute to your stock selection, portfolio construction and/or benchmark selection process?**

### (1) Passive equity

(A) Material ESG factors contribute to the selection of individual assets and/or sector weightings within our portfolio construction and/or benchmark selection process

(1) for all of our AUM

(B) Material ESG factors contribute to the portfolio weighting of individual assets within our portfolio construction and/or benchmark selection process

(1) for all of our AUM

(C) Material ESG factors contribute to the country or region weighting of assets within our portfolio construction and/or benchmark selection process

(D) Other ways material ESG factors contribute to your portfolio construction and/or benchmark selection process

(E) Our stock selection, portfolio construction or benchmark selection process does not include the incorporation of material ESG factors

o

## PASSIVE INVESTMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 7	PLUS	OO 21	N/A	PUBLIC	Passive investments	1

**Provide an example of how material ESG factors influenced weightings and tilts in the design of your passively managed funds.**

For NEI ESG Canadian Enhanced Index fund, constituents are overweighted or underweighted relative to the benchmark (accounting for sector normalization) based on their ESG performance relative to peers. Companies are assessed based on a number of ESG factors that are material to their industry group. For each factor, companies are expected to meet baseline expectations that take into account international standards and frameworks, best practices, and the overall state of corporate disclosures, among other considerations. Companies are then ranked against peers and assigned an ESG performance category: leaders, average performers, and below-average performers. The leaders would be overweighted and the below-average performers would be underweighted relative to the benchmark. Companies that are significantly lagging peers may be excluded.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 8	PLUS	OO 19, OO 21	N/A	PUBLIC	Passive investments	1

**How does your organisation select the ESG index(es) or benchmark(s) for your passive listed equity assets?**

(A) We commission customised indexes

Explain:

The benchmark for NEI ESG Canadian Enhanced Index Fund is customized based on the Solactive Canada Broad Market Index. We employ a proprietary framework that ranks companies based on their ESG performance, allowing us to overweight strong performers and underweight or exclude the weaker ones.

(B) We compare the methodology amongst the index providers available

(C) We compare the costs of different options available in the market

(D) Other

# SUSTAINABILITY OUTCOMES (SO)

## SETTING TARGETS AND TRACKING PROGRESS

### SETTING TARGETS ON SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 1	PLUS	PGS 48	SO 2, SO 2.1, SO 3	PUBLIC	Setting targets on sustainability outcomes	1, 2

What specific sustainability outcomes connected to its investment activities has your organisation taken action on?

**(A) Sustainability outcome #1**

- (1) Widely recognised frameworks used to guide action on this sustainability outcome
  - (1) The UN Sustainable Development Goals (SDGs) and targets
  - (2) The UNFCCC Paris Agreement**
  - (3) The UN Guiding Principles on Business and Human Rights (UNGPs)
  - (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
  - (5) The EU Taxonomy
  - (6) Other relevant taxonomies
  - (7) The International Bill of Human Rights
  - (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
  - (9) The Convention on Biological Diversity
  - (10) Other international, regional, sector-based or issue-specific framework(s)
- (2) Classification of sustainability outcome
  - (1) Environmental**
  - (2) Social
  - (3) Governance-related
  - (4) Other
- (3) Sustainability outcome name
 

NZAM AUM commitment
- (4) Number of targets set for this outcome
  - (1) No target
  - (2) One target**
  - (3) Two or more targets

**(B) Sustainability outcome #2**

- (1) Widely recognised frameworks used to guide action on this sustainability outcome
  - (1) The UN Sustainable Development Goals (SDGs) and targets
  - (2) The UNFCCC Paris Agreement**
  - (3) The UN Guiding Principles on Business and Human Rights (UNGPs)
  - (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
  - (5) The EU Taxonomy
  - (6) Other relevant taxonomies
  - (7) The International Bill of Human Rights
  - (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
  - (9) The Convention on Biological Diversity
  - (10) Other international, regional, sector-based or issue-specific framework(s)

- (2) Classification of sustainability outcome
- (1) **Environmental**
  - (2) Social
  - (3) Governance-related
  - (4) Other
- (3) Sustainability outcome name
- NZAM portfolio emissions
- (4) Number of targets set for this outcome
- (1) No target
  - (2) **One target**
  - (3) Two or more targets
- (C) Sustainability outcome #3**
- (1) Widely recognised frameworks used to guide action on this sustainability outcome
- (1) The UN Sustainable Development Goals (SDGs) and targets
  - (2) **The UNFCCC Paris Agreement**
  - (3) The UN Guiding Principles on Business and Human Rights (UNGPs)
  - (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
  - (5) The EU Taxonomy
  - (6) Other relevant taxonomies
  - (7) The International Bill of Human Rights
  - (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
  - (9) The Convention on Biological Diversity
  - (10) Other international, regional, sector-based or issue-specific framework(s)
- (2) Classification of sustainability outcome
- (1) **Environmental**
  - (2) Social
  - (3) Governance-related
  - (4) Other
- (3) Sustainability outcome name
- NZAM climate engagement
- (4) Number of targets set for this outcome
- (1) No target
  - (2) **One target**
  - (3) Two or more targets
- (D) Sustainability outcome #4**
- (1) Widely recognised frameworks used to guide action on this sustainability outcome
- (1) The UN Sustainable Development Goals (SDGs) and targets
  - (2) **The UNFCCC Paris Agreement**
  - (3) The UN Guiding Principles on Business and Human Rights (UNGPs)
  - (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
  - (5) The EU Taxonomy
  - (6) Other relevant taxonomies
  - (7) The International Bill of Human Rights
  - (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
  - (9) The Convention on Biological Diversity
  - (10) Other international, regional, sector-based or issue-specific framework(s)
- (2) Classification of sustainability outcome
- (1) **Environmental**
  - (2) Social
  - (3) Governance-related
  - (4) Other
- (3) Sustainability outcome name

NZAM climate solutions

(4) Number of targets set for this outcome

- (1) No target
- (2) One target
- (3) Two or more targets

- (E) Sustainability outcome #5
- (F) Sustainability outcome #6
- (G) Sustainability outcome #7
- (H) Sustainability outcome #8
- (I) Sustainability outcome #9
- (J) Sustainability outcome #10

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 2	PLUS	SO 1	SO 2.1, SO 4, SO 5	PUBLIC	Setting targets on sustainability outcomes	1

For each sustainability outcome, provide details of up to two of your nearest-term targets.

**(A1) Sustainability Outcome #1: Target details**

(A1) Sustainability Outcome #1:	NZAM AUM commitment
(1) Target name	NZAM AUM commitment
(2) Baseline year	2021
(3) Target to be met by	2050
(4) Methodology	Net Zero Investment Framework
(5) Metric used (if relevant)	% of AUM managed in line with net zero
(6) Absolute or intensity-based (if relevant)	
(7) Baseline level or amount (if relevant):	12%
(8) Target level or amount (if relevant)	100%
(9) Percentage of total AUM covered in your baseline year for target setting	76.9%

(10) Do you also have a longer-term target for this?

**(B1) Sustainability Outcome #2: Target details**

(B1) Sustainability Outcome #2: NZAM portfolio emissions

(1) Target name NZAM portfolio emissions

(2) Baseline year 2019

(3) Target to be met by 2025

(4) Methodology The Fund(s) follows a portfolio decarbonization approach intended to reduce the financed emissions of the corporate bond and equity holdings of the Fund(s) to net zero by 2050. To achieve this, some or all of the Funds' holdings will be linked to lower carbon emissions, and the Fund(s) will strive to maintain a level of financed emissions that is lower than a projected pathway from the benchmark level at 2019 to net zero by 2050.

(5) Metric used (if relevant) tCO2e/\$1M USD sales

(6) Absolute or intensity-based (if relevant) (2) Intensity-based

(7) Baseline level or amount (if relevant): 363 tCO2e/\$1M USD sales & 238 tCO2e/\$1M USD sales

(8) Target level or amount (if relevant) 30% reduction from baseline

(9) Percentage of total AUM covered in your baseline year for target setting 12%

(10) Do you also have a longer-term target for this? (1) Yes

**(C1) Sustainability Outcome #3: Target details**

(C1) Sustainability Outcome #3: NZAM climate engagement

(1) Target name NZAM climate engagement

(2) Baseline year 2021

(3) Target to be met by 2030

(4) Methodology	Net Zero Investment Framework
(5) Metric used (if relevant)	Proprietary alignment framework
(6) Absolute or intensity-based (if relevant)	
(7) Baseline level or amount (if relevant):	15% of 2023 financed emissions in high impact sectors deemed to be aligned; 36% were the subject of engagement for a total of 51%.
(8) Target level or amount (if relevant)	70% of financed emissions in high impact sectors are aligned to a net-zero pathway or the subject of engagement.
(9) Percentage of total AUM covered in your baseline year for target setting	76.9%
(10) Do you also have a longer-term target for this?	(1) Yes
<b>(D1) Sustainability Outcome #4: Target details</b>	
(D1) Sustainability Outcome #4:	NZAM climate solutions
(1) Target name	NZAM climate solutions
(2) Baseline year	2019
(3) Target to be met by	2030
(4) Methodology	
(5) Metric used (if relevant)	% AUM growth
(6) Absolute or intensity-based (if relevant)	
(7) Baseline level or amount (if relevant):	US\$1.57B
(8) Target level or amount (if relevant)	US\$4.71B
(9) Percentage of total AUM covered in your baseline year for target setting	20%

(10) Do you also have a longer-term target for this?

(2) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 2.1	PLUS	SO 1, SO 2	N/A	PUBLIC	Setting targets on sustainability outcomes	1

For each sustainability outcome, provide details of up to two of your long-term targets.

	(1) Target name	(2) Long-term target to be met by	(3) Long-term target level or amount (if relevant)
(B1) Sustainability Outcome #2: NZAM portfolio emissions	NZAM portfolio emissions	2030	60% reduction from baseline.
(C1) Sustainability Outcome #3: NZAM climate engagement	NZAM climate engagement	2040	90% of financed emissions are either net zero, aligned to net-zero, or the subject of engagement.

## FOCUS: SETTING NET-ZERO TARGETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 3	PLUS	SO 1	Multiple, see guidance	PUBLIC	Focus: Setting net-zero targets	General

If relevant to your organisation, you can opt-in to provide further details on your net-zero targets.

- (A) Yes, we would like to provide further details on our organisation's asset class-specific net-zero targets
- (B) Yes, we would like to provide further details on our organisation's net-zero targets for high-emitting sectors
- (C) Yes, we would like to provide further details on our organisation's mandate or fund-specific net-zero targets
- (D) No, we would not like to provide further details on our organisation's asset class, high-emitting sectors or mandate or fund-specific net-zero targets
- (E) No, our organisation does not have any asset class, high-emitting sectors or mandate or fund-specific net-zero targets



## TRACKING PROGRESS AGAINST TARGETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 4	PLUS	SO 2	SO 4.1	PUBLIC	Tracking progress against targets	1

Does your organisation track progress against your nearest-term sustainability outcomes targets?

**(A1) Sustainability outcome #1:**

(A1) Sustainability outcome #1: NZAM AUM commitment

Target name: NZAM AUM commitment

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes

**(B1) Sustainability outcome #2:**

(B1) Sustainability outcome #2: NZAM portfolio emissions

Target name: NZAM portfolio emissions

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes

**(C1) Sustainability outcome #3:**

(C1) Sustainability outcome #3: NZAM climate engagement

Target name: NZAM climate engagement

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes

### (D1) Sustainability outcome #4:

(D1) Sustainability outcome #4: NZAM climate solutions

Target name: NZAM climate solutions

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 4.1	PLUS	SO 4	N/A	PUBLIC	Tracking progress against targets	1

During the reporting year, what qualitative or quantitative progress did your organisation achieve against your nearest-term sustainability outcome targets?

### (A1) Sustainability Outcome #1: Target details

(A1) Sustainability Outcome #1: NZAM AUM commitment

(1) Target name: NZAM AUM commitment

(2) Target to be met by: 2050

(3) Metric used (if relevant): % of AUM managed in line with net zero

(4) Current level or amount (if relevant)

(5) Other qualitative or quantitative progress

(6) Methodology for tracking progress

### (B1) Sustainability Outcome #2: Target details

(B1) Sustainability Outcome #2: NZAM portfolio emissions

(1) Target name: NZAM portfolio emissions

(2) Target to be met by	2025
(3) Metric used (if relevant)	tCO2e/\$1M USD sales
(4) Current level or amount (if relevant)	Fund A: 61.2 tCO2/\$1M USD sales; Fund B: 119 tCO2/\$1M USD sales
(5) Other qualitative or quantitative progress	Fund A: 83% reduction from baseline; Fund B: 50% reduction from baseline
(6) Methodology for tracking progress	Baseline tCO2/\$1M USD sales - Current carbon intensity / baseline = % reduction

**(C1) Sustainability Outcome #3: Target details**

(C1) Sustainability Outcome #3:	NZAM climate engagement
(1) Target name	NZAM climate engagement
(2) Target to be met by	2030
(3) Metric used (if relevant)	Proprietary alignment framework
(4) Current level or amount (if relevant)	15% financed emissions in high-impact sectors aligned to a net-zero pathway; 36% financed emissions in high-impact sectors engaged to be aligned to a net zero pathway; total of 51% toward target.
(5) Other qualitative or quantitative progress	
(6) Methodology for tracking progress	Calculate financed emissions of portfolio companies in high-impact sectors (per NZIF); Assess company alignment to a net-zero pathway using proprietary framework made up of multiple indicators; of companies determined NOT to be aligned, calculate percentage of financed emissions engaged on a 2-year rolling basis on topics/themes related to net-zero alignment.

**(D1) Sustainability Outcome #4: Target details**

(D1) Sustainability Outcome #4:	NZAM climate solutions
(1) Target name	NZAM climate solutions
(2) Target to be met by	2030
(3) Metric used (if relevant)	% AUM growth

(4) Current level or amount (if relevant) US\$1.92B

(5) Other qualitative or quantitative progress 32.2% AUM growth (measuring in C\$ for growth purposes)

(6) Methodology for tracking progress Ending AUM - Baseline AUM / Baseline AUM = % AUM change

## INDIVIDUAL AND COLLABORATIVE INVESTOR ACTION ON OUTCOMES

### LEVERS USED TO TAKE ACTION ON SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 5	PLUS	SO 2	Multiple	PUBLIC	Levers used to take action on sustainability outcomes	1, 2, 5

During the reporting year, which of the following levers did your organisation use to take action on sustainability outcomes, including to prevent and mitigate actual and potential negative outcomes?

- (A) Stewardship with investees, including engagement, (proxy) voting, and direct influence with privately held assets  
Select from drop down list:
  - (1) Individually
  - (2) With other investors or stakeholders
- (B) Stewardship: engagement with external investment managers  
Select from drop down list:
  - (1) Individually
  - (2) With other investors or stakeholders
- (C) Stewardship: engagement with policy makers  
Select from drop down list:
  - (1) Individually
  - (2) With other investors or stakeholders
- (D) Stewardship: engagement with other key stakeholders  
Select from drop down list:
  - (1) Individually
  - (2) With other investors or stakeholders
- (E) Capital allocation
- (F) Our organisation did not use any of the above levers to take action on sustainability outcomes during the reporting year

## STEWARDSHIP WITH INVESTEEES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 8	PLUS	SO 5	N/A	PUBLIC	Stewardship with investees	2

**During the reporting year, how did your organisation use stewardship with investees to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

### (A) Across all sustainability outcomes

(1) Describe your approach	NEI's primary approach to achieving sustainability outcomes is through stewardship. That includes two main activities: corporate engagement and proxy voting. We are also active contributors to policy development with regulators, standard setters, and other organizations, which we feel is a crucial factor in pursuing sustainability outcomes, especially at a system level.
(2) Stewardship tools or activities used	(1) Engagement (2) (Proxy) voting at shareholder meetings (3) Filing of shareholder resolutions or proposals (7) Working directly with portfolio companies and/or real asset management teams
(3) Example	Over the course of the year we engaged in collaborative initiatives as part of Climate Engagement Canada, CA 100+, Finance Sector Deforestation Action, Investor Alliance for Human Rights, Ceres Valuing Water Finance Initiative, Access to Medicine, Ranking Digital Rights, and Nature Action 100, among others.

### (B) Sustainability Outcome #1:

(B) Sustainability Outcome #1:	NZAM AUM commitment
(1) Describe your approach	We have been engaging with investee companies for many years in an effort to help them reduce their greenhouse gas emissions. We discuss strategy, capital allocation, long- and short-term targets, and the credibility of pathways used to achieve them. We engage one-on-one with companies and as a contributor to larger group initiatives such as Climate Engagement Canada and CA100+. We also vote on climate-related shareholder resolutions, and we consider the status of a company's climate strategy when we vote on director nominees and on executive compensation packages. A new aspect of our engagement strategy has been the use of our proprietary alignment framework that has allowed us to identify the names that contribute the most to our financed emissions and compare them against our expectations for aligning with a net zero trajectory. Companies that are falling short become the subject of engagement to address the weaknesses.
(2) Stewardship tools or activities used	(1) Engagement (2) (Proxy) voting at shareholder meetings (7) Working directly with portfolio companies and/or real asset management teams

(3) Example We met with AltaGas several times in 2023 to discuss the company's emission reduction targets, understand its position on climate-related lobbying, push for better disclosure on capital allocation towards reduction opportunities, and encourage the company to consider ways to enhance its methane measurement performance, such as through the Oil & Gas Methane Partnership (OGMP) 2.0.

**(C) Sustainability Outcome #2:**

(C) Sustainability Outcome #2: NZAM portfolio emissions

(1) Describe your approach Our sub-advisor is largely relying on capital allocation (i.e. investment decisions) to meet this objective. As a result, engagement with investee companies is not a substantive part of this strategy. That said, our work with companies to produce credible transition plans, set ambitious targets, and allocate capital effectively to meet those targets should help reduce the real-world emissions of our portfolio. As such, engagement can be seen as supportive of our portfolio emissions target.

(2) Stewardship tools or activities used

(3) Example

**(D) Sustainability Outcome #3:**

(D) Sustainability Outcome #3: NZAM climate engagement

(1) Describe your approach We began using our proprietary alignment framework in 2023 to identify our biggest sources of financed emissions and prioritize engagement with those names that are least aligned or have a material deficiency in their alignment that can be addressed by engagement. Climate has long been a focus of our engagement program so our approach, and the topics raised, did not necessarily shift dramatically, but our use of the alignment framework represents a change in tactics. This included the use of proxy voting to vote against key board members at companies that were not meeting our expectations when it came to oversight of key climate-related risks.

(2) Stewardship tools or activities used

- (1) Engagement
- (2) (Proxy) voting at shareholder meetings
- (7) Working directly with portfolio companies and/or real asset management teams

(3) Example

We are the lead or co-lead for four engagements with the Climate Engagement Canada initiative. As a result, we have been leading engagement with several of our key sources of financed emissions. For example, we have been engaging GFL on its climate transition plan, setting interim targets, and capital allocation. The company has since produced a TCFD-aligned report that addresses the key aspects of its transition strategy, including a focus on the capture and use of methane emissions from its landfills, building new material recovery facilities to support the growth of circular business models for its clients, and transitioning its fleet of vehicles to utilize the renewable natural gas it is capturing from its landfills, among other actions. We continue to support the company's focus on developing business lines that are transition compatible and work with them to increase the effectiveness of their climate-related reporting.

**(E) Sustainability Outcome #4:**

(E) Sustainability Outcome #4:

NZAM climate solutions

(1) Describe your approach

Note that the main strategy we use for meeting our climate solutions target is through the investment process, whereby we are choosing fund mandates and sub-advisors that are focused on exploiting the opportunities presented by climate solutions. However, we do also engage companies that are providing climate solutions to ensure that they are addressing material risks and ensure their continued growth and focus on climate solutions.

(2) Stewardship tools or activities used

(1) Engagement

(3) Example

In 2023 we met with Ball Corporation, where we addressed the topic of nature impacts and circular business models. We discussed the company's assessment of its impacts and dependencies, in particular as it related to the company's supply chain. As a manufacturer of aluminum packaging, the company is dependent on the mining industry and the impacts of that industry represent both a material impact on nature, but also a key business risk should those impacts lead to disruptions in the supply chain. One of the key solutions the company is focused on is circularity, and increasing the use of recycled inputs to lessen the reliance on upstream mining. This has the added benefit of also reducing their GHG footprint, since it is more efficient to recycle existing aluminum packaging than it is to mine and process it. We encouraged the company to continue pursuing its circularity-based goals and to consider combining their TCFD aligned reporting with reporting against the TNFD framework.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 9	PLUS	SO 5	N/A	PUBLIC	Stewardship with investees	2

**How does your organisation prioritise the investees you conduct stewardship with to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

**(A) We prioritise the most strategically important companies in our portfolio.**

Describe how you do this:

Focus List companies are selected based on a combination of factors, including: our exposure (i.e., how much of a given security NEI owns), alignment with the Focus List themes, the severity and materiality of the risk, the systemic importance of the company, the strength of our existing relationships, and ease of access and the likelihood of achieving measurable progress. This selection process and resulting list of prioritized names will influence our engagement program for the year. We have plans to engage more companies, but we give ourselves the flexibility to respond to opportunities and emerging risks that we know will surface along the way. For example, companies will often initiate dialogue with us to request our feedback or glean our insights on new disclosures or strategies. We must be prepared for active engagement on those requests.

It is important to note that companies are not necessarily on our list because their ESG performance is lower than peers. In many cases, the opposite is true. We put industry leaders on the list if we want to pursue an agenda that may be too advanced for their peers, or if we want to collaborate with companies on tackling emerging best practices that can raise the bar for entire industries. In other cases, a company might sit in the middle of the pack on an issue, neither a leader nor a laggard, but the size of our investment may increase the materiality of the risk and elevate them to a priority name. Still others make the list because they are lagging their peers, but we believe we can mitigate the risks through engagement, with the goal of capturing the potential upside of improved ESG performance.

Select from the list:

3

(B) We prioritise the companies in our portfolio most significantly connected to sustainability outcomes.

Describe how you do this:

In 2023 we began using our proprietary alignment framework to identify companies with large financed emissions that were also falling short in one or more aspects of our alignment framework. These names were prioritized for engagement. As well, we continue to utilize a prioritization process that identifies those companies that are most exposed (or contributing to) sustainability outcomes and where we have a substantial holding. Those names will rise to the top of our prioritization for engagement.

Select from the list:

1

(C) We prioritise the companies in our portfolio to ensure that we cover a certain proportion of the sustainability outcomes we are taking action on.

Describe how you do this:

Our Focus List process, whereby we determine our Focus List themes and target companies at the beginning of the year, is meant to ensure coverage across sustainability topics. As such, we use the Focus List planning process to ensure we have coverage of key sustainability outcomes.

Select from the list:

2

(D) Other

Describe:

In addition to the prioritization methodologies already discussed, NEI considers existing relationships/collaborations with investor groups, sub-advisors, and other organizations that may enable us to access portfolio companies more readily through these other channels, rather than on our own.

Select from the list:

4



## STEWARDSHIP WITH EXTERNAL INVESTMENT MANAGERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 10	PLUS	OO 5, SO 5	N/A	PUBLIC	Stewardship with external investment managers	2

**During the reporting year, how did your organisation, or the external service providers acting on your behalf, engage with external investment managers to ensure that they take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

### (A) Across all sustainability outcomes

(1) Describe your approach

We meet with our external managers regularly to understand their engagement progress, and we review their engagement case studies. In certain cases we raise our concerns with specific investee companies to determine if the sub-advisor is aware of the issues and to understand what actions they might be undertaking to address them. As an example, we discuss approaches to net zero and other sustainability outcomes on an ad hoc basis, talking with several of our sub-advisors to understand if they have set net zero targets and to determine how they plan to meet them. We look for synergies in these strategies in order to support our shared climate-related goals.

### (B) Sustainability Outcome #1:

(B) Sustainability Outcome #1:

NZAM AUM commitment

(1) Describe your approach

We connect with external managers on the topic of climate change and net-zero commitments at least annually, and for many sub-advisors more frequently. We track which of them have net-zero commitments and targets, which of them are committed to reporting in alignment with the TCFD, and we review their engagement reports and discuss other related initiatives, such as mandate-specific net-zero targets and/or portfolio alignment frameworks.

### (C) Sustainability Outcome #2:

(C) Sustainability Outcome #2:

NZAM portfolio emissions

(1) Describe your approach

We met several times with our sub-advisor to understand and agree upon the net-zero strategy the sub-advisor would apply to two of the funds they managed for us. The meetings went into detail on the methodology and the expected investment outcomes of the strategy. After agreeing on the strategy, annual due diligence meetings are utilized to check up on progress in the strategy.

**(D) Sustainability Outcome #3:**

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(D) Sustainability Outcome #3: NZAM climate engagement

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(1) Describe your approach

We have begun working with one of our sub-advisors who is also utilizing an alignment approach in order to prioritize engagement targets and to collaborate on those engagements. We meet quarterly with the sub-advisor to discuss progress, plan for upcoming engagements, and identify new engagement targets. Meetings are held jointly with the companies. Future plans are to begin sharing our alignment findings with other sub-advisors in situations where we have identified companies that are non-aligned in order to initiate a strategy to address those shortcomings.

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**(E) Sustainability Outcome #4:**

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(E) Sustainability Outcome #4: NZAM climate solutions

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(1) Describe your approach

We continue to engage the managers of our impact suite of funds to provide impact metrics and evidence of continued investment in companies that are helping us meet our sustainability outcome goals, including our climate solutions goal. Due diligence meetings are annual, while we regularly reach out for impact-related data and stories.

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## STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 11	PLUS	SO 5	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

**During the reporting year, how did your organisation use engagement with policy makers to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

### (A) Across all sustainability outcomes

(1) Describe your approach

Taking a broader approach than company-by-company dialogue, we work to address sustainability outcomes through our policy work to have a broader impact and more influence at a higher level; supporting policies and regulations that support our investment thesis that companies that perform better on ESG metrics can be better long-term investments. We disclose all of our policy activities on our website and where possible make public our submissions and comments. We believe that policy actions are a critical stewardship responsibility for investors and that an appropriate policy and standards environment is essential for the effective and efficient address of key sustainability issues.

(2) Engagement tools or activities used

- (1) We participated in 'sign-on' letters
- (2) We responded to policy consultations
- (3) We provided technical input via government- or regulator-backed working groups
- (4) We engaged policy makers on our own initiative

(3) Example(s) of policies engaged on

Among many other activities we pursued in 2023:

Focus theme: Human rights

Signed the Investor Statement in Support of Digital Rights Regulations in the European Union Artificial Intelligence Act, urging the European Parliament, European Commission and the Council of the European Union to consider incorporating additional recommendations to protect the rights of all people.

Joined an investor statement recommending all companies with direct or indirect business activities or business relationships connected to Iran take immediate steps to ensure the respect for human rights in their business activities and relationships across their value chains.

In honour of the 10th anniversary of the Rana Plaza tragedy, we joined an investor statement asking companies in our portfolios to commit to safeguarding the health and safety of workers in Bangladesh, Pakistan and throughout global supply chains.

Focus theme: Inequality

Met with the Ontario Securities Commission to provide feedback and share our perspective on the regulator's priorities regarding diversity, equity and inclusion and Indigenous engagement.

As part of an investor collaboration, we wrote to the Ontario Ministry of Finance to encourage the government to support the Ontario Securities Commission in implementing changing to its diversity, equity and inclusion reporting requirements.

Met with the Ontario Securities Commission, along with other investors, to discuss the CSA consultation on diversity beyond gender.

Focus theme: Net-zero alignment

Submitted comments to the Environmental Protection Agency's consultation on its proposed rules for reducing methane emissions from the oil and gas sector, supporting the development of robust emission reduction standards for the industry.

Responded to a survey from the Taskforce on Climate-related Financial Disclosures (TCFD) on our experience reporting against the TCFD framework.

Provided input to the Energy Futures Lab in regard to their submission to the government of Alberta outlining the top policy priorities that would help Alberta seize the opportunities of the energy transition.

We joined a sign-on letter supporting the adoption of the International Sustainability Standards Board's climate related reporting framework at a global level, to be released at COP 28.

We submitted comments to the Office of the Superintendent of Financial Institutions (OSFI) in response to its consultation on its Draft Standardized Climate Scenario Exercise, showing our support for OSFI's role in building expertise across the financial industry on the use of climate scenarios, and ensuring OSFI is able to adequately monitor and assess risk exposure across the sector.

Focus theme: Nature

Provided comments to the Global Reporting Initiative's consultation on its draft biodiversity disclosure requirements.

Joined an investor statement calling for companies with intensive use of plastic packaging to take urgent action to reduce their use of plastics.

Submitted responses to the TNFD's consultation on beta v0.4 of the Framework through the TNFD's survey option.

Submitted comments in response to the Business Benchmark for Farm Animal Welfare's consultation on its revised benchmark, indicating areas where the benchmark could be improved for investor use.

We supported the Statement from the Private Financial Sector to the Conference of the Parties to the Convention on Biological Diversity, which called on governments to provide an agreement that creates the clarity and action to align all economic actors, including finance, to halt and reverse nature loss, and contribute to Nature-based Solutions to climate change, a fair and just transition, and other sustainable development challenges.

We were invited to attend a roundtable for Environment and Climate Change Canada's Conversation Exchange project to provide feedback and input on the initiative.

NEI Investments was a research participant for the University of Waterloo's research on water risks intended to understand the relationship between water risk perception and risk assessments in Ontario.

We met with ESG data providers as part of the Finance Sector Deforestation Action working group to support a focus on deforestation as a priority area for product development, and to explain what kind of data would be helpful for investors.

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**(B) Sustainability Outcome #1:**

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(B) Sustainability Outcome #1: NZAM AUM commitment

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(1) Describe your approach

Our climate-related policy work aims to create a policy and standards environment that enables an efficient and just transition. As such, there are numerous issues that are best addressed at the policy level, that either help companies to decarbonize more quickly, or address the appropriate inclusion of Indigenous peoples, or help investors and other stakeholders understand the climate-related impacts of companies. Our policy work is explicitly aligned with our commitment to align our portfolio with a net zero trajectory.

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(2) Engagement tools or activities used

- (1) We participated in 'sign-on' letters
- (2) We responded to policy consultations
- (3) We provided technical input via government- or regulator-backed working groups
- (4) We engaged policy makers on our own initiative

(3) Example(s) of policies engaged on

Submitted comments to the Environmental Protection Agency's consultation on its proposed rules for reducing methane emissions from the oil and gas sector, supporting the development of robust emission reduction standards for the industry.

Responded to a survey from the Taskforce on Climate-related Financial Disclosures (TCFD) on our experience reporting against the TCFD framework.

Provided input to the Energy Futures Lab in regard to their submission to the government of Alberta outlining the top policy priorities that would help Alberta seize the opportunities of the energy transition.

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We signed an investor letter to the US Securities Exchange Commission (SEC) urging the commission to follow-through on its proposed climate disclosure framework. The letter was prompted by concern that some corporate stakeholders were pushing for the proposal to be significantly watered down.

We once again supported the Investor Agenda Global Investor Statement, which called on governments to continue to increase their ambition in addressing climate change. The statement was signed by 604 investors representing almost USD \$42 trillion in AUM.

We submitted comments on the federal government's proposed regulatory framework for reducing methane emissions from the oil and gas industry, noting our support for the ambition of the proposed changes.

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**(C) Sustainability Outcome #2:**

(C) Sustainability Outcome #2:

NZAM portfolio emissions

(1) Describe your approach

Our climate-related policy work aims to create a policy and standards environment that enables an efficient and just transition. As such, there are numerous issues that are best addressed at the policy level, that either help companies to decarbonize more quickly, or address the appropriate inclusion of Indigenous peoples, or help investors and other stakeholders understand the climate-related impacts of companies. Our policy work is explicitly aligned with our commitment to align our portfolio with a net zero trajectory.

- (2) Engagement tools or activities used
- (1) We participated in 'sign-on' letters
  - (2) We responded to policy consultations
  - (3) We provided technical input via government- or regulator-backed working groups
  - (4) We engaged policy makers on our own initiative

(3) Example(s) of policies engaged on

Submitted comments to the Environmental Protection Agency's consultation on its proposed rules for reducing methane emissions from the oil and gas sector, supporting the development of robust emission reduction standards for the industry.

Responded to a survey from the Taskforce on Climate-related Financial Disclosures (TCFD) on our experience reporting against the TCFD framework.

Provided input to the Energy Futures Lab in regard to their submission to the government of Alberta outlining the top policy priorities that would help Alberta seize the opportunities of the energy transition.

We joined a sign-on letter supporting the adoption of the International Sustainability Standards Board's climate related reporting framework at a global level, to be released at COP 28.

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We submitted comments on the federal government's proposed regulatory framework for reducing methane emissions from the oil and gas industry, noting our support for the ambition of the proposed changes.

We were invited to attend a roundtable on the government of British Columbia's ESG Centre of Excellence, to provide feedback and input on the initiative.

We submitted comments to the OSC on its statement of priorities for 2023. We encouraged the OSC to continue to focus on diversity, equity and inclusion as a priority area, to follow through on setting mandatory climate-related reporting standards, and to ensure that it actively includes Indigenous voices as it develops new policies and commitments.

### (D) Sustainability Outcome #3:

(D) Sustainability Outcome #3:	NZAM climate engagement
(1) Describe your approach	<p>Our climate-related policy work aims to create a policy and standards environment that enables an efficient and just transition. As such, there are numerous issues that are best addressed at the policy level, that either help companies to decarbonize more quickly, or address the appropriate inclusion of Indigenous peoples, or help investors and other stakeholders understand the climate-related impacts of companies. Our policy work is explicitly aligned with our commitment to align our portfolio with a net zero trajectory.</p>
(2) Engagement tools or activities used	<ul style="list-style-type: none"><li>(1) We participated in 'sign-on' letters</li><li>(2) We responded to policy consultations</li><li>(3) We provided technical input via government- or regulator-backed working groups</li><li>(4) We engaged policy makers on our own initiative</li></ul>
(3) Example(s) of policies engaged on	<p>Submitted comments to the Environmental Protection Agency's consultation on its proposed rules for reducing methane emissions from the oil and gas sector, supporting the development of robust emission reduction standards for the industry.</p> <p>Responded to a survey from the Taskforce on Climate-related Financial Disclosures (TCFD) on our experience reporting against the TCFD framework.</p> <p>Provided input to the Energy Futures Lab in regard to their submission to the government of Alberta outlining the top policy priorities that would help Alberta seize the opportunities of the energy transition.</p> <p>We joined a sign-on letter supporting the adoption of the International Sustainability Standards Board's climate related reporting framework at a global level, to be released at COP 28.</p> <p>We submitted comments to the Office of the Superintendent of Financial Institutions (OSFI) in response to its consultation on its Draft Standardized Climate Scenario Exercise, showing our support for OSFI's role in building expertise across the financial industry on the use of climate scenarios, and ensuring OSFI is able to adequately monitor and assess risk exposure across the sector.</p> <p>We signed an investor letter to the US Securities Exchange Commission (SEC) urging the commission to follow-through on its proposed climate disclosure framework.</p>



The letter was prompted by concern that some corporate stakeholders were pushing for the proposal to be significantly watered down.

We once again supported the Investor Agenda Global Investor Statement, which called on governments to continue to increase their ambition in addressing climate change. The statement was signed by 604 investors representing almost USD \$42 trillion in AUM.

We submitted comments on the federal government's proposed regulatory framework for reducing methane emissions from the oil and gas industry, noting our support for the ambition of the proposed changes.

We were invited to attend a roundtable on the government of British Columbia's ESG Centre of Excellence, to provide feedback and input on the initiative.

We submitted comments to the OSC on its statement of priorities for 2023. We encouraged the OSC to continue to focus on diversity, equity and inclusion as a priority area, to follow through on setting mandatory climate-related reporting standards, and to ensure that it actively includes Indigenous voices as it develops new policies and commitments.

**(E) Sustainability Outcome #4:**

(E) Sustainability Outcome #4: NZAM climate solutions

(1) Describe your approach

Our climate-related policy work aims to create a policy and standards environment that enables an efficient and just transition. As such, there are numerous issues that are best addressed at the policy level, that either help companies to decarbonize more quickly, or address the appropriate inclusion of Indigenous peoples, or help investors and other stakeholders understand the climate-related impacts of companies. Our policy work is explicitly aligned with our commitment to align our portfolio with a net zero trajectory.

(2) Engagement tools or activities used

- (1) We participated in 'sign-on' letters
- (2) We responded to policy consultations
- (3) We provided technical input via government- or regulator-backed working groups
- (4) We engaged policy makers on our own initiative

(3) Example(s) of policies engaged on

The below examples were submissions or statements that explicitly aimed to create a positive policy environment for the development of climate solutions, but we would note that many of our policy submissions have an aspect of climate solutions support that is either explicit or implicit.

Provided input to the Energy Futures Lab in regard to their submission to the government of Alberta outlining the top policy priorities that would help Alberta seize the opportunities of the energy transition.

We once again supported the Investor Agenda Global Investor Statement, which called on governments to continue to increase their ambition in addressing climate change. The statement was signed by 604 investors representing almost USD \$42 trillion in AUM.

We submitted comments on the federal government's proposed regulatory framework for reducing methane emissions from the oil and gas industry, noting our support for the ambition of the proposed changes.

## STEWARDSHIP: ENGAGEMENT WITH OTHER KEY STAKEHOLDERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 12	PLUS	SO 5	N/A	PUBLIC	Stewardship: Engagement with other key stakeholders	2, 5

**Does your organisation engage with other key stakeholders to support the development of financial products, services, research, and/or data aligned with global sustainability goals and thresholds?**

### (A) Across all sustainability outcomes

(1) Key stakeholders engaged	(1) Standard setters (6) External service providers (e.g. proxy advisers, investment consultants, data providers) (8) NGOs (9) Other key stakeholders
(2) Provide further detail on your engagement	NEI provided submissions and working group input for ISSB, TNFD, TIFD, IRMA, ISS. We participated in several multi-stakeholder collaborations that provide interface with NGOs and Indigenous groups to address key sustainability outcomes.

### (B) Sustainability Outcome #1:

(B) Sustainability Outcome #1:	NZAM AUM commitment
(1) Key stakeholders engaged	
(2) Provide further detail on your engagement	

**(C) Sustainability Outcome #2:**

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(C) Sustainability Outcome #2: NZAM portfolio emissions

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(1) Key stakeholders engaged

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(2) Provide further detail on your engagement

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**(D) Sustainability Outcome #3:**

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(D) Sustainability Outcome #3: NZAM climate engagement

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(1) Key stakeholders engaged

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(2) Provide further detail on your engagement

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**(E) Sustainability Outcome #4:**

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(E) Sustainability Outcome #4: NZAM climate solutions

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(1) Key stakeholders engaged

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(2) Provide further detail on your engagement

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## STEWARDSHIP: COLLABORATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 13	PLUS	SO 5	N/A	PUBLIC	Stewardship: Collaboration	2

**During the reporting year, to which collaborative initiatives did your organisation contribute to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

### (A) Initiative #1

(1) Name of the initiative	Climate Engagement Canada
(2) Indicate how your organisation contributed to this collaborative initiative	<p>(A) We were a lead investor in one or more focus entities (e.g. investee companies)</p> <p>(B) We acted as a collaborating investor in one or more focus entities (e.g. investee companies)</p> <p>(C) We publicly endorsed the initiative</p> <p>(F) We provided financial support</p> <p>(G) We were part of an advisory committee or similar</p> <p>(H) We contributed to the development of the initiative's materials and/or resources (e.g. co-authored a report)</p>
(3) Provide further detail on your participation in this collaborative initiative	NEI is leading and participating in multiple engagements as part of Climate Engagement Canada. Our Head of Responsible Investing is a member of the Technical Committee. NEI has also been involved in various sub-groups working on elements of the benchmark framework.

### (B) Initiative #2

(1) Name of the initiative	CDP Calgary event
(2) Indicate how your organisation contributed to this collaborative initiative	<p>(C) We publicly endorsed the initiative</p> <p>(E) We supported the coordination of the initiative (e.g. facilitating group meetings) or provided other administrative support</p> <p>(G) We were part of an advisory committee or similar</p> <p>(H) We contributed to the development of the initiative's materials and/or resources (e.g. co-authored a report)</p>

(3) Provide further detail on your participation in this collaborative initiative

NEI co-hosted an event with the CDP in the spring of 2023 that brought SMEs, investors and Calgary-based oil and gas companies together for a full day session on climate-related disclosure. The event brought representatives from 20 O&G companies along with 12 investment institutions to have a Chatham House rules discussion on climate-related disclosure. The forum allowed for a frank sharing of challenges and expectations, allowing investors to express their expectations and explain their needs to companies, while allowing companies to better understand those needs while also sharing the very real challenges they face in meeting those expectations. The event brought together companies from across the spectrum in regard to reporting and low-carbon transition planning, which allowed more advanced corporates to share their experiences and learnings with those companies still growing this aspect of their business. Investors were also able to flag areas that they saw as a focus area in the coming year, such as a push on methane emissions reductions.

**(C) Initiative #3**

(1) Name of the initiative

CA 100+

(2) Indicate how your organisation contributed to this collaborative initiative

- (A) We were a lead investor in one or more focus entities (e.g. investee companies)
- (B) We acted as a collaborating investor in one or more focus entities (e.g. investee companies)
- (C) We publicly endorsed the initiative

(3) Provide further detail on your participation in this collaborative initiative

We are a co-lead for the two largest energy companies in Canada, Suncor and Canadian Natural Resources, and continue to be a supporter with other CA100 names. Our engagements in 2023 included meetings with board and management at the focus companies.

**(D) Initiative #4**

(1) Name of the initiative

Financial Sector Deforestation Alliance

(2) Indicate how your organisation contributed to this collaborative initiative

- (A) We were a lead investor in one or more focus entities (e.g. investee companies)
- (B) We acted as a collaborating investor in one or more focus entities (e.g. investee companies)
- (C) We publicly endorsed the initiative
- (G) We were part of an advisory committee or similar

(3) Provide further detail on your participation in this collaborative initiative

We are the lead for several FSDA companies as well as a supporting investor for several others. We were part of an advisory committee that developed recommendations for banks and financial institutions.

# CONFIDENCE-BUILDING MEASURES (CBM)

## CONFIDENCE-BUILDING MEASURES

### APPROACH TO CONFIDENCE-BUILDING MEASURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 1	CORE	N/A	Multiple indicators	PUBLIC	Approach to confidence-building measures	6

#### How did your organisation verify the information submitted in your PRI report this reporting year?

- (A) We conducted independent third-party assurance of selected processes and/or data related to the responsible investment processes reported in our PRI report, which resulted in a formal assurance conclusion
- (B) We conducted a third-party readiness review and are making changes to our internal controls or governance processes to be able to conduct independent third-party assurance next year
- (C) We conducted an internal audit of selected processes and/or data related to the responsible investment processes reported in our PRI report
- (D) Our board, trustees (or equivalent), senior executive-level staff (or equivalent), and/or investment committee (or equivalent) signed off on our PRI report
- (E) We conducted an external ESG audit of our holdings to verify that our funds comply with our responsible investment policy
- (F) We conducted an external ESG audit of our holdings as part of risk management, engagement identification or investment decision-making
- (G) Our responses in selected sections and/or the entirety of our PRI report were internally reviewed before submission to the PRI
- (H) We did not verify the information submitted in our PRI report this reporting year

## INTERNAL AUDIT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 4	CORE	OO 21, CBM 1	N/A	PUBLIC	Internal audit	6

#### What responsible investment processes and/or data were audited through your internal audit function?

- (A) Policy, governance and strategy
  - Select from dropdown list:
    - (1) Data internally audited
    - (2) Processes internally audited
    - (3) Processes and data internally audited
- (B) Manager selection, appointment and monitoring
  - Select from dropdown list:
    - (1) Data internally audited
    - (2) Processes internally audited
    - (3) Processes and data internally audited
- (C) Listed equity
  - Select from dropdown list:
    - (1) Data internally audited

- (2) Processes internally audited
  - (3) Processes and data internally audited

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 5	PLUS	CBM 1	N/A	PUBLIC	Internal audit	6

**Provide details of the internal audit process regarding the information submitted in your PRI report.**

In the spring/summer of 2023, the RI department underwent an internal audit run by the Aviso Wealth internal audit function. The audit looked specifically at the following aspects of our program:

- Responsible Investing ("RI") fund selection and screening
- Sub-advisor management:
  - Sub-advisor selection and screening
  - Investment pre-clearance
  - Sub-advisor performance monitoring
- Active ownership activities
  - Corporate dialogue
  - Proxy voting
  - Shareholder resolutions
- ESG evaluation and monitoring
- ESG reporting:
  - ESG activities and progress
  - RI fund disclosure:
    - Fund names and types
    - Investment objectives
    - Investment and ESG strategies
    - ESG-related risk factors
    - Suitability statement
    - Composition and changes of investment portfolios
- Management oversight for the above processes and controls

- Policies & procedural documents for the above processes and controls

At the end of the audit, the RI team was provided with recommendations for improvement in our processes and documentation. There were no findings of high risk non-compliance in any of the functions/processes/disclosures assessed.

## INTERNAL REVIEW

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 6	CORE	CBM 1	N/A	PUBLIC	Internal review	6

### Who in your organisation reviewed the responses submitted in your PRI report this year?

- (A) Board, trustees, or equivalent
- (B) Senior executive-level staff, investment committee, head of department, or equivalent
  - Sections of PRI report reviewed
    - (1) the entire report
    - (2) selected sections of the report
  - (C) None of the above internal roles reviewed selected sections or the entirety of the responses submitted in our PRI report this year