

# Values in Action Engagement Program Presentation at the ENNET AGM

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**RRII**  
Reconciliation &  
Responsible Investment  
Initiative







The **Reconciliation and Responsible Investment Initiative (RRII)** is a partnership between the National Aboriginal Trust Officers Association ([NATOA](#)) and [SHARE](#).

We envision a financial system that empowers Indigenous perspectives, recognizes the role of community values in investment decision making, and contributes to protecting Indigenous rights and title.

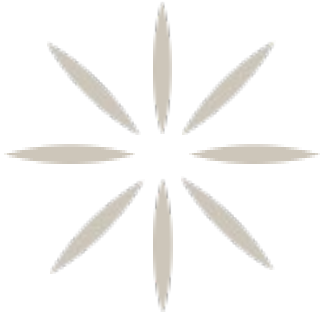
[reconciliationandinvestment.ca](https://reconciliationandinvestment.ca)



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# GOVERNING INDIGENOUS WEALTH



*Often, we are told that values have no place in investment decision-making and that we must focus exclusively on financial returns. However, acknowledging our communities' values does not mean forgetting professionalism or ignoring financial returns and fiduciary duty.*



# INVESTING FOR TODAY, TOMORROW, AND FUTURE GENERATIONS

## 5 Key Steps

1. Embed values into investment policy statement
2. Work effectively with asset managers
3. Know What You Own
- 4. Use Your Voice**
5. Invest in the Indigenous economy



# INVESTING FOR TODAY, TOMORROW, AND FUTURE GENERATIONS

## 4. Use Your Voice: Investor Stewardship



To encourage  
stronger corporate  
sustainability  
performance

To reduce risk in  
your portfolio



**WHY  
ENGAGE?**

To align your  
investments with  
your mission and  
with broader  
societal objectives

To improve long-  
term investment  
performance



# INVESTING FOR TODAY, TOMORROW, AND FUTURE GENERATIONS



## 4. Use Your Voice: Investor Stewardship

### **Example: Values In Action Shareholder Engagement Program**

- *ENNET has joined our cohort of Indigenous Trusts to try SHARE's Canadian equities shareholder engagement program for a free trial year.*







## Values in Action Engagement Program: How does it work?

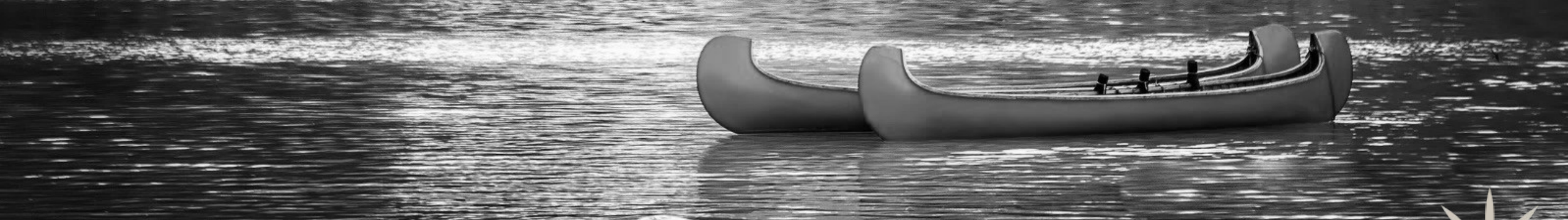
### What WE do: Expertise and Heavy Lifting

- ✓ In-depth research and analysis
- ✓ Define engagement objectives
- ✓ Foster constructive relationships with company boards and management
- ✓ Participate in company meetings
- ✓ Report and communicate

### What YOU do: Oversee and Approve

- ✓ Review and provide feedback on annual plan
- ✓ Approve initial engagement letters
- ✓ Review regular reporting
- ✓ Choose your level of participation





## Values in Action Engagement Program: How does it work?

### Effective shareholder engagement is NOT

- ✓ Adversarial campaigning not grounded in solutions
- ✓ The normal due diligence done by a portfolio manager when making an investment
- ✓ An annual chat between your asset manager and the companies in which you invest
- ✓ A survey or general request without diligent follow-up.

### Effective shareholder engagement IS:

- ✓ A constructive process aimed at identifying solutions and achieving measurable outcomes
- ✓ Driven by the goal of building successful companies and long-term value for investors
- ✓ Contributing to building a sustainable, inclusive and productive economy
- ✓ Persistent and strategic.







## The Values in Action Engagement Program IS

**COMPREHENSIVE:** It considers a broad range of challenges, risks and opportunities.

**COLLABORATIVE:** It increases your effectiveness by building collective action with other shareholders and working with relevant stakeholders to identify solutions.

**COMMITTED:** It is focused on achieving specific and relevant outcomes not just sharing viewpoints.

**CREATIVE:** It is focused on problem-solving with boards, management and relevant stakeholders, and finding solutions that work for all involved.





## Good Engagement is:

- Practical
- Pragmatic
- Progressive
- Personable
- Persistent
- Powerful





## Current Themes and Focus

Decent Work & Human Rights  
Climate Transition for a Sustainable  
Economy  
Investing in Reconciliation







## Allies in Action

“

TMX Group's rare backing of shareholder proposal on Indigenous inclusion will ripple through capital markets

“

When the owner of the Toronto Stock Exchange supports a proposal like this, that does send a signal to Canadian capital markets as a whole that we can all work to improve Indigenous inclusion.

KEVIN THOMAS  
CEO, SHARE

“

Trichur: Companies that stall on inclusion risk chasing away top talent and investment

SHARE  
@share\_ca

Shareholders of @TMXGroup voted to SUPPORT the resolution on Indigenous inclusion & reconciliation, with an overwhelming 98% approval.

Congratulations to our partners @AtkinsonCF, @IndigenousRI & the support of the @TMXGroup BOD for making change happen. [bit.ly/3tGExOx](https://bit.ly/3tGExOx)

**Shareholder proposal on Indigenous inclusion and reconciliation at TMX Group passes with 98% approval**

- ✓ Programs and policies on Indigenous employment and community relations
- ✓ Objectives and disclosure on procurement from Indigenous-owned businesses
- ✓ Engagement with Indigenous organizations

SHARE  
SHAREHOLDER ASSOCIATION  
for RESEARCH & EDUCATION

In collaboration with  
RRII  
GOVERNMENT OF CANADA

5:10 PM · May 12, 2021 · Twitter Web App



# Case Study: New Flyer International

## Company Profile

- 90 year old, Winnipeg-based manufacturer of buses and motor coaches.
- Among world's largest electric bus makers.
- Customers include Toronto Transit, MTA, Trans Link.
- Rapid expansion with plants in U.S. "right to work" states, Canada and U.K.

## Issue

- Weak human capital management
- Workforce conflict and labour tension in U.S.
- Business will grow from transition with leading electric solution.

## Outcome

- Began engagement, prepared to file proposal on board oversight and reporting.
- Company agreed to amend board committee charter to include human capital management responsibility
- Discussion ongoing regarding further disclosure and related issues.







# Decent Work

## **Objective**

*Elevate governance oversight of decent work & human capital management.*

## **Strategy**

*Selected companies with large employment footprints, weak oversight.*

## **Outcomes**

Strong votes; governance and disclosure improvements; ongoing engagement.





# 2020 SHARE engagement results



Constructive shareholder dialogues occurred with **140 companies** on a range of environmental, social, and governance (ESG) issues.



**31 companies** met one or more of SHARE's engagement targets, and **41 more** were in productive dialogues towards solutions.



**13 companies** adopted new or enhanced **climate targets**



**3 companies** made commitments to leave industry associations that oppose Paris-aligned climate policies



SHARE engaged with a range of companies to foster respect for **workers' rights** in vulnerable conditions during and beyond the pandemic

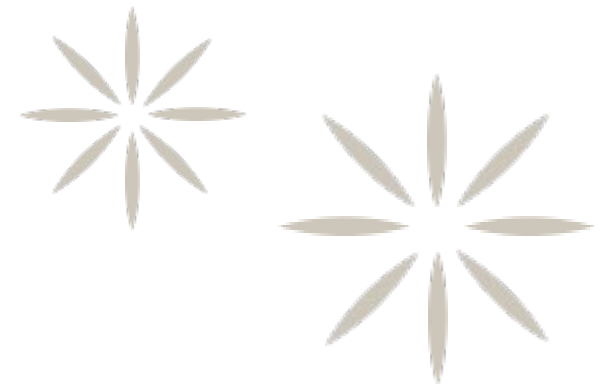


**4 companies** established board-level oversight of human capital management





# QUESTIONS & DISCUSSION



[reconciliationandinvestment.ca](http://reconciliationandinvestment.ca)



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