

# Shropshire County Council

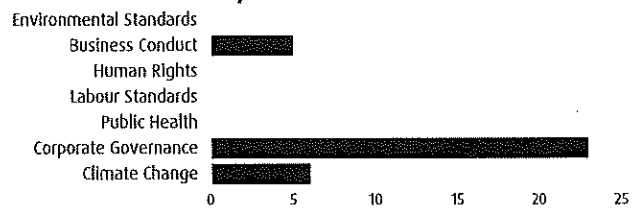
Q2 2018

The purpose of the **reo**<sup>®</sup> (responsible engagement overlay)<sup>\*</sup> service is to engage with companies held in portfolios with a view to promoting the adoption of better environmental, social and governance (ESG) practices. The **reo**<sup>®</sup> approach focuses on enhancing long-term investment performance by making companies more commercially successful through safer, cleaner, and more accountable operations that are better positioned to deal with ESG risks and opportunities. Through a combination of constructive dialogue and active share voting, **reo**<sup>®</sup> works to drive behavioural change with companies, and records successful outcomes as 'milestones' – changes in corporate policies or behaviour following intervention.

## Companies engaged this quarter

Companies engaged	147
Milestones achieved	34
Countries covered	19

## Milestones achieved by issue



## Companies engaged by country



## Companies engaged by issue<sup>\*\*\*</sup>





# Priority Companies and Your Fund

The table below highlights the companies on BMO's annual priority engagement list with which we have engaged on your behalf in the past quarter and which you currently hold within your portfolio. Priority companies are selected through a detailed analysis of client holdings, proprietary ESG risk scores, engagement history and the BMO Governance and Sustainable Investment team's judgement and expertise. Each priority company has defined engagement objectives set at the beginning of each year. Engagement activity levels for priority companies are more intensive than for companies where we engage more reactively. We provide reporting on our engagement with priority companies in the form of case studies which follows the table below. For full list of priority companies please refer to the Appendix at the end of this report. For full details of our engagements with companies please refer to the online *reo*® client portal.

Name	Sector	ESG Rating	Response to engagement	Themes engaged						
				Environmental Standards	Business Ethics	Human Rights	Labour Standards	Public Health	Corporate Governance	Climate Change
AES Corp/VA	Utilities	YELLOW	Good						●	●
Albemarle Corp	Materials	ORANGE	Good						●	
Andritz AG	Industrials	YELLOW	Poor	●		●				●
Arconic Inc/PA	Industrials	ORANGE	Adequate						●	
Associated British Foods PLC	Consumer Staples	GREEN	Adequate		●			●	●	
Bayer AG	Health Care	ORANGE	Adequate					●		
BHP Billiton Ltd	Materials	YELLOW	Good						●	
British American Tobacco PLC	Consumer Staples	YELLOW	Good		●			●		
Dominion Energy Inc	Utilities	YELLOW	Good							●
Fiat Chrysler Automobiles NV	Consumer Discretionary	ORANGE	Adequate							●
Fortis Inc/Canada	Utilities	YELLOW	Good						●	
General Electric Co	Industrials	GREEN	Poor	●		●	●			
GlaxoSmithKline PLC	Health Care	YELLOW	Good					●		
HSBC Holdings PLC	Financials	YELLOW	Good	●	●		●		●	●
Johnson & Johnson	Health Care	YELLOW	Adequate					●	●	
Kerry Group PLC	Consumer Staples	GREEN	Good	●			●			
L Brands Inc	Consumer Discretionary	RED	Good	●		●	●		●	
Martin Marietta Materials Inc	Materials	ORANGE	Adequate	●		●			●	●
McDonald's Corp	Consumer Discretionary	RED	Adequate	●				●		
Mylan NV	Health Care	RED	Poor		●			●	●	
Nestle SA	Consumer Staples	GREEN	Good	●				●		
Novartis AG	Health Care	ORANGE	Good	●				●		
Reckitt Benckiser Group PLC	Consumer Staples	GREEN	Poor		●			●	●	
Roche Holding AG	Pharmaceuticals, Biotechnology	GREEN	Adequate		●			●		
Royal Dutch Shell PLC	Energy	YELLOW	Good						●	
Ryanair Holdings PLC	Industrials	RED	Good		●		●		●	
SAP SE	Information Technology	GREEN	Adequate		●				●	
Toray Industries Inc	Materials	GREEN	Adequate		●				●	
US Bancorp	Financials	ORANGE	Adequate						●	
VF Corp	Consumer Discretionary	YELLOW	Poor	●						

ESG Risk Rating: Rating of a company's ESG risk exposure and risk management compared to industry peers. Source: MSCI ESG Research Inc.

Top quartile: GREEN Second quartile: YELLOW Third quartile: ORANGE Bottom quartile: RED

# Priority Companies and Your Fund

Name	Sector	ESG Rating	Response to engagement	Themes engaged								
				Environmental Standards	Business Ethics	Human Rights	Labour Standards	Public Health	Corporate Governance	Climate Change		
Volkswagen AG	Consumer Discretionary	RED	Adequate									
Walmart Inc	Consumer Staples	ORANGE	Adequate	●				●				
Waste Connections Inc	Industrials	RED	Good	●					●			●
Wells Fargo & Co	Financials	RED	Adequate		●					●		
Western Union Co/The	Information Technology	GREEN	Good		●					●		
XPO Logistics Inc	Industrials	RED	Adequate				●			●		●

**ESG Risk Rating:** Rating of a company's ESG risk exposure and risk management compared to industry peers. Source: MSCI ESG Research Inc.

Top quartile: GREEN Second quartile: YELLOW Third quartile: ORANGE Bottom quartile: RED

# Engagements and Your Fund: Red rated

The table below highlights the companies with which we have engaged on your behalf in the past quarter and which you currently hold within your portfolio. The table is split by ESG risk rating. For full details of our engagements with companies please refer to the online *reo*® client portal.

Name	Country	Sector	Priority company	ESG Rating	Themes engaged						
					Environmental Standards	Business Ethics	Human Rights	Labour Standards	Public Health	Corporate Governance	Climate Change
CF Industries Holdings Inc	United States	Materials		RED	●						
L Brands Inc	United States	Consumer Discretionary	✓	RED	●		●	●		●	
McDonald's Corp	United States	Consumer Discretionary	✓	RED	●				●		
Mylan NV	United States	Health Care	✓	RED		●			●	●	
Pfizer Inc	United States	Health Care		RED					●	●	
Restaurant Brands International Inc	Canada	Consumer Discretionary		RED	●					●	
Ryanair Holdings PLC	Ireland	Industrials	✓	RED		●		●		●	
Start Today Co Ltd	Japan	Consumer Discretionary		RED	●			●			
Suntec Real Estate Investment Trust	Singapore	Real Estate		RED						●	
Volkswagen AG	Germany	Consumer Discretionary	✓	RED							●
Waste Connections Inc	United States	Industrials	✓	RED	●					●	●
Wells Fargo & Co	United States	Financials	✓	RED		●				●	
XPO Logistics Inc	United States	Industrials	✓	RED				●		●	●
Yum! Brands Inc	United States	Consumer Discretionary		RED	●				●		

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Top quartile: GREEN Second quartile: YELLOW Third quartile: ORANGE Bottom quartile: RED

# Engagements and Your Fund: Orange rated

The table below highlights the companies with which we have engaged on your behalf in the past quarter and which you currently hold within your portfolio. The table is split by ESG risk rating. For full details of our engagements with companies please refer to the online *reo*® client portal.

Name	Country	Sector	Priority company	ESG Rating	Themes engaged						
					Environmental Standards	Business Ethics	Human Rights	Labour Standards	Public Health	Corporate Governance	Climate Change
Albermarle Corp	United States	Materials	✓	ORANGE						●	
Ameren Corp	United States	Utilities		ORANGE	●					●	
Arconic Inc/PA	United States	Industrials	✓	ORANGE						●	
Barrick Gold Corp	Canada	Materials		ORANGE			●			●	●
Bayer AG	Germany	Health Care	✓	ORANGE					●		
BCE Inc	Canada	Telecommunication Services		ORANGE						●	
Canadian Natural Resources Ltd	Canada	Energy		ORANGE						●	
Chubu Electric Power Co Inc	Japan	Utilities		ORANGE							●
Colruyt SA	Belgium	Consumer Staples		ORANGE	●			●			●
Costco Wholesale Corp	United States	Consumer Staples		ORANGE	●				●		
eBay Inc	United States	Information Technology		ORANGE			●	●			
Facebook Inc	United States	Information Technology		ORANGE		●				●	
Fiat Chrysler Automobiles NV	United Kingdom	Consumer Discretionary	✓	ORANGE							●
FMC Corp	United States	Materials		ORANGE	●						
Glencore PLC	Switzerland	Materials		ORANGE		●				●	●
Israel Chemicals Ltd	Israel	Materials		ORANGE	●						
JPMorgan Chase & Co	United States	Financials		ORANGE						●	
Kroger Co/The	United States	Consumer Staples		ORANGE	●				●		
Martin Marietta Materials Inc	United States	Materials	✓	ORANGE	●		●			●	●
Methanex Corp	Canada	Materials		ORANGE						●	
Novartis AG	Switzerland	Health Care	✓	ORANGE	●				●		
S&P Global Inc	United States	Financials		ORANGE						●	
SNC-Lavalin Group Inc	Canada	Industrials		ORANGE		●				●	
Spirit AeroSystems Holdings Inc	United States	Industrials		ORANGE						●	
Toyota Motor Corp	Japan	Consumer Discretionary		ORANGE					●	●	
US Bancorp	United States	Financials	✓	ORANGE						●	
Walmart Inc	United States	Consumer Staples	✓	ORANGE	●				●		
Yara International ASA	Norway	Materials		ORANGE	●						

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# Engagements and Your Fund: Yellow rated

The table below highlights the companies with which we have engaged on your behalf in the past quarter and which you currently hold within your portfolio. The table is split by ESG risk rating. For full details of our engagements with companies please refer to the online *reo*<sup>®</sup> client portal.

Name	Country	Sector	Priority company	ESG Rating	Themes engaged							
					Environmental Standards	Business Ethics	Human Rights	Labour Standards	Public Health	Corporate Governance	Climate Change	
ABN AMRO Group NV	Netherlands	Financials		YELLOW	●							●
AES Corp/VA	United States	Utilities	✓	YELLOW						●		●
Andritz AG	Austria	Industrials	✓	YELLOW	●		●					●
Bank of America Corp	United States	Financials		YELLOW							●	
BHP Billiton Ltd	Australia	Materials	✓	YELLOW							●	
British American Tobacco PLC	United Kingdom	Consumer Staples	✓	YELLOW		●			●			
Canadian National Railway Co	Canada	Industrials		YELLOW							●	
Daiichi Sankyo Co Ltd	Japan	Health Care		YELLOW					●			
Dominion Energy Inc	United States	Utilities	✓	YELLOW								●
Experian PLC	United Kingdom	Industrials		YELLOW		●						
Exxon Mobil Corp	United States	Energy		YELLOW							●	
First Republic Bank/CA	United States	Financials		YELLOW							●	
Fortis Inc/Canada	Canada	Utilities	✓	YELLOW							●	
GEA Group AG	Germany	Industrials		YELLOW				●				
GlaxoSmithKline PLC	United Kingdom	Health Care	✓	YELLOW					●			
Great-West Lifeco Inc	Canada	Financials		YELLOW							●	
HSBC Holdings PLC	United Kingdom	Financials	✓	YELLOW	●	●		●			●	●
Johnson & Johnson	United States	Health Care	✓	YELLOW					●		●	
Koninklijke Ahold Delhaize NV	Netherlands	Consumer Staples		YELLOW	●				●			
Kraft Heinz Co/The	United States	Consumer Staples		YELLOW	●				●			
Mørlin Harvest ASA	Norway	Consumer Staples		YELLOW	●				●			
Persimmon PLC	United Kingdom	Consumer Discretionary		YELLOW							●	
Pinnacle West Capital Corp	United States	Utilities		YELLOW							●	
Remy Cointreau SA	France	Consumer Staples		YELLOW	●				●			
Roper Technologies Inc	United States	Industrials		YELLOW		●		●			●	
Royal Bank of Scotland Group PLC	United Kingdom	Financials		YELLOW	●							●
Royal Dutch Shell PLC	Netherlands	Energy	✓	YELLOW							●	
Southwest Airlines Co	United States	Industrials		YELLOW							●	
Starbucks Corp	United States	Consumer Discretionary		YELLOW	●				●			
Suncor Energy Inc	Canada	Energy		YELLOW							●	
Tesco PLC	United Kingdom	Consumer Staples		YELLOW	●				●		●	
TransCanada Corp	Canada	Energy		YELLOW							●	●
VF Corp	United States	Consumer Discretionary	✓	YELLOW	●							

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Top quartile: GREEN Second quartile: YELLOW Third quartile: ORANGE Bottom quartile: RED

# Engagements and Your Fund: Green rated

The table below highlights the companies with which we have engaged on your behalf in the past quarter and which you currently hold within your portfolio. The table is split by ESG risk rating. For full details of our engagements with companies please refer to the online reo® client portal.

Name	Country	Sector	Priority company	ESG Rating	Themes engaged						
					Environmental Standards	Business Ethics	Human Rights	Labour Standards	Public Health	Corporate Governance	Climate Change
AbbVie Inc	United States	Health Care		GREEN					●		
Acuity Brands Inc	United States	Industrials		GREEN		●					
Amadeus IT Group SA	Spain	Information Technology		GREEN		●				●	
Anheuser-Busch InBev SA/NV	Belgium	Consumer Staples		GREEN	●				●		
ARC Resources Ltd	Canada	Energy		GREEN						●	
Associated British Foods PLC	United Kingdom	Consumer Staples	✓	GREEN		●			●	●	
Astellas Pharma Inc	Japan	Health Care		GREEN					●		
AstraZeneca PLC	United Kingdom	Health Care		GREEN					●		
BASF SE	Germany	Materials		GREEN	●						
Biogen Inc	United States	Health Care		GREEN					●		
Canadian Imperial Bank of Commerce	Canada	Financials		GREEN						●	
Cadberg A/S	Denmark	Consumer Staples		GREEN	●				●		
Carrefour SA	France	Consumer Staples		GREEN	●				●		
Coca-Cola HBC AG	Switzerland	Consumer Staples		GREEN	●				●		
CRH PLC	Ireland	Materials		GREEN						●	
Danone SA	France	Consumer Staples		GREEN	●				●	●	
Deutsche Bank AG	Germany	Financials		GREEN		●				●	
Diageo PLC	United Kingdom	Consumer Staples		GREEN	●				●		
Eisai Co Ltd	Japan	Health Care		GREEN					●		
Eli Lilly & Co	United States	Health Care		GREEN					●		
General Electric Co	United States	Industrials	✓	GREEN	●		●	●			
General Mills Inc	United States	Consumer Staples		GREEN	●				●	●	
Gilead Sciences Inc	United States	Health Care		GREEN					●		
Goldman Sachs Group Inc/The	United States	Financials		GREEN						●	
Henkel AG & Co KGaA	Germany	Consumer Staples		GREEN		●					
Henry Schein Inc	United States	Health Care		GREEN		●			●		
ING Groep NV	Netherlands	Financials		GREEN		●				●	
InterContinental Hotels Group PLC	United Kingdom	Consumer Discretionary		GREEN	●		●	●			
Intertek Group PLC	United Kingdom	Industrials		GREEN						●	
J Sainsbury PLC	United Kingdom	Consumer Staples		GREEN	●	●		●	●		●
K+S AG	Germany	Materials		GREEN	●						
KBC Group NV	Belgium	Financials		GREEN	●						●
Kerry Group PLC	Ireland	Consumer Staples	✓	GREEN	●			●			
Kubota Corp	Japan	Industrials		GREEN							●

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# Engagements and Your Fund: Green rated

Name	Country	Sector	Priority company	ESG Rating	Themes engaged						
					Environmental Standards	Business Ethics	Human Rights	Labour Standards	Public Health	Corporate Governance	Climate Change
Legal & General Group PLC	United Kingdom	Financials		GREEN		●					
Loblaws Cos Ltd	Canada	Consumer Staples		GREEN				●		●	
Mastercard Inc	United States	Information Technology		GREEN		●					
Merck & Co Inc	United States	Health Care		GREEN					●		
Merck KGaA	Germany	Health Care		GREEN					●		
Metro Inc	Canada	Consumer Staples		GREEN	●			●			●
Mondelez International Inc	United States	Consumer Staples		GREEN	●				●		
Morgan Stanley	United States	Financials		GREEN	●						
Mosaic Co/The	United States	Materials		GREEN	●						
Nestle SA	Switzerland	Consumer Staples	✓	GREEN	●				●		
Next PLC	United Kingdom	Consumer Discretionary		GREEN			●	●			
Novo Nordisk A/S	Denmark	Health Care		GREEN					●		
Owens Corning	United States	Industrials		GREEN						●	
PepsiCo Inc	United States	Consumer Staples		GREEN	●				●	●	
Principal Financial Group Inc	United States	Financials		GREEN		●				●	
Prudential PLC	United Kingdom	Financials		GREEN		●					
Reckitt Benckiser Group PLC	United Kingdom	Consumer Staples	✓	GREEN		●			●	●	
Red Electrica Corp SA	Spain	Utilities		GREEN							●
Rexel SA	France	Industrials		GREEN						●	
Roche Holding AG	Switzerland	Pharmaceuticals, Biotechnology	✓	GREEN		●			●		
Royal Bank of Canada	Canada	Financials		GREEN						●	
Sanofi	France	Health Care		GREEN					●		
SAP SE	Germany	Information Technology	✓	GREEN		●				●	
Svenska Handelsbanken AB	Sweden	Financials		GREEN							●
Takeda Pharmaceutical Co Ltd	Japan	Health Care		GREEN					●		
Teck Resources Ltd	Canada	Materials		GREEN						●	
Telefonica SA	Spain	Telecommunication Services		GREEN						●	
Toray Industries Inc	Japan	Materials	✓	GREEN		●				●	
TOTAL SA	France	Energy		GREEN						●	
UBS Group AG	Switzerland	Financials		GREEN		●				●	
Vermillion Energy Inc	Canada	Energy		GREEN						●	
Vertex Pharmaceuticals Inc	United States	Health Care		GREEN					●		
Weir Group PLC/The	United Kingdom	Industrials		GREEN				●			
Western Union Co/The	United States	Information Technology	✓	GREEN		●				●	
Whitbread PLC	United Kingdom	Consumer Discretionary		GREEN	●				●		
Wm Morrison Supermarkets PLC	United Kingdom	Consumer Staples		GREEN	●		●	●	●		●
WPP PLC	United Kingdom	Consumer Discretionary		GREEN						●	

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# Milestones and Your Fund

The table below highlights the companies with which we have recorded milestones on your behalf in the past quarter and which you currently hold within your portfolio. Milestones are engagement outcomes which we have identified and is rated on the extent to which it protects investor value. For full details of our engagements which led to these milestones please refer to the online *reo*® client portal.

Name	Country	Sector	Priority company	ESG Rating	Themes engaged						
					Environmental Standards	Business Ethics	Human Rights	Labour Standards	Public Health	Corporate Governance	Climate Change
Activision Blizzard Inc	United States	Information Technology		ORANGE						●	
Amazon.com Inc	United States	Consumer Discretionary	✓	RED						●	
Canadian Imperial Bank of Commerce	Canada	Financials		GREEN							●
Canadian National Railway Co	Canada	Industrials		YELLOW						●	
Crown Castle International Corp	United States	Real Estate		ORANGE						●	
Dollarama Inc	Canada	Consumer Discretionary		ORANGE						●	
HSBC Holdings PLC	United Kingdom	Financials	✓	YELLOW						●	
ING Groep NV	Netherlands	Financials		GREEN						●	
L Brands Inc	United States	Consumer Discretionary	✓	RED						●	
LafargeHolcim Ltd	Switzerland	Materials		YELLOW							●
Mettler-Toledo International Inc	United States	Health Care	✓	GREEN						●	
Pinnacle West Capital Corp	United States	Utilities		YELLOW						●	
Principal Financial Group Inc	United States	Financials		GREEN						●	
Rio Tinto Ltd	United Kingdom	Materials		YELLOW							●
Sabre Corp	United States	Information Technology		YELLOW						●	
Steel Dynamics Inc	United States	Materials		YELLOW						●	
TransCanada Corp	Canada	Energy		YELLOW							●
Union Pacific Corp	United States	Industrials		ORANGE						●	
Upum Group	United States	Financials		ORANGE						●	
Vornado Realty Trust	United States	Real Estate		YELLOW						●	
Admiral Group PLC	United Kingdom	Financials		YELLOW						●	
Anglo American PLC	United Kingdom	Materials	✓	YELLOW							●
BHP Billiton Ltd	Australia	Materials	✓	YELLOW							●
BT Group PLC	United Kingdom	Telecommunication Services		GREEN	●						
Facebook Inc	United States	Information Technology		ORANGE	●						
Martin Marietta Materials Inc	United States	Materials	✓	ORANGE						●	
Microsoft Corp	United States	Information Technology		GREEN	●						
Onex Corp	Canada	Financials		YELLOW						●	
Principal Financial Group Inc	United States	Financials		GREEN						●	
RELX PLC	United Kingdom	Industrials		GREEN						●	
Ryanair Holdings PLC	Ireland	Industrials	✓	RED						●	

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# Milestones and Your Fund

Name	Country	Sector	Priority company	ESG Rating	Themes engaged							
					Environmental Standards	Business Ethics	Human Rights	Labour Standards	Public Health	Corporate Governance	Climate Change	
SAP SE	Germany	Information Technology	✓	GREEN		●						
Telefonica SA	Spain	Telecommunication Services		GREEN		●						
UniCredit SpA	Italy	Financials	✓	YELLOW						●		

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