swisscanto

A brand of Zürcher Kantonalbank

# Global & Thematic Engagement

## Q3 Engagement Report 2026

**Engagement is an essential part of the sustainable investor's toolkit, promoting sustainable business practices and helping maximize risk-adjusted returns.**

# Our Engagement Activities

**As global investor with a strong Swiss heritage and forward-looking role in sustainable investing, the asset management of Zürcher Kantonalbank with its Swisscanto brand recognizes that environmental, social, and corporate governance (ESG) factors can present material risks to portfolio investments and opportunities for better risk-adjusted returns.**

Responsible and sustainability investing is a crucial element of our asset management strategy. We are convinced that integrating ESG factors may result in better-informed investment decisions allowing the generation of value for investors. Our investment stewardship activities complement our ESG-integrated investment focus and sustainability strategy.

Through our investment stewardship, we, or the fund management companies of the group of Zürcher Kantonalbank, seek to promote sustainable business practices while fostering compliance with renowned international principles and widely accepted ESG best-practice standards. This may include promoting compliant practices, check-and-balance principles, adequate pay-for-performances, environmental protection and climate change stewardship, supporting biodiversity, fair labour practices, non-discriminatory work and the protection of human rights, and other relevant ESG best practices. The investment stewardship of the asset management of Zürcher Kantonalbank or the respective fund management companies comprises the following active ownership elements:

- With **proxy voting**, we cast actively and responsibly our votes along our sustainable oriented mindset and strategy.
- By **engaging** actively with issuers, we promote best-practice ESG standards and convey our climate change message and strategy.

Engagement is primarily driven and led by our fundamental bottom-up capabilities and focuses on equity and fixed income securities. Our engagement activities are based on three major pillars as set out hereafter:

- **Direct dialogue with Swiss issuers:** Our focus is to create visibility among companies as an active and sustainable asset manager by promoting ESG best practices in the interest of our investors by leveraging on our home base expertise.
- **Collaborative engagements:** The focus is to promote ESG best practices for entire industries as well as their achievement of environmental and/or social goals (i.e.17 UN SDGs). These collaborative engagements are mostly driven by the UN PRI platform, but opportunistic direct interactions with companies also take place. In addition, we support various ESG initiatives such as Climate Action 100+, Nature Action 100, TNFD, Climate Bond Initiative etc.
- **Global and thematic engagements:** Our engagements aim to promote best-practice ESG standards and sustainable themes on a global scale in the interests of our investors. Within thematic engagements, we focus on climate change, biodiversity, circular economy and healthy longevity. We commissioned Stewardship Services to leverage existing resources and convey our key sustainability messaging globally. Depending on relevance and materiality, we may also participate in these corporate dialogues.

We believe that the best way to promote improved market practices and ESG best-practice standards is through direct dialogues (engagements).

An important element is to convey our climate change strategy to issuers globally. We may actively ask issuers to:

- Formulate an ambitious and transparent climate strategy to reduce greenhouse gas emissions.
- Clearly define responsibilities and accountability for the definition, control and implementation of the climate strategy.
- Establish incentive systems for implementing the climate strategy (e.g. ESG KPIs in compensation shemes).

Besides our climate-related engagement, we prioritize our engagements in general according to breaches against the UN Global Compact Principles and focus on promoting the UN SDGs. We believe that investors are well positioned to influence ESG best-practices among their investments, especially in material holdings.

**About the following Engagement Report from Stewardship Services**
Stewardship Services is our partner for engagement activities at international companies. The following report is provided by Stewardship Services and covers the engagements they conduct on our behalf. It shows an overview of global and thematic engagements.

## About Stewardship Services

Stewardship Services provides an integrated solution that combines engagement and voting recommendations within a single framework designed to help investors incorporate ESG and sustainable investment considerations throughout the investment lifecycle. Our stewardship offering builds on more than 30 years of experience in sustainable investing and responsible investment practice. Our stewardship heritage has strong Nordic roots through GES International, a Stockholm-founded engagement, screening, and fiduciary voting specialist with more than 25 years of experience as an owner advocate prior to joining Morningstar. Today, we support a global +€6.5 trillion investor footprint, serving more than 100 asset owners and managers worldwide through a stewardship model designed to connect research-informed engagement, voting alignment, progress measurement, and stakeholder reporting in a consistent and operationally structured way.

## Asset Management of Zürcher Kantonalbank

Proven specialists manage high-quality investment and pension solutions for private investors, companies, and institutions. With its Swisscanto brand, Zürcher Kantonalbank Group is one of Switzerland's largest asset managers. It is also known for its role in sustainable investments.

## Swiss fund management for Zürcher Kantonalbank and third parties

Swisscanto Fund Management Company Ltd., part of the Zürcher Kantonalbank Group, was established in 1960 and serves as the fund management company of the Swisscanto funds domiciled in Switzerland. Furthermore, Swisscanto Fund Management Company Ltd. also supports an increasing number of third-party customers with tailor-made services and flexible solutions.

## Swisscanto Asset Management International S.A.

Swisscanto Asset Management International S.A., part of the Zürcher Kantonalbank Group, is a Luxembourg based investment fund management company offering a range of fund solutions across various asset classes and risk profiles. In addition to serving as the in-house management company for Swisscanto funds under Luxembourg law, it operates as a third-party management company for private label funds, providing tailored solutions to meet specific client needs.

## Your contacts

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- Voting@swisscanto.ch for all matters relating to proxy voting.

www.swisscanto.com

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# Engagement 360

## 2026 Q3 Report







**Stewardship is where insights become action. Engagement 360 supports a holistic approach to mitigating ESG risks and capitalizing opportunities.**

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This report summarizes the shareholder engagement activities that Stewardship Services performed between July and September 2026. If there is no specific reference to date in graphs and tables, the data is presented as per end of the reporting period. Due to periodic quality reviews throughout the year, small discrepancies between cumulative quarter and annual statistics may occur. The report has been produced in October 2026 and uses data for the quarter ending 30 September 2026. Version 1 was disseminated on 30 October 2026. Use of and access to this information is limited to Stewardship clients and is subject to applicable legal terms and conditions.

# Stewardship Approach

Engagement 360 is a holistic stewardship offering that promotes and protects the world's leading asset owners' and managers' long-term shareholder values through consistent engagement outcomes. Engagement 360 addresses ESG risks and strives to create positive social and environmental outcomes.

STRATEGY AND RISK promotes and protects long-term value by flagging high- and severe- risk companies to proactively engage unmanaged and financially material ESG issues. The focus is on companies with unmanaged ESG risk greater than 30 as identified by Morningstar Sustainalytics' ESG Risk Ratings.

INCIDENT engagements address companies that severely or systematically violate international standards, such as the UN Global Compact and OECD Guidelines for Multinationals to ensure that investors are managing associated reputation risk. This engagement aims to not only to verify how a company addresses the incident but also to effectuate change in the company's policies and/or processes to ensure proper policies and programmes are in place to avoid future reoccurrences and improve its ESG disclosure. Companies flagged as Watchlist or Non-Compliant as identified by Morningstar Sustainalytics' Global Standards Screening research are targeted for this engagement.

THEMES are SDG-aligned proactive engagements that enable investors to align their interests in addressing specific systemic issues across the ESG spectrum. Thematic engagement's philosophy centers around systematic change, collaboration, root causes and best practice sharing at its core. The purpose of this engagement is to influence companies to proactively manage specific ESG risks and capitalize on opportunities.

ESG Voting provides vote recommendations that align to widely accepted ESG principles, sustainability objectives, ongoing corporate engagements and ESG issues most important to investors.



# Quarter in Review

The third quarter of 2026 highlighted a growing focus on the resilience of corporate sustainability commitments when faced with operational, commercial, and political pressures. Across our dialogues with companies, discussions increasingly focused not on the existence of policies or targets, but on the governance structures, incentives, and decision-making processes required to maintain strategic priorities when trade-offs arise.

This shift was evident across a range of sustainability issues, from nature and climate commitments to executive accountability, human rights due diligence, and emerging AI-related risks.

## Data Centers, AI, and the Expanding Scope of Stewardship

The rapid expansion of AI capabilities is driving unprecedented investment in data center infrastructure and creating new stewardship considerations for both companies and investors. Engagement discussions increasingly examined the role of data centers within the broader energy transition, moving beyond carbon emissions and renewable energy procurement to include considerations such as grid reliability, water use, infrastructure capacity, and community impacts.

As data center development accelerates, discussions are increasingly focused on how companies reconcile rapid AI-driven growth with climate commitments. Areas of focus included the credibility of climate disclosures, approaches to accounting for electricity-related emissions, and the extent to which expanding demand is supported by low-carbon power sources.

At the same time, local concerns regarding water resources, electricity pricing, land use, and public infrastructure are becoming increasingly relevant to project development and long-term operations. Community opposition and regulatory responses are elevating the importance of social license to operate, prompting greater attention to how companies engage with communities, disclose resource use, allocate infrastructure costs, and oversee these risks at board level.

## Amazon Soy Moratorium: Testing the Durability of Voluntary Commitments

The Amazon Soy Moratorium (ASM) came under increased scrutiny during the quarter as major commodity traders withdrew from or distanced themselves from the initiative, raising questions about the future of one of the most influential voluntary mechanisms for addressing commodity-driven deforestation. Since its introduction, the ASM has been widely regarded as an important example of collective action that helped decouple soy expansion from deforestation, while supporting continued agricultural production.

Our discussions with traders and downstream buyers highlighted a broader industry trend toward harmonizing sourcing standards across global supply chains, including a move away from Amazon-specific approaches established under the ASM. While companies frequently cited operational efficiency and consistency, discussions also pointed to evolving policy and regulatory dynamics in Brazil, including measures that reduced incentives for companies maintaining sourcing standards beyond legal requirements. In this context, several major traders withdrew from the ASM, prompting questions about whether alternative approaches can deliver the same level of accountability, traceability, and forest protection that the moratorium has historically provided.

Many investor groups continue to support the environmental outcomes achieved through the ASM, and engagement discussions reflected growing attention to the robustness of alternative safeguards. Key considerations include Amazon-specific no-deforestation standards, farm-level traceability, transparent reporting, and effective controls to prevent both legal and illegal deforestation. More broadly, the debate highlights the challenges facing voluntary sustainability initiatives and raises important questions about how such mechanisms remain effective as commercial and political pressures increase.

## Accountability, Effectiveness, and Escalation

A further theme was the growing focus on accountability and effectiveness. Across executive remuneration, climate strategy, biodiversity, human rights, and corporate conduct, discussions centred on how companies measure progress and demonstrate outcomes. Following financial crime failings, for example, we sought evidence of sustained remediation, including how executive pay reflects the effectiveness of key controls.

In human rights and related engagements, the focus was on the quality of due diligence, the identification and management of supply-chain risks, and the governance mechanisms used to oversee remediation, with emphasis on evidence that processes operate effectively in practice, including where companies have withdrawn from higher-risk jurisdictions.

This emphasis was also reflected in stewardship approaches. As engagements mature, we are evaluating progress against clearly defined objectives and taking additional stewardship actions where progress remains limited. In several engagements, these efforts helped re-establish dialogue, leading to constructive discussions with companies that had previously been less responsive. Voting also continued to serve as an important accountability mechanism, complementing engagement efforts by signaling investor expectations where progress on issues such as climate strategy, human rights, labour practices, biodiversity impacts, or governance reforms remained insufficient.

Engagement activity also highlighted the practical realities of translating sustainability strategies into day-to-day operations. Within our circular economy engagements, a June site visit to automotive manufacturers showed circularity moving into core business decisions, through closed-loop recycling, end-of-life recovery that feeds back into product design, and product life extension. At the same time, it was confirmed that scaling depends on economics, supplier capability, and customer acceptance. Site visits complement company disclosures by providing direct insight into how objectives are implemented across value chains and production processes.

Taken together, the themes explored this quarter point to a broader evolution in stewardship expectations. Whether discussing AI infrastructure, deforestation, executive accountability, human rights, circular economy implementation, or sustainability governance, the central question is increasingly the same: how companies translate commitments into decisions and decisions into measurable outcomes.

# Stewardship Overview



**798**
engagements as of 30 September 2026

**10**
new engagements

**Utilities**
is the most engaged industry

**United States**
Highest number of engagements in a single market

**Climate Change - Transition Risk and Disclosure**
are the most engaged topics

**SDG 12**
(57%) linked to engagement objective

## Engagement Status

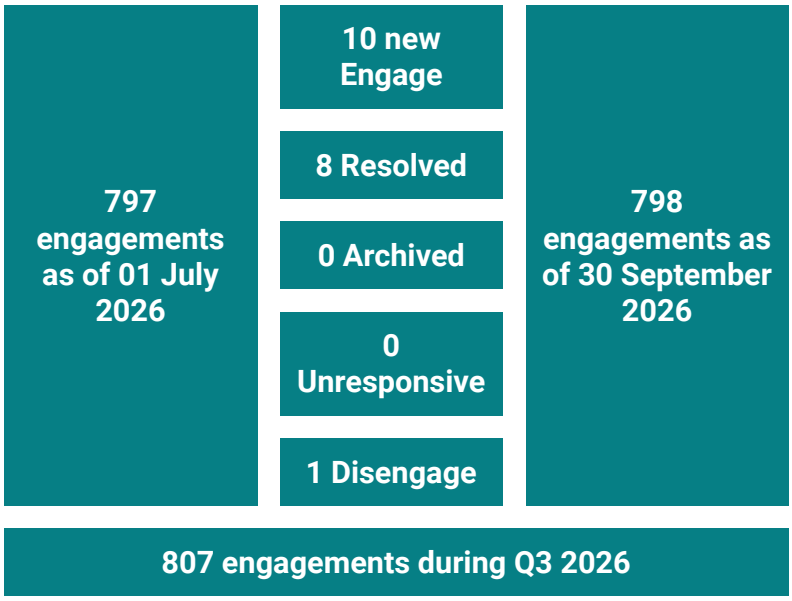
When we open an engagement, the status is Engage. We will then pursue engagement until we change status to:

**Resolved** The company has achieved the engagement objective.

**Archived** Engagement is concluded, the engagement objective has not been achieved.

**Unresponsive** Unresponsive is the final step in the escalation for companies not responding to our engagement. At this final step, we have exhausted all other engagement tools.

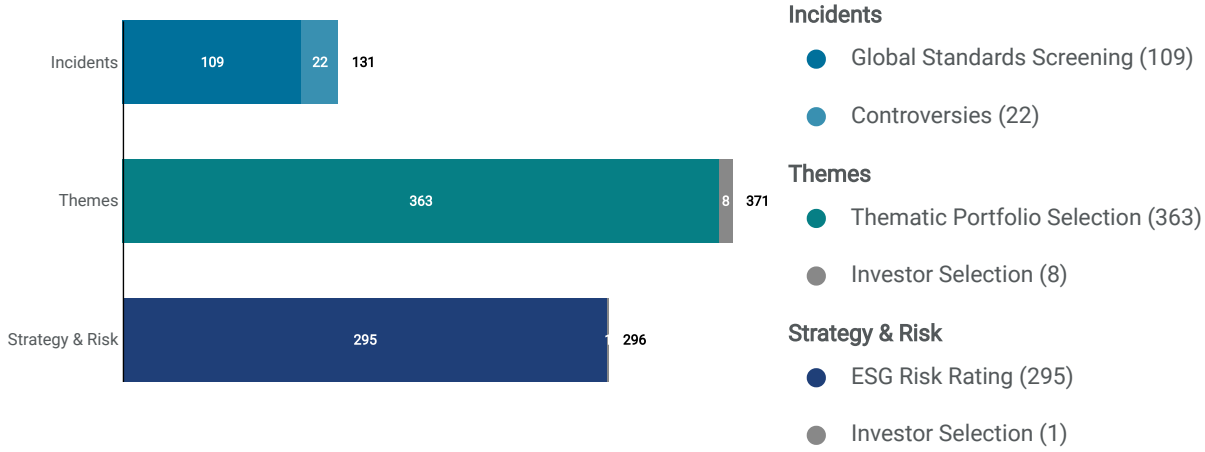
**Disengage** Engagement is deemed unlikely to succeed.




*On a regular basis, universes are rebalanced and issuers might therefore be removed from our data set. Corporate changes can also affect case status. In such circumstances, opening and closing engagement counts will not match. Impacted companies may or may not overlap with investor holdings.*

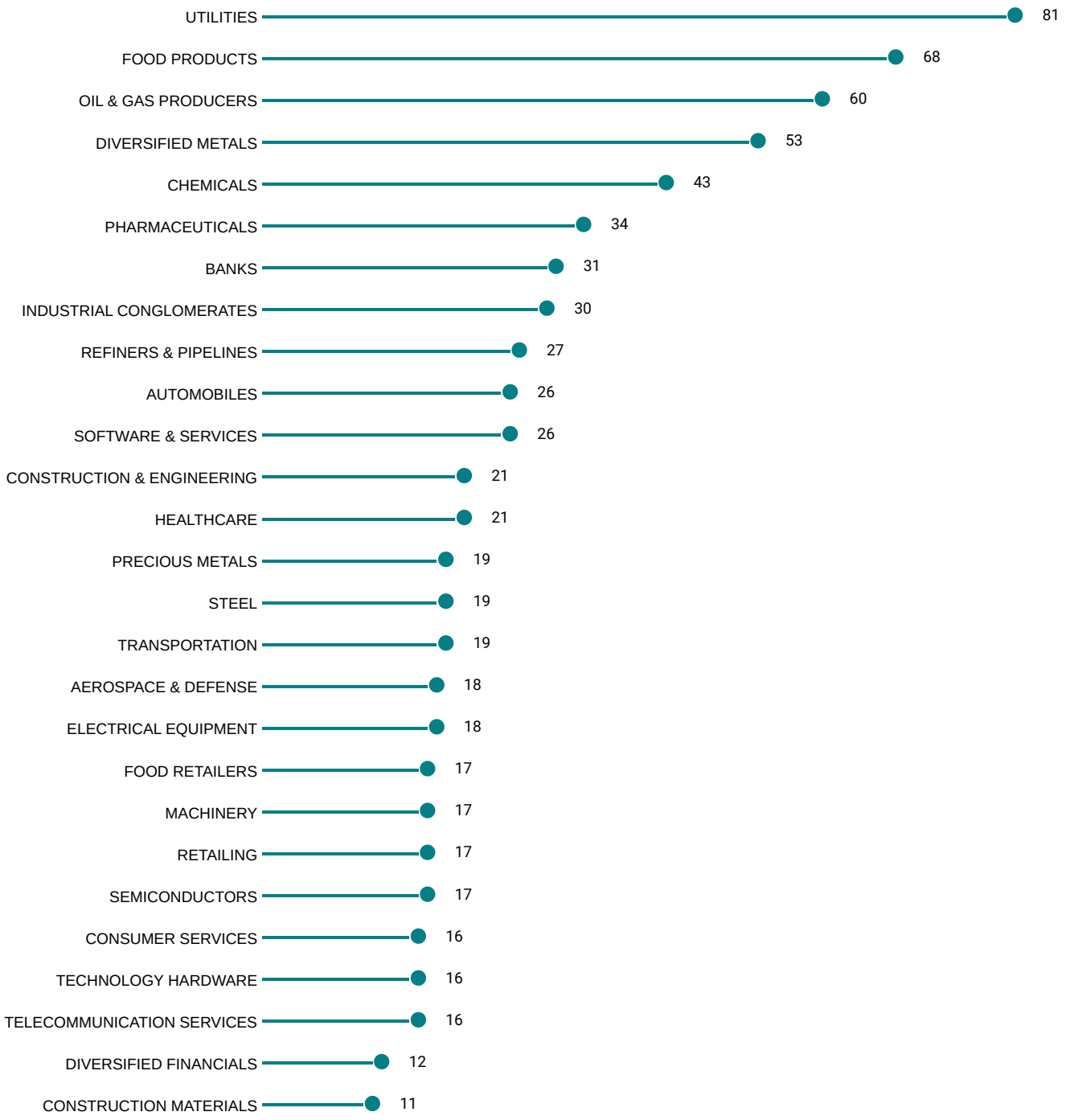
## Trigger for Engagement

Trigger for Engagement identifies if research or investor interest initiated the engagement. Research options are Global Standards Screening, Controversies and ESG Risk Rating. Investor client options are Thematic Portfolio Selection and Investor Selection.

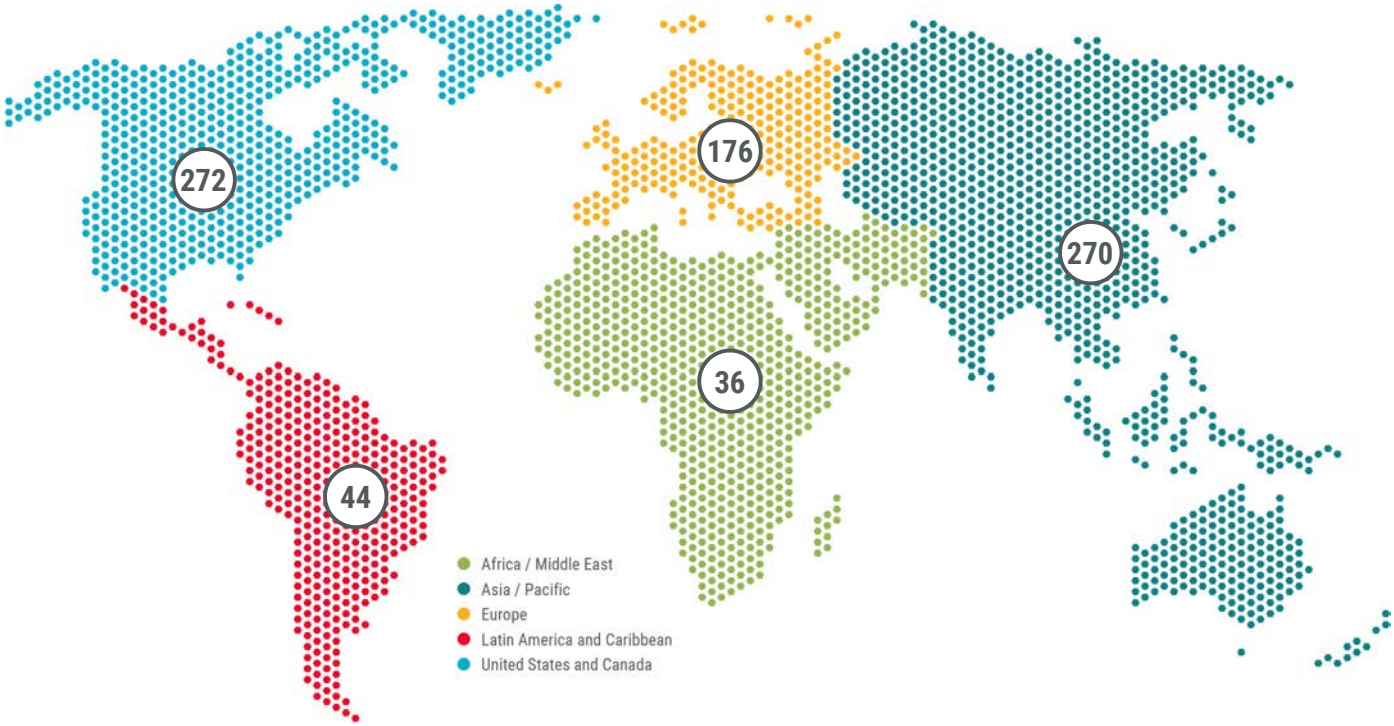


## Industry Distribution

(Industries with a minimum of 10 engagements)



## Engagements by Headquarter Location



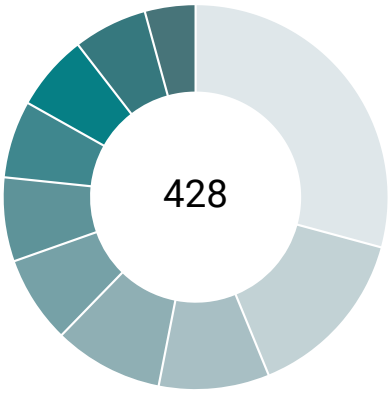



## Engagement Topics

At the end of the reporting period, our engagements addressed a number of topics across the environmental, social and governance pillars.

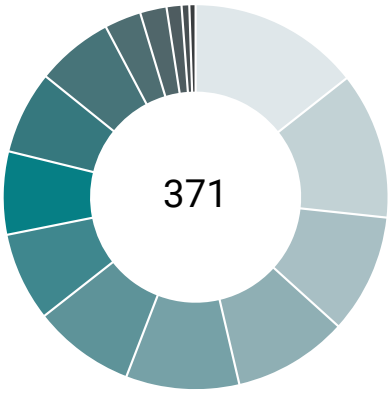
### Environmental

- CLIMATE CHANGE - TRANSITION RISK (312)
- WASTE MANAGEMENT (98)
- LAND POLLUTION AND SPILLS (77)
- BIODIVERSITY (68)
- CIRCULAR ECONOMY (65)
- WATER SECURITY (155)
- WATER QUALITY (97)
- NATURAL RESOURCE USE (74)
- DEFORESTATION (67)
- AIR POLLUTANT EMISSIONS (44)



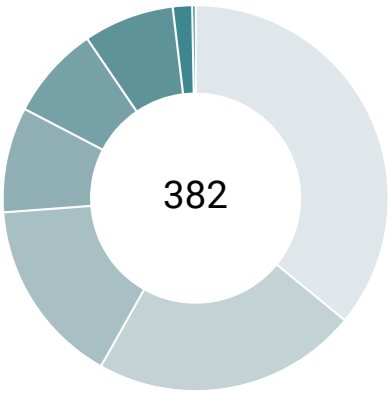

### Social

- HUMAN RIGHTS (117)
- HUMAN CAPITAL (81)
- PRODUCT QUALITY AND SAFETY (77)
- DIVERSITY, EQUITY AND INCLUSION (DEI) (60)
- OCCUPATIONAL HEALTH AND SAFETY (56)
- DATA PRIVACY AND SECURITY (24)
- MARKETING PRACTICES (9)
- HIGH-RISK TERRITORIES (3)
- JUST TRANSITION (100)
- COMMUNITY RELATIONS (78)
- INDIGENOUS PEOPLE (69)
- FORCED LABOUR (56)
- CHILD LABOUR (52)
- LABOUR RIGHTS (17)
- WEAPONS (4)




### Governance

- DISCLOSURE (293)
- BOARD COMPOSITION (127)
- SHAREHOLDERS RIGHTS (63)
- COMPETITION (12)
- ESG GOVERNANCE (181)
- ACCOUNTING AND TAXATION (71)
- BUSINESS ETHICS, BRIBERY AND CORRUPTION (61)
- SANCTIONS (1)




Note: Each engagement case may address multiple ESG topics. The numbers in parentheses indicate how many engagements include that specific topic. The total in the chart reflects the count of engagements with an Environmental, Social, or Governance focus. While a single engagement may span multiple ESG pillars, it is counted only once in the total. However, there is no limit to the number of topics an engagement can cover, so the topic counts will not sum to the total per pillar.

## Sustainable Development Goals — Mapping Engagements

All engagements are mapped to the 17 UN Sustainable Development Goals (SDGs). The mapping is done by Stewardship Services and refers to the focus and objective(s) of the engagement.

| | | | |
|---|---|---|---|
| 1 No Poverty | 7% | 10 Reduced Inequality | 9% |
| 2 Zero Hunger | 14% | 11 Sustainable Cities and Communities | 10% |
| 3 Good Health and Well-Being | 29% | 12 Responsible Consumption & Production | 57% |
| 4 Quality Education | 6% | 13 Climate Action | 45% |
| 5 Gender Equality | 7% | 14 Life Below Water | 8% |
| 6 Clean Water and Sanitation | 10% | 15 Life on Land | 11% |
| 7 Affordable and Clean Energy | 21% | 16 Peace & Justice, Strong Institutions | 35% |
| 8 Decent Work and Economic Growth | 32% | 17 Partnerships to Achieve the Goal | 2% |
| 9 Industry, Innovation & Infrastructure | 30% | | |

# Case Study: Yum! Brands, Inc.

## Biodiversity and Natural Capital Stewardship Programme | Engagement Since: July 2022



Industry: **Consumer Services**

Base Location: **United States**

Yum is a US-based quick-service restaurant company that owns KFC, Pizza Hut, Taco Bell, and The Habit Burger Grill. As the 2nd largest restaurant company in the world, Yum is exposed to biodiversity and natural capital risks through its global food supply chains.

Progress: **Good** | Response: **Standard** | Latest Milestone: **2**

**Engagement Update**

Our latest meeting in July 2026 discussed Yum's nature-related risk assessment and inaugural TNFD report. We encouraged the company to provide more location-specific insights and quantify nature-related risks across its supply chain, including exposure to high water-stress areas, Key Biodiversity Areas, and regions at elevated risk of deforestation.

### Focus Area

Over the past years, engagement with Yum has focused on strengthening the company's management and disclosure of nature-related risks across its operations and supply chain. Key areas of dialogue included biodiversity risk assessment, responsible sourcing and deforestation, board oversight of nature-related issues, regulatory preparedness, and alignment with emerging frameworks such as TNFD, SBTN, CSRD, and evolving EU requirements. Throughout the engagement, we encouraged the company to enhance transparency, strengthen policy commitments, and further integrate nature-related considerations into its governance, risk management, and strategic decision-making processes.

### Engagement Outcomes

The engagement has contributed to positive developments. In June 2026, Yum published its inaugural TNFD report, a step that aligns with Stewardship Services' longstanding recommendation to enhance nature-related disclosure and adopt emerging reporting frameworks. The report applies the TNFD LEAP approach and identifies key nature-related risks across priority commodities and sourcing regions. Yum also disclosed that its most significant biodiversity-related risks are concentrated in Latin America, South Asia, and Africa, demonstrating progress in assessing exposures across supply chains. These developments reflect greater transparency and responsiveness to investor feedback, although further subnational and asset-level detail would strengthen future disclosures.

### Insights & Outlook

Yum has made notable progress in strengthening its governance of nature-related issues and improving transparency through its inaugural TNFD report. However, investors may wish to continue focusing on the company's deforestation commitments, particularly the absence of an explicit no-conversion commitment covering natural ecosystems beyond forests. This is increasingly important given growing scrutiny of agricultural expansion in regions such as Brazil's Cerrado and uncertainty surrounding market-based mechanisms such as the Amazon Soy Moratorium. Going forward, greater supply-chain traceability, more granular risk disclosures, and a comprehensive biodiversity strategy would help demonstrate robust management of nature-related impacts.

# Case Study: Nippon Steel Corporation

## Net Zero Transition Stewardship Programme | Engagement Since: February 2024



Industry: **Steel**

Base Location: **Japan**

As one of the world's largest steel producers, Nippon Steel is highly relevant to net zero objectives because steelmaking is both emissions-intensive and essential to the low-carbon transition. The company's decarbonization pathway could have significant implications for sector-wide emissions reductions.

Progress: **Good** | Response: **Standard** | Latest Milestone: **2**

### Engagement Update

Since early 2024, engagement has focused on strengthening climate governance and accountability mechanisms that support Nippon Steel's transition strategy. In 2025, investors discussed the lack of climate-related metrics in executive remuneration and requested additional details on Green Steel expansion plans. During the latest engagement, the company outlined progress on hydrogen-based steelmaking technologies, furnace fleet transformation, and pathways to support the achievement of its 2030 emissions reduction target and 2050 Carbon Neutral Vision.

### Focus Area

The primary focus is to ensure that Nippon Steel's decarbonization ambitions are supported by robust executive accountability mechanisms. While the company has established board-level oversight of climate-related risks, integrated transition risks into business processes, and committed to reducing scope 1 and 2 emissions by 30% by 2030, climate performance is not yet formally embedded in executive remuneration. Greater alignment between management incentives and climate objectives could strengthen accountability for delivery of the company's long-term decarbonization strategy.

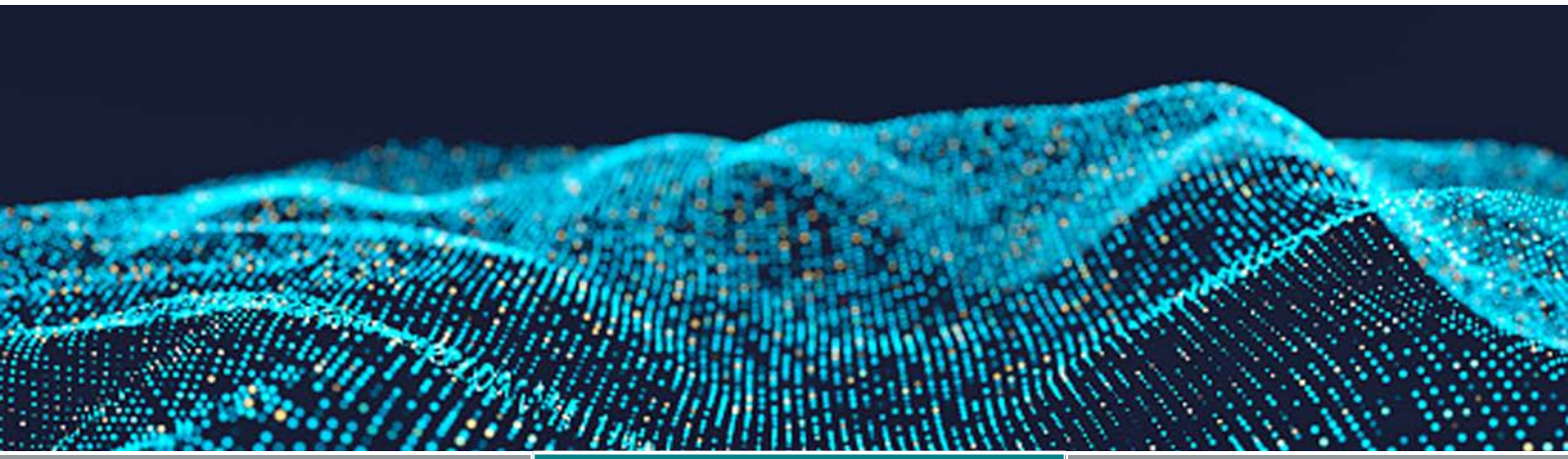
### Engagement Outcomes

Nippon Steel has engaged constructively on governance and transition-related topics. The company confirmed that all board members have received climate and business transformation training and provided greater transparency on its decarbonization roadmap, including hydrogen-based steelmaking technologies and electric arc furnace expansion. Management acknowledged that climate-related remuneration metrics are not currently incorporated into executive incentive structures and indicated that it is actively considering such measures.

### Insights & Outlook

This engagement underscores the importance of linking climate commitments to executive accountability in hard-to-abate sectors. Nippon Steel has established governance structures to oversee climate-related risks and articulated a detailed pathway toward its decarbonization goals. Nevertheless, investors continue to view climate-linked remuneration as a key indicator of transition plan credibility. An in-person meeting planned for September 2026 will provide an opportunity to further discuss the integration of climate performance metrics into executive incentives and review progress against the company's broader transition strategy.

# Engagement Results



**157**
meetings, including 3 in-person meeting

**1,584**
emails and phone calls exchanged

**8**
engagements Resolved

**91**
Milestones achieved

**156**
Positive Developments

**32%**
of engagements with Excellent or Good Response

**21%**
of engagements with Excellent or Good Progress

## Engagement Progress

Progress reflects the pace and scope of changes towards the engagement objective that the company is making, assessed on a five-point scale.

| | |
|---|---|
| **Excellent** | The company has adopted a proactive approach and addressed the issues related to the change objective. |
| **Good** | The company has taken sufficient measures to address the issues related to the change objective. |
| **Standard** | The company has undertaken a number of measures to address the issues related to the change objective. |
| **Poor** | The company has indicated willingness to addressing the issues related to the change objective, but no measures have been taken yet. |
| **None** | The company has not made any progress against the engagement objective. |



| | |
|---|---|
| **1% (11)** | Excellent |
| **19% (150)** | Good |
| **64% (493)** | Standard |
| **14% (107)** | Poor |
| **1% (11)** | None |

## Engagement Response

Response reflects the company's willingness to engagement dialogue with investors, assessed on a five-point scale.

| | |
|---|---|
| **Excellent** | The company is proactive in communicating around the issues related to the change objective. |
| **Good** | The company addresses all the issues related to the change objective. |
| **Standard** | The company provides responses to some of the issues related to the change objective. |
| **Poor** | The company has initially responded but not properly addressed the issues related to the change objective and is unwilling to engage further with us. |
| **None** | The company has not responded to the inquiries. |



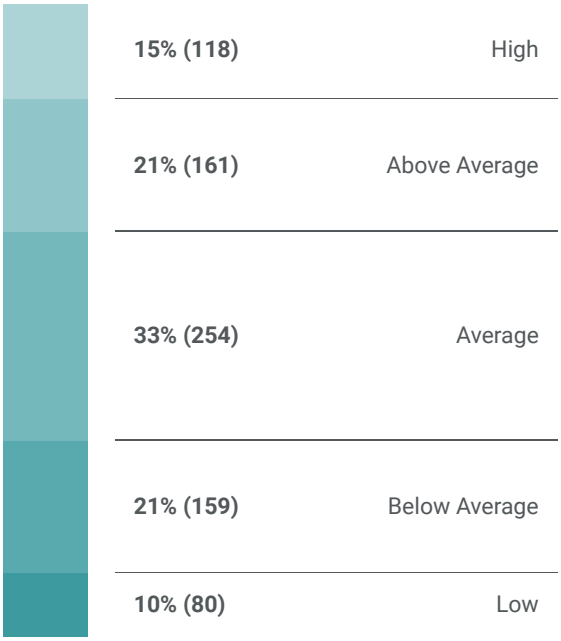
| | |
|---|---|
| **6% (45)** | Excellent |
| **26% (204)** | Good |
| **40% (309)** | Standard |
| **18% (137)** | Poor |
| **10% (77)** | None |

## Engagement Performance

Performance describes the combined company Progress and Response.

We have five tiers to offer a nuanced understanding, the tiers are: Low, Below Average, Average, Above Average, and High.

The Progress and Response matrix below is used to determine performance.




## Progress and Response Matrix

RESPONSE

| PROGRESS | EXCELLENT | GOOD | STANDARD | POOR | NONE |
|---|---|---|---|---|---|
| EXCELLENT | High | High | Above Average | Average | Average |
| GOOD | High | High | Above Average | Average | Average |
| STANDARD | Above Average | Above Average | Average | Below Average | Below Average |
| POOR | Average | Average | Below Average | Low | Low |
| NONE | Average | Average | Below Average | Low | Low |

## Engagement Milestones

Milestones are our five-stage tracking of progress in achieving the engagement objective.

**91 Milestones achieved in Q3 2026**

### Milestones Framework

| | |
|---|---|
| **Resolved** | Case successfully closed. |
| **Milestone 5** | Change objective is considered fulfilled. |
| **Milestone 4** | Implementation of strategy has advanced meaningfully, and related issuer disclosure maturing. |
| **Milestone 3** | Strategy is well formed and has moved into early stages of implementation. |
| **Milestone 2** | Issuer establishes a strategy to address the issue. |
| **Milestone 1** | Acknowledge of issue(s) and commitment to mitigation. |

### YTD Highest Milestone Achieved (Resolved)



| | |
|---|---|
| **18** | Milestone 5 |
| **1** | Milestone 4 |

Note: Cumulative year to date resolved cases.

### Highest Milestone Achieved (Engage)



| | |
|---|---|
| **22** | Milestone 5 |
| **107** | Milestone 4 |
| **249** | Milestone 3 |
| **203** | Milestone 2 |
| **145** | Milestone 1 |
| **72** | No Milestones |

Note: Milestone distribution of ongoing Engage cases at the end of the reporting period.



## Engagements Resolved

| COMPANY | COUNTRY | ISSUE | RELATED COMPANY |
|---|---|---|---|
| Agricultural Bank of China Ltd. | China | Focus on Business Ethics | None |
| AXIA Energia SA | Brazil | Focus on Community Relations and Land Use and Biodiversity | None |
| China Gas Holdings Ltd. | Hong Kong | Quality and Safety - Human Rights | None |
| Elsewedy Electric Co. | Egypt | Controversial Project(s) - Environmental Impacts | None |
| Hyundai Steel Co. | South Korea | Focus on Carbon Own Operations | None |
| Imerys SA | France | Focus on E&S Impact of Products and Services | None |
| Petroliam Nasional Bhd. | Malaysia | Involvement With Entities Violating Human Rights | None |
| STRABAG SE | Austria | Focus on E&S Impact of Products and Services and Community Relations | None |

# Low Performance Engagements

The following list displays Low Performance companies with Poor or None Progress in combination with Poor or None Response.

When a case is added to the Low Performance list, a 24-month process of specific engagement using a wide range of engagement tools e.g. collaborative investors letters or letters to the company's board, will take place. After two years, the case will be reviewed and a Disengage status can be selected to reflect all other engagement options have been ineffective.

For each Low Performance case, there is a **Low Performance Time Tracker** which illustrates the time elapsed.

| COMPANY | COUNTRY | ISSUE | FOCUS AREA | ESCALATION ACTIVITIES | TIME TRACKER |
|---|---|---|---|---|---|
| | | | | | One piece equals three months. |
| Daiichi Sankyo Co., Ltd. | Japan | Sustainability and Good Governance | Themes | |  0-3 |
| Oil & Natural Gas Corp. Ltd. | India | Focus on Carbon and Emissions, Effluents and Waste | Strategy & Risk | |  0-3 |
| Royal Caribbean Group | United States | Human Capital Management | Themes | |  0-3 |
| Saudi Arabian Oil Co. | Saudi Arabia | Focus on Emissions, Effluents and Waste and Community Relations | Strategy & Risk | |  0-3 |
| Almarai Co. | Saudi Arabia | Focus on Risk Assessment and ESG Disclosure | Strategy & Risk | |  3-6 |
| Alphabet, Inc. | United States | Anti-Competitive Practices | Incidents | |  3-6 |
| Brookfield Renewable Partners LP | Bermuda | Human Rights and Transition | Themes | Director Letter |  3-6 |
| DTE Energy Co. | United States | Focus on Carbon Own Operations | Strategy & Risk | |  3-6 |
| EOFlow Co., Ltd. | South Korea | Business Ethics | Incidents | Director Letter |  3-6 |
| Meituan | China | Sustainability and Good Governance | Themes | Director Letter |  3-6 |
| Meta Platforms, Inc. | United States | Social Impact - Products | Incidents | |  3-6 |
| Pegasystems, Inc. | United States | Business Ethics | Incidents | |  3-6 |

| COMPANY | COUNTRY | ISSUE | FOCUS AREA | ESCALATION ACTIVITIES | TIME TRACKER |
|---|---|---|---|---|---|
| | | | | | One piece equals three months. |
| PGE Polska Grupa Energetyczna SA | Poland | Focus on Carbon and Emissions, Effluents and Waste | Strategy & Risk | | 3-6 |
| QL Resources Bhd. | Malaysia | Focus on Product Governance | Strategy & Risk | | 3-6 |
| Shimizu Corp. | Japan | Focus on Business Ethics | Strategy & Risk | | 3-6 |
| VINCI SA | France | Net Zero Transition | Themes | Director Letter | 3-6 |
| Alibaba Group Holding Ltd. | China | Sustainability and Good Governance | Themes | Director Letter | 6-9 |
| Canadian Natural Resources Ltd. | Canada | Focus on Carbon Products and Services | Strategy & Risk | Director Letter | 6-9 |
| Chevron Corp. | United States | Focus on Carbon Products and Services | Strategy & Risk | | 6-9 |
| Coca-Cola Consolidated, Inc. | United States | Focus on E&S Impact of Products and Services | Strategy & Risk | Director Letter | 6-9 |
| DTE Energy Co. | United States | Net Zero Transition | Themes | Director Letter | 6-9 |
| Eneva SA | Brazil | Focus on Carbon and Emissions, Effluents and Waste | Strategy & Risk | Director Letter | 6-9 |
| EQT Corp. | United States | Focus on Carbon and Community Relations | Strategy & Risk | Director Letter | 6-9 |
| Geo-Jade Petroleum Corp. | China | Accounting and Taxation | Incidents | Director Letter | 6-9 |

| COMPANY | COUNTRY | ISSUE | FOCUS AREA | ESCALATION ACTIVITIES | TIME TRACKER |
|---|---|---|---|---|---|
| | | | | | One piece equals three months. |
| Goldwind Science & Technology Co., Ltd. | China | Human Rights and Transition | Themes | Director Letter |  6-9 |
| Kikkoman Corp. | Japan | Focus on Product Governance | Strategy & Risk | |  6-9 |
| Masimo Corp. | United States | Focus on Risk Assessment and ESG Disclosure | Strategy & Risk | Investor Letter, Voting Recommendations |  6-9 |
| Mattel, Inc. | United States | Quality and Safety - Human Rights | Incidents | Director Letter |  6-9 |
| Mesaieed Petrochemical Holding Co. QSC | Qatar | Focus on Risk Assessment and ESG Disclosure | Strategy & Risk | Director Letter |  6-9 |
| PacifiCorp | United States | Quality and Safety | Incidents | Director Letter |  6-9 |
| PPB Group Bhd. | Malaysia | Focus on Land Use and Biodiversity Supply Chain | Strategy & Risk | Director Letter |  6-9 |
| SABIC Agri-Nutrients Co. | Saudi Arabia | Focus on Risk Assessment and ESG Disclosure | Strategy & Risk | Director Letter |  6-9 |
| Shanghai Aiko Solar Energy Co., Ltd. | China | Human Rights and Transition | Themes | Director Letter |  6-9 |
| Shanghai Electric Group Co., Ltd. | China | Human Rights and Transition | Themes | Director Letter |  6-9 |
| Südzucker AG | Germany | Focus on Carbon and Resource Use | Strategy & Risk | Director Letter |  6-9 |
| Sunrun, Inc. | United States | Human Rights and Transition | Themes | Director Letter |  6-9 |

| COMPANY | COUNTRY | ISSUE | FOCUS AREA | ESCALATION ACTIVITIES | TIME TRACKER |
|---|---|---|---|---|---|
| | | | | | One piece equals three months. |
| Tencent Holdings Ltd. | China | Involvement With Entities Violating Human Rights | Incidents | Director Letter | 6-9 |
| Viking Holdings Ltd. (Bermuda) | Bermuda | Focus on Product Governance | Strategy & Risk | | 6-9 |
| Alphabet, Inc. | United States | Net Zero Transition | Themes | Director Letter | 9-12 |
| Amazon.com, Inc. | United States | Freedom of Association | Incidents | Director Letter | 9-12 |
| Berkshire Hathaway, Inc. | United States | Net Zero Transition | Themes | Director Letter | 9-12 |
| Blue Owl Capital, Inc. | United States | Focus on Product Governance | Strategy & Risk | | 9-12 |
| Canon, Inc. | Japan | Sustainability and Good Governance | Themes | | 9-12 |
| Glencore Plc | Switzerland | Net Zero Transition | Themes | | 9-12 |
| Industries of Qatar Co. | Qatar | Focus on Risk Assessment and ESG Disclosure | Strategy & Risk | Director Letter | 9-12 |
| Occidental Petroleum Corp. | United States | Focus on Carbon and Emissions, Effluents and Waste | Strategy & Risk | | 9-12 |
| Reliance Industries Ltd. | India | Focus on Risk Assessment and ESG Disclosure | Strategy & Risk | Director Letter | 9-12 |
| Steel Dynamics, Inc. | United States | Net Zero Transition | Themes | Director Letter | 9-12 |
| Zoomlion Heavy Industry Science & Technology Co., Ltd. | China | Focus on Carbon and Product Governance | Strategy & Risk | Director Letter | 9-12 |

| COMPANY | COUNTRY | ISSUE | FOCUS AREA | ESCALATION ACTIVITIES | TIME TRACKER |
|---|---|---|---|---|---|
| | | | | | One piece equals three months. |
| China Northern Rare Earth (Group) High-Tech Co., Ltd. | China | Human Rights and Transition | Themes | Director Letter | 12-15 |
| DraftKings, Inc. | United States | Focus on Business Ethics | Strategy & Risk | Director Letter | 12-15 |
| Jiangxi Copper Co., Ltd. | China | Human Rights and Transition | Themes | Director Letter | 12-15 |
| Marathon Petroleum Corp. | United States | Net Zero Transition | Themes | Director Letter | 12-15 |
| ARC Resources Ltd. | Canada | Focus on Emissions, Effluents and Waste | Strategy & Risk | Director Letter | 15-18 |
| Encompass Health Corp. | United States | Focus on Product Governance and Emissions, Effluents and Waste | Strategy & Risk | Director Letter | 15-18 |
| Occidental Petroleum Corp. | United States | Net Zero Transition | Themes | Director Letter | 15-18 |
| OCI NV | Netherlands | Net Zero Transition | Themes | Director Letter, Investor Letter, Voting Recommendations | 15-18 |
| The Walt Disney Co. | United States | Human Capital Management | Themes | Director Letter | 15-18 |
| Amazon.com, Inc. | United States | Net Zero Transition | Themes | Director Letter | 18-21 |
| Athabasca Oil Corp. | Canada | Focus on Carbon and Emissions, Effluents and Waste | Strategy & Risk | Director Letter | 18-21 |
| Baytex Energy Corp. | Canada | Focus on Risk Assessment and ESG Disclosure | Strategy & Risk | Director Letter | 18-21 |

| COMPANY | COUNTRY | ISSUE | FOCUS AREA | ESCALATION ACTIVITIES | TIME TRACKER |
|---|---|---|---|---|---|
| | | | | | One piece equals three months. |
| HF Sinclair Corp. | United States | Focus on Carbon and Emissions, Effluents and Waste | Strategy & Risk | Director Letter | 18-21 |
| ORION Corp. | South Korea | Focus on Product Governance | Strategy & Risk | Director Letter, Investor Letter, Voting Recommendations | 18-21 |
| Yunnan Baiyao Group Co., Ltd. | China | Focus on Product Governance | Strategy & Risk | Director Letter, Investor Letter, Voting Recommendations | 18-21 |
| Zhangzhou Pientzehuang Pharmaceutical Co., Ltd. | China | Focus on Risk Assessment and Corporate Governance | Strategy & Risk | Director Letter, Investor Letter, Voting Recommendations | 18-21 |
| China State Construction Engineering Corp. Ltd. | China | Focus on Risk Assessment | Strategy & Risk | Director Letter | 21-24 |
| EOG Resources, Inc. | United States | Focus on Emissions, Effluents and Waste | Strategy & Risk | Director Letter | 21-24 |
| General Dynamics Corp. | United States | Focus on Risk Assessment and ESG Disclosure | Strategy & Risk | Director Letter | 21-24 |
| Saudi Industrial Investment Group | Saudi Arabia | Focus on Risk Assessment and ESG Disclosure | Strategy & Risk | Director Letter, Investor Letter | 21-24 |
| Saudi Kayan Petrochemical Co. | Saudi Arabia | Focus on Emissions, Effluents and Waste and Community Relations | Strategy & Risk | Director Letter, Investor Letter | 21-24 |
| Whitecap Resources, Inc. | Canada | Focus on ESG Disclosure | Strategy & Risk | Director Letter | 21-24 |
| China National Building Material Co., Ltd. | China | Net Zero Transition | Themes | Director Letter, Investor Letter | Above 24 |
| Exxonmobil Corp. | United States | Focus on Carbon and Emissions, Effluents and Waste | Strategy & Risk | Director Letter | Above 24 |

| COMPANY | COUNTRY | ISSUE | FOCUS AREA | ESCALATION ACTIVITIES | TIME TRACKER |
|---|---|---|---|---|---|
| | | | | | One piece equals three months. |
| Exxonmobil Corp. | United States | Focus on Carbon and Emissions, Effluents and Waste | Strategy & Risk | Director Letter | Above 24 |
| Grupo Carso SAB de CV | Mexico | Focus on Risk Assessment and ESG Disclosure | Strategy & Risk | Director Letter, Voting Recommendations | Above 24 |
| Power Construction Corporation of China, Ltd. | China | Controversial Project(s) - Environmental and Human Rights Impacts | Incidents | Director Letter, Investor Letter, Voting Recommendations | Above 24 |
| Shanghai Fosun Pharmaceutical (Group) Co., Ltd. | China | Focus on Product Governance | Strategy & Risk | Director Letter, Voting Recommendations | Above 24 |
| Starbucks Corp. | United States | Biodiversity and Natural Capital | Themes | Director Letter, Investor Letter | Above 24 |
| Suncor Energy, Inc. | Canada | Focus on ESG Disclosure | Strategy & Risk | Director Letter | Above 24 |
| Targa Resources Corp. | United States | Focus on Emissions, Effluents and Waste and Community Relations | Strategy & Risk | Director Letter, Investor Letter | Above 24 |
| Tata Steel Ltd. | India | Net Zero Transition | Themes | Director Letter, Investor Letter | Above 24 |

Stewardship Services does not provide investment advice; the decision of investment or exclusion lies solely with investors. Stewardship Services provides insights, information, and services, and it remains the client's sole responsibility and decision to manage their portfolio. Stewardship's clients benefit from engagement activities, such as participating in company meetings, webinars, and roundtable events. Investor clients are also provided with insights and data stemming from those activities.

# Engagement Status Updates

The following is an overview of all engagement status updates from 1 July to 30 September 2026.

## New Engage

| COMPANY | COUNTRY | ISSUE | FOCUS AREA |
|---|---|---|---|
| *Conduent, Inc.*<br>Global Standards Screening | United States | Data Privacy and Security | Incidents |
| *Coupang, Inc.*<br>Global Standards Screening | United States | Data Privacy and Security | Incidents |
| *FOOD & LIFE COMPANIES LTD.*<br>ESG Risk Rating | Japan | Focus on E&S Impact of Products and Services | Strategy & Risk |
| *Fuji Oil Co., Ltd.*<br>Thematic Portfolio Selection | Japan | Biodiversity and Natural Capital | Themes |
| *Gaztransport & Technigaz SA*<br>Investor Selection | France | Net Zero Transition | Themes |
| *Hokuhoku Financial Group, Inc.*<br>ESG Risk Rating | Japan | Focus on Product Governance | Strategy & Risk |
| *Millat Tractors Ltd.*<br>Controversies | Pakistan | Accounting and Taxation | Incidents |
| *National Australia Bank Ltd.*<br>Investor Selection | Australia | Sustainability and Good Governance | Themes |
| *Nokia Oyj*<br>Investor Selection | Finland | Net Zero Transition | Themes |
| *Organo Corp.*<br>ESG Risk Rating | Japan | Focus on Product Governance | Strategy & Risk |

# Focus Area Overview

# Incidents Engagement Updates

In Q3 2026, we saw continued progress across our Global Standards Engagement service, with three engagements resolved following sustained improvements in company policies, governance, due diligence and disclosure. The resolved engagements covered human rights, environmental impacts and operational safety, reflecting meaningful progress in addressing concerns linked to internationally recognized standards and responsible business conduct.

Across these engagements, companies strengthened the systems and processes used to identify, manage and prevent adverse impacts. Outcomes included enhancements to operational safety controls and monitoring, environmental and social due diligence processes, and human rights risk management frameworks. These developments demonstrate how sustained engagement dialogue can support not only remediation of historical incidents, but also improvements aimed at reducing the risk of recurrence and strengthening long-term risk management practices.

Alongside these engagement outcomes, our ongoing engagement with UBS Group AG highlighted a growing stewardship focus on executive compensation and corporate accountability in the context of financial crime risk management and remediation efforts. Discussions centred on how governance and executive remuneration frameworks can support effective oversight of financial crime risks, ongoing risk management, and long-term responsible business practices.

More broadly, our engagements with global financial institutions examined the role of executive incentives in strengthening governance and oversight. These discussions reflect broader expectations that companies align executive incentives with effective risk management, sound governance and the consistent implementation of responsible business practices. Increasingly, stewardship dialogue focuses not only on how companies respond to incidents and compliance failures, but also on whether governance mechanisms are capable of supporting ethical decision-making and preventing future failures.

Overall, the quarter reflected both tangible engagement outcomes and the growing importance of governance and oversight mechanisms in supporting responsible corporate behaviour. As scrutiny of corporate conduct, human rights impacts and governance failures continue to increase, companies are increasingly expected to demonstrate that governance frameworks, oversight processes and executive incentives not only support effective remediation when issues arise, but also help prevent adverse impacts and strengthen alignment with international standards.

# Thematic Engagement Updates

## Biodiversity & Natural Capital Stewardship Programme Update

During the third quarter, biodiversity and natural capital continued to gain prominence within investor and corporate discussions, reflecting growing recognition of nature-related risks as financially material. Engagement conversations highlighted increasing corporate awareness of biodiversity dependencies and impacts, particularly across the food, agriculture, retail, and consumer goods sectors. At the same time, investors emphasized the need to move beyond voluntary commitments toward stronger governance, clearer accountability mechanisms, and improved disclosure practices that enable more effective risk assessment and capital allocation.

A notable development was greater attention to public policy in accelerating nature-positive outcomes. This theme emerged during an investor dialogue organized by PRI Spring with representatives of the Armenia COP17 Presidency, where investors discussed the policy, regulatory, and market developments needed to support implementation of the Kunming-Montreal Global Biodiversity Framework. Participants emphasized that achieving the framework's goals will likely require stronger regulatory frameworks, more consistent biodiversity-related reporting, and improved availability of data to support risk assessment, stewardship activities, and capital allocation. Investors also highlighted the importance of policy coherence, reform of harmful subsidies, and mechanisms capable of mobilizing private capital toward conservation, restoration, sustainable land use, and resource-efficient business models. The discussion reflected the increasing convergence between biodiversity policy, financial materiality, and capital markets, while providing insight into emerging investor expectations ahead of COP17.

The importance of effective governance frameworks extends beyond public policy and disclosure requirements. Recent developments surrounding the Amazon Soy Moratorium (ASM) illustrate how changes to long-standing market mechanisms can create uncertainty around biodiversity outcomes and increase nature-related supply-chain risks. The ASM has long been regarded as one of the most successful industry-led initiatives for decoupling agricultural expansion from deforestation. However, recent developments among major soy traders have raised questions about the future effectiveness of the mechanism and the extent to which voluntary approaches can continue to deliver nature-positive outcomes. This is particularly relevant for investors given the implications for deforestation-related biodiversity, climate, regulatory, and reputational risks across agricultural supply chains. Many food manufacturers, retailers, restaurants, and consumer goods companies rely on soy sourcing systems that have benefited from the safeguards associated with the ASM. If equivalent protections weaken, investors may need to place greater emphasis on company-level expectations related to traceability, supplier engagement, and deforestation-free sourcing practices. The situation serves as a reminder that maintaining nature-related commitments often requires a combination of market expectations, investor oversight, and effective governance frameworks, even where voluntary initiatives have delivered positive outcomes.

### Looking Ahead

The next quarter is expected to be particularly active for biodiversity and natural capital discussions. Investor attention will increasingly focus on the practical implementation of nature-related commitments, including responsible sourcing, forest-risk commodities, and preparedness for emerging biodiversity expectations. A series of investor and company dialogues in October will provide opportunities to gather market insights, including two in-person roundtables with a palm oil company in Copenhagen and Stockholm focusing on the financial materiality of sustainability issues, the business case for ESG integration, and corporate perspectives on investor engagement. From 13-15 October, PRI in Person 2026 will bring together responsible investment professionals to discuss biodiversity, natural capital and stewardship best practices. Looking further ahead, COP17 is expected to be a key focal point for investors and policymakers, with outcomes likely to influence future discussions on biodiversity policy, corporate accountability, and the role of private capital in supporting nature-positive outcomes.

# Net Zero Transition Stewardship Programme Update

The dominant theme this quarter was the visible strain that surging electricity demand is placing on utility-sector climate commitments. Across our conversations with companies, we heard a remarkably consistent picture: growth in power demand, driven heavily by data centers and industrial electrification, is arriving faster than clean generation can be built. Several companies have scaled back or removed near-term emissions targets, citing reliability and affordability obligations rather than a change in long-term ambition. Coal retirements that were previously scheduled are increasingly being delayed or converted to gas while new gas capacity is being framed as a reliability bridge even as its scale raises questions about long-term carbon lock-in.

As data centers continue to influence utility demand growth, our engagements have focused on how companies manage the associated energy and climate implications. We view effective governance, transparent reporting, and investment in reliable low-carbon power sources as important considerations as AI adoption expands. For investors, the priority is not whether companies use AI, but whether they demonstrate robust energy management practices, credible emissions accounting, and clear disclosure of how new technologies support broader sustainability objectives.

A related governance thread ran through our engagement calls: where corporate-wide targets have been withdrawn, accountability is shifting to state-level or operating-company plans, and executive compensation for some remains anchored largely to shareholder return and earnings metrics rather than absolute emissions outcomes. Shifting federal policy – including the rollback of emissions-related regulatory backstops and the accelerated phase-out of clean energy tax credits – is also reshaping investment economics, prompting companies to "safe-harbour" credit eligibility and revisit capital plans.

Against this backdrop, we continued to engage companies on the role of executive compensation in supporting accountability for long-term sustainability and transition objectives.

Executive compensation remains an important mechanism for integrating sustainability considerations into corporate decision-making. Aligning remuneration with key sustainability objectives can help reinforce accountability and support the effective implementation of long-term corporate strategies. We encourage companies to consider how incentive frameworks can reflect material sustainability priorities and strengthen governance practices.

## Looking Ahead

Looking ahead we expect the tension between reliability-driven growth and climate ambition to remain the defining storyline, with further target recalibrations likely as companies finalize 2027 planning. COP31, taking place in Antalya, Türkiye in November, will be a notable moment to watch: with a strong circular economy and "zero waste" theme, it may sharpen attention on both energy-transition credibility and materials/waste commitments, giving companies a natural hook to reaffirm or revise their positions as the year closes.

# Sustainability Insights

# AI's Climate Math: Why Data Centers Are a Manageable Risk, Not an Existential One

Few technology waves have arrived with as much hyperbole as the current AI buildout. There are now over 4,000 data centers operating in the US alone, with roughly 3,000 more under construction or planned, and public opposition is rising fast: 70% of Americans oppose data center construction in their own area.[1] This backlash raises an obvious question: does the electricity data centers consume undermine the emissions trajectories investors have spent years pressing companies to commit to?

The short answer is no, but there are some nuances.

Start with scale. The IEA projects global data center electricity demand will roughly double from about 485 TWh in 2025 to near 950 TWh by 2030, equivalent to 3% of global electricity use, with AI-focused facilities driving most of the growth.[2] In the US, data centers are expected to account for nearly half of the, historically stagnant, electricity demand growth through the decade's end, and by 2030 the country will likely use more power for data centers than for aluminum, steel, cement, chemicals and all other energy-intensive manufacturing combined.[3] Set against the broader emissions ledger, this remains a modest slice. IEA modeling puts data center emissions at roughly 350 million tonnes of CO2 by 2035 – about 2% of total energy-sector emissions.[4] That is a similar order of magnitude to global aviation, which accounts for an estimated 2-2.5% of global CO2 emissions today, despite drawing far less investor and political scrutiny.[5] Agriculture and land use, by contrast, account for close to 20% of global greenhouse gas emissions, and the wider food system, including processing, packaging and transport, brings that closer to one-quarter of the global total.[6] The sector drawing the most attention today emits a share similar to what aviation does, and a much smaller fraction of what the world's farms and food systems emit every year – a ratio unlikely to change even as AI scales.

Axios energy correspondent Amy Harder has made a parallel point on resource use: her recent analysis of data center water consumption found that in the US golf courses alone draw three times more water nationally than data centers do.[7] Clearly the intensity of the AI backlash has outpaced the sector's actual share of the climate math, even as the underlying growth curve is real and worth monitoring closely.

For investors, treating AI adoption as suspect is no longer realistic. That's not an argument for complacency; it's an argument for sizing AI's energy footprint correctly within a much larger, and on balance more encouraging, equation.

That equation matters because AI is not solely a source of new emissions. The IEA finds that widespread adoption of existing AI applications – in grid balancing, renewable integration, industrial efficiency and power plant optimization – could cut energy-sector emissions by an amount far larger than emissions from data centers, equivalent to roughly 5% of energy-related emissions by 2035.[8] AI-enabled transmission management alone could unlock up to 175 GW of additional grid capacity without a single new line built.[9]

Alphabet provides an example of how AI reduces emissions in practice. The company estimates that its services collectively reduce more than twice the company’s total emissions. For example, Project Green Light, which uses AI to retime traffic signals, reduces stops at intersections by up to 30% and reduces emissions by over 10% in cities where it has been deployed. Google has applied the same logic in aviation to reduce contrail formation, which accounts for around a third of aviation’s global warming impact. In trials, the company’s AI solution was able to reduce contrail formation by 54%.[10]

None of this erases company-level credibility questions. Last year proxy season proposals at Amazon, Meta and Alphabet – questioning whether AI-driven power growth is compatible with climate pledges – drew unusually strong support.[11] The core debate: whether "100% renewable" claims built on renewable energy certificates and virtual power purchase agreements reflect real decarbonization, or mask continued reliance on fossil generation.[12]

For investors focused on net zero, this reframes engagement priorities. The question is less "should companies build data centers" and more "how honestly do they measure and disclose the power behind them." Focus should be given to the following topics: scope 2 accounting methodology, as the GHG Protocol moves toward hourly, location-specific reporting; capital allocation toward firm, low-carbon power such as nuclear and geothermal rather than fossil backfill; and transparency on how AI is being deployed to cut emissions elsewhere in company operations and portfolios, not just how much power it draws.

AI's growth is not a climate threat on the scale of agriculture, or close to it, and it sits in the same broad range as aviation. But it is a real-time test of whether corporate climate disclosure can keep pace with a technology moving faster than the grids and the reporting standards built to track it.

# The Amazon Soy Moratorium at a Crossroads: What its Unraveling Means for Investors and Global Supply Chains

Over the past two decades, the Brazilian Amazon Soy Moratorium (ASM) has become one of the world's most successful examples of voluntary, market-based environmental governance. Established in 2006, the agreement prevents participating commodity traders from sourcing soy grown on land in the Amazon biome deforested after July 2008.[13] The mechanism has been widely credited with decoupling soy expansion from deforestation, demonstrating that agricultural production and forest conservation can coexist. Studies indicate that less than 3% of Amazon soy production has been non-compliant with the moratorium, while the area under soy cultivation continued to expand significantly during the same period.[14]

The success of the ASM has been underpinned by an unusual combination of corporate commitments, satellite monitoring, civil society oversight, government support, and market pressure from downstream buyers and investors. For many investors, it has provided confidence that exposure to Brazilian soy supply chains could be managed without contributing to Amazon deforestation.

That confidence is now being tested.

In early 2026, the Brazilian Association of Vegetable Oil Industries (ABIOVE), representing several of the world's largest soy traders, formally initiated its withdrawal from the ASM following mounting political and regulatory pressure in Brazil. A key driver of the withdrawal was a new law in Mato Grosso, Brazil's largest soy-producing state, which removed tax incentives for moratorium participants, alongside growing pressure from farming groups that argued the ASM imposed restrictions beyond those required under Brazil's Forest Code by limiting purchases from land legally cleared after 2008.[15] Key traders including Archer-Daniels-Midland Co. (ADM), Bunge, Cargill, COFCO, Louis Dreyfus, and Amaggi have either withdrawn from or distanced themselves from the agreement, raising questions about the future of one of the most influential private-sector conservation initiatives ever created.[16]

## Investor Risks: More than a Deforestation Story

The weakening of the ASM is not simply an environmental concern. It represents a significant test of whether voluntary sustainability mechanisms can continue to provide credible safeguards where regulatory frameworks alone may be insufficient.

For investors, the most immediate concern is the potential re-coupling of soy expansion and deforestation. Research suggests that dismantling the ASM could lead to a 30% increase in Amazon deforestation by 2045, reversing one of the clearest examples of successful commodity-sector intervention.[17]

However, the implications extend far beyond forest loss.

First, companies with zero-deforestation, No Deforestation, No Peat and No Exploitation (NDPE), or deforestation-and-conversion-free (DCF) commitments may face heightened implementation risks if traders adopt less stringent sourcing standards. Many downstream companies have built their responsible sourcing programs around the assumption that soy sourced from the Amazon would remain subject to the ASM's 2008 cut-off date.

Second, investors face increasing regulatory risk. As regulations such as the EU Deforestation Regulation (EUDR) come into force, companies may need to demonstrate robust traceability and deforestation-free sourcing beyond what is legally required in producing countries. The erosion of a widely recognized monitoring mechanism could increase compliance costs and due diligence burdens across the value chain.

Third, the ASM's weakening raises broader questions around nature-related financial risk. The Amazon plays a critical role in climate regulation, rainfall generation, and agricultural productivity. Continued deforestation could undermine long-term agricultural resilience and

increase physical climate risks across global food systems. What appears today as a sourcing issue for soy traders may ultimately become a portfolio-wide concern spanning food, retail, agriculture, consumer goods, and financial institutions. This is precisely why investors represented through FAIRR and other initiatives (e.g. Nature Action 100 and IIGCC) have repeatedly expressed support for maintaining the ASM, citing concerns over biodiversity loss, climate impacts, reputational exposure, and the long-term resilience of Brazilian soy supply chains.[18]

## The Emerging Question for Commodity Traders

The weakening of the ASM is particularly relevant to Morningstar's Biodiversity and Natural Capital Thematic Stewardship Programme because we engage with several of the world's largest agricultural commodity traders, including ADM, Bunge, and Cargill, all of which play a significant role in global soy supply chains. Together with other major traders such as Glencore and Louis Dreyfus Company, these firms handle nearly 60% of soybeans produced in the Amazon biome and have been signatories to the ASM; consequently, any weakening of their participation could increase deforestation exposure and supply-chain risks across the sector.[19]

The recent withdrawal of major traders from the ASM has therefore become a key engagement topic within the programme. Through our dialogue with ADM, for example, we explored how evolving sourcing policies may affect deforestation safeguards and traceability systems. The discussion highlighted a broader industry trend toward harmonizing sourcing standards across geographies, with several traders replacing the Amazon-specific 2008 deforestation cut-off date with more recent dates. While companies cite operational efficiency and consistency as key drivers, the shift raises important questions for investors regarding the potential weakening of long-standing environmental safeguards.

For stewardship practitioners, this represents a critical test of whether trader-level commitments can continue delivering outcomes equivalent to those achieved under the ASM. Investors may increasingly need to assess whether revised sourcing policies maintain sufficient protection against both legal and illegal deforestation and whether companies remain aligned with evolving market expectations on deforestation-free supply chains.

## Why Downstream Companies Matter

The implications of the ASM extend well beyond commodity traders. We engage with a broad range of downstream companies that depend directly or indirectly on soy supply chains, including food manufacturers such as Danone, General Mills, Kerry Group, Nestlé, PepsiCo, Tyson Foods, Mowi and BRF; restaurant operators such as McDonald's and Yum! Brands; and food retailers including Walmart, Carrefour, Ahold Delhaize, Kroger, Woolworths, Coles, Central Retail, Cencosud and Shoprite.

Some of these companies often maintain zero-deforestation, NDPE, or deforestation- and conversion-free (DCF) commitments and therefore rely heavily on traders' sourcing practices and traceability systems. As the ASM weakens, responsibility may increasingly shift toward downstream buyers to demonstrate that their soy supply chains remain free from Amazon deforestation regardless of changes in trader policies.

The implications of the ASM's weakening are already being reflected in our engagements with downstream companies. During discussions with Kerry Group, for example, we explored whether recent developments surrounding the ASM could affect the company's ability to deliver on its DCF commitments. Although Kerry indicated that it has not experienced a direct impact to date, the company acknowledged that it is actively monitoring developments in soy-related sourcing standards and supplier commitments, recognizing that these trends could influence industry expectations over time.

For investors, the key engagement focus should therefore move beyond whether companies have deforestation policies in place and increasingly assess whether companies can demonstrate:

- Farm-level or origin-level traceability for soy supply chains;
- Effective supplier engagement and escalation processes;
- Clear expectations for traders regarding deforestation-free sourcing; and
- Continued adherence to robust Amazon-specific deforestation safeguards, even in the absence of sector-wide agreements.

The ASM debate highlights a broader stewardship challenge: as collective industry mechanisms come under pressure, downstream companies may become the primary drivers of market expectations and accountability across global agricultural supply chains.

## Conclusion: A Defining Moment for Nature Stewardship

The Amazon Soy Moratorium has long been viewed as evidence that voluntary, market-led initiatives can successfully address commodity-driven deforestation at scale. Its effectiveness over nearly twenty years helped reassure investors that agricultural growth and forest conservation need not be mutually exclusive.

The recent withdrawals by major traders therefore represent more than a challenge to a single agreement. They represent a test of whether corporate sustainability commitments remain resilient when they come under economic and political pressure.

For investors, the priority should not simply be preserving the ASM in its current form. Rather, it should be ensuring that the environmental outcomes it delivered are maintained through equivalent or stronger safeguards. This means continuing to engage traders, financial institutions, and downstream companies on three critical expectations:

1. Maintain Amazon-specific no-deforestation standards equivalent to the ASM's 2008 cut-off date.
2. Achieve full farm-level traceability and transparent reporting.
3. Demonstrate that soy sourcing remains free from both legal and illegal deforestation within the Amazon biome.

The future of the ASM remains uncertain. Regardless of the ultimate outcome, recent developments serve as a reminder that investors must assess not only company-level commitements, but also broader governance frameworks and market mechanisms that support them. What is certain, however, is that investor scrutiny of deforestation-related risks will continue to intensify. The companies best positioned for long-term resilience will be those that maintain robust safeguards even as the broader governance landscape evolves.

# Endnotes


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# About Stewardship Services and Contacts

Stewardship Services provides an integrated solution that combines engagement and voting recommendations within a single framework designed to help investors incorporate ESG and sustainable investment considerations throughout the investment lifecycle.

Our stewardship offering builds on more than 30 years of experience in sustainable investing and responsible investment practice. Our stewardship heritage has strong Nordic roots through GES International, a Stockholm-founded engagement, screening, and fiduciary voting specialist with more than 25 years of experience as an owner advocate prior to joining Morningstar.

Today, we support a global +€6.5 trillion investor footprint, serving more than 100 asset owners and managers worldwide through a stewardship model designed to connect research-informed engagement, voting alignment, progress measurement, and stakeholder reporting in a consistent and operationally structured way.

Our stewardship team is based in Toronto, Copenhagen, Stockholm, Amsterdam, Tokyo, London, and Madrid.




Do you have any questions regarding our Stewardship Services?
Contact us today at engagement.support@morningstar.com to connect with our team of experts.

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# Engage List

| Company Name | Issue | Focus Area | Progress | Response | Milestone | Engage Since |
|---|---|---|---|---|---|---|
| Acadia Healthcare Co., Inc. (United States, 2024) | Human Rights | Incidents | Standard | Poor | 1 | 2024 |
| Activision Blizzard, Inc. (United States, 2021) | Discrimination and Harassment | Incidents | Standard | Standard | 5 | 2021 |
| Adani Enterprises Ltd. (India, 2015) | Controversial Project(s) - Environmental and Human Rights Impacts | Incidents | Standard | Standard | 4 | 2015 |
| Adani Green Energy Ltd. (India, 2026) | Bribery and Corruption | Incidents | Standard | Standard | 2 | 2026 |
| Adani Ports & Special Economic Zone Ltd. (India, 2020) | Controversial Project(s) - Environmental and Human Rights Impacts | Incidents | Standard | Standard | 3 | 2020 |
| ADLER Group SA (Luxembourg, 2026) | Accounting and Taxation | Incidents | Standard | None | 1 | 2026 |
| All In FutureTech Alliance, Inc. (United States, 2026) | Business Ethics | Incidents | | | 0 | 2026 |
| Alphabet, Inc. (United States, 2025) | Anti-Competitive Practices | Incidents | Poor | Poor | 1 | 2025 |
| Amazon.com, Inc. (United States, 2024) | Forced Labour - Supply Chain | Incidents | Standard | Poor | 3 | 2024 |
| Amazon.com, Inc. (United States, 2020) | Occupational Health and Safety | Incidents | Standard | Poor | 3 | 2020 |
| Amazon.com, Inc. (United States, 2021) | Freedom of Association | Incidents | Poor | Poor | 2 | 2021 |
| ArcelorMittal SA (Luxembourg, 2015) | Occupational Health and Safety | Incidents | Good | Excellent | 3 | 2015 |
| AXIA Energia SA (Brazil, 2020) | Controversial Project(s) - Human Rights Impacts | Incidents | Standard | Standard | 3 | 2020 |
| Baidu, Inc. (China, 2021) | Involvement With Entities Violating Human Rights | Incidents | Standard | Good | 2 | 2021 |
| Barrick Mining Corp. (Canada, 2009) | Human Rights - Operations | Incidents | Standard | Good | 3 | 2009 |
| Bayer AG (Germany, 2017) | Quality and Safety | Incidents | Standard | Good | 5 | 2017 |
| BFF Bank SpA (Italy, 2026) | Accounting and Taxation | Incidents | Standard | Poor | 2 | 2026 |
| boohoo group Plc (United Kingdom, 2020) | Labour Rights - Supply Chain | Incidents | Standard | Standard | 3 | 2020 |

| Company Name | Issue | Focus Area | Progress | Response | Milestone | Engage Since |
|---|---|---|---|---|---|---|
| Bunge Global SA (United States, 2024) | Land Use and Biodiversity | Incidents | Good | Standard | 4 | 2024 |
| BYD Co., Ltd. (China, 2025) | Forced Labour | Incidents | Standard | Poor | 1 | 2025 |
| Cargill, Inc. (United States, 2017) | Land Use and Biodiversity | Incidents | Standard | Standard | 3 | 2017 |
| Cencora, Inc. (United States, 2023) | Consumer Interests - Human Rights | Incidents | Standard | Poor | 2 | 2023 |
| China Nonferrous Mining Corp. Ltd. (China, 2025) | Incident(s) Resulting in Negative Environmental and Human Rights Impacts | Incidents | Standard | None | 1 | 2025 |
| China Railway Group Ltd. (China, 2013) | Occupational Health and Safety | Incidents | Standard | Standard | 1 | 2013 |
| Citigroup, Inc. (United States, 2015) | Business Ethics | Incidents | Standard | Standard | 3 | 2015 |
| CJ CheilJedang Corp. (South Korea, 2026) | Anti-Competitive Practices | Incidents | Standard | Poor | 2 | 2026 |
| Compass Diversified Holdings (United States, 2026) | Accounting and Taxation | Incidents | Standard | Good | 1 | 2026 |
| Conduent, Inc. (United States, 2026) | Data Privacy and Security | Incidents | | | 0 | 2026 |
| CoreCivic, Inc. (United States, 2018) | Incident(s) Resulting in Negative Human Rights Impacts | Incidents | Standard | Good | 3 | 2018 |
| Coupang, Inc. (United States, 2026) | Data Privacy and Security | Incidents | | | 0 | 2026 |
| CVS Health Corp. (United States, 2025) | Consumer Interests - Human Rights | Incidents | Standard | Standard | 2 | 2025 |
| CVS Health Corp. (United States, 2025) | Anti-Competitive Practices | Incidents | Standard | Standard | 1 | 2025 |
| Del Monte Corp. (United States, 2024) | Community Relations | Incidents | Poor | Standard | 1 | 2024 |
| Deutsche Bank AG (Germany, 2019) | Money Laundering | Incidents | Standard | Standard | 4 | 2019 |
| Dole Plc (Ireland, 2026) | Occupational Health and Safety | Incidents | Standard | Standard | 1 | 2026 |
| Emeis SA (France, 2022) | Quality and Safety - Human Rights | Incidents | Standard | Good | 3 | 2022 |
| Empresas Públicas de Medellín ESP (Colombia, 2018) | Controversial Project(s) - Environmental and Human Rights Impacts | Incidents | Good | Standard | 3 | 2018 |

| Company Name | Issue | Focus Area | Progress | Response | Milestone | Engage Since |
|---|---|---|---|---|---|---|
| Energy Transfer LP (United States, 2016) | Community Relations - Indigenous Peoples | Incidents | Poor | Standard | 3 | 2016 |
| EOFlow Co., Ltd. (South Korea, 2026) | Business Ethics | Incidents | Poor | None | 1 | 2026 |
| Eramet SA (France, 2025) | Community Relations - Indigenous Peoples | Incidents | Standard | Poor | 2 | 2025 |
| Eskom Holdings SOC Ltd. (South Africa, 2023) | Quality and Safety | Incidents | Standard | Standard | 2 | 2023 |
| Eskom Holdings SOC Ltd. (South Africa, 2018) | Air Pollutant Emissions | Incidents | Standard | Good | 4 | 2018 |
| Eskom Holdings SOC Ltd. (South Africa, 2023) | Business Ethics | Incidents | Standard | Standard | 2 | 2023 |
| FGV Holdings Bhd. (Malaysia, 2015) | Forced Labour | Incidents | Good | Good | 5 | 2015 |
| Fortrex, Inc. (United States, 2023) | Child Labour | Incidents | Standard | Standard | 4 | 2023 |
| GCL Technology Holdings Ltd. (Hong Kong, 2021) | Forced Labour | Incidents | Standard | Poor | 3 | 2021 |
| General Motors Co. (United States, 2026) | Quality and Safety | Incidents | Standard | Standard | 2 | 2026 |
| Geo-Jade Petroleum Corp. (China, 2025) | Accounting and Taxation | Incidents | Poor | None | 1 | 2025 |
| Glencore Plc (Switzerland, 2017) | Bribery and Corruption | Incidents | Standard | Poor | 3 | 2017 |
| Glencore Plc (Switzerland, 2024) | Emissions, Effluents and Waste | Incidents | Poor | Standard | 1 | 2024 |
| Glencore Plc (Switzerland, 2021) | Child Labour | Incidents | Poor | Standard | 4 | 2021 |
| Golden Agri-Resources Ltd. (Singapore, 2020) | Land Use and Biodiversity | Incidents | Standard | Standard | 5 | 2020 |
| Grupo México S.A.B. de C.V. (Mexico, 2014) | Leaks, Spills and Pollution - Environmental and Human Rights Impacts | Incidents | Standard | Standard | 3 | 2014 |
| Hangzhou Hikvision Digital Technology Co., Ltd. (China, 2019) | Involvement With Entities Violating Human Rights | Incidents | Good | Good | 4 | 2019 |
| Harmony Gold Mining Co. Ltd. (South Africa, 2014) | Occupational Health and Safety | Incidents | Standard | Standard | 4 | 2014 |
| Hawaiian Electric Industries, Inc. (United States, 2024) | Quality and Safety | Incidents | Standard | Poor | 3 | 2024 |
| Hino Motors, Ltd. (Japan, 2022) | Consumer Interests - Business Ethics | Incidents | Good | Good | 3 | 2022 |

| Company Name | Issue | Focus Area | Progress | Response | Milestone | Engage Since |
|---|---|---|---|---|---|---|
| Honda Motor Co., Ltd. (Japan, 2026) | Quality and Safety | Incidents | Standard | Standard | 2 | 2026 |
| HYUNDAI ENGINEERING & CONSTRUCTION CO., LTD. (South Korea, 2025) | Occupational Health and Safety | Incidents | Standard | Standard | 1 | 2025 |
| Indian Railways (India, 2026) | Quality and Safety | Incidents | | | 0 | 2026 |
| Inner Mongolia Baotou Steel Union Co. Ltd. (China, 2026) | Occupational Health and Safety | Incidents | | | 0 | 2026 |
| Italian-Thai Development Public Co., Ltd. (Thailand, 2017) | Occupational Health and Safety | Incidents | Standard | Poor | 1 | 2017 |
| JBS NV (Netherlands, 2020) | Business Ethics | Incidents | Good | Good | 4 | 2020 |
| JBS NV (Netherlands, 2019) | Land Use and Biodiversity | Incidents | Standard | Good | 3 | 2019 |
| Jiangxi Hongdu Aviation Industry Co., Ltd. (China, 2026) | Involvement With Entities Violating Human Rights | Incidents | | | 0 | 2026 |
| JSW Steel Ltd. (India, 2024) | Community Relations | Incidents | Standard | Standard | 3 | 2024 |
| Kobayashi Pharmaceutical Co., Ltd. (Japan, 2024) | Quality and Safety - Human Rights | Incidents | Standard | Standard | 2 | 2024 |
| Koninklijke Philips NV (Netherlands, 2022) | Quality and Safety | Incidents | Good | Good | 3 | 2022 |
| Lockheed Martin Corp. (United States, 2020) | Involvement With Entities Violating Human Rights | Incidents | Standard | Poor | 3 | 2020 |
| Luna Innovations, Inc. (United States, 2026) | Accounting and Taxation | Incidents | | | 0 | 2026 |
| LVMH Moët Hennessy Louis Vuitton SE (France, 2024) | Labour Rights - Supply Chain | Incidents | Good | Good | 3 | 2024 |
| Mattel, Inc. (United States, 2019) | Quality and Safety - Human Rights | Incidents | Poor | Poor | 3 | 2019 |
| Medibank Private Ltd. (Australia, 2024) | Data Privacy and Security | Incidents | Standard | Good | 3 | 2024 |
| Meta Platforms, Inc. (United States, 2018) | Data Privacy and Security | Incidents | Standard | Poor | 4 | 2018 |
| Meta Platforms, Inc. (United States, 2021) | Social Impact - Products | Incidents | Poor | None | 3 | 2021 |
| Millat Tractors Ltd. (Pakistan, 2026) | Accounting and Taxation | Incidents | | | 0 | 2026 |
| Mowi ASA (Norway, 2026) | Anti-Competitive Practices | Incidents | Standard | Standard | 2 | 2026 |
| Nexans SA (France, 2026) | Anti-Competitive Practices | Incidents | Standard | Standard | 3 | 2026 |
| NIDEC Corp. (Japan, 2026) | Accounting and Taxation | Incidents | | | 0 | 2026 |
| NKT A/S (Denmark, 2026) | Anti-Competitive Practices | Incidents | Standard | Good | 3 | 2026 |

| Company Name | Issue | Focus Area | Progress | Response | Milestone | Engage Since |
|---|---|---|---|---|---|---|
| Norfolk Southern Corp. (United States, 2024) | Incident(s) Resulting in Negative Environmental and Human Rights Impacts | Incidents | Standard | Poor | 3 | 2024 |
| Northern Dynasty Minerals Ltd. (Canada, 2026) | Community Relations | Incidents | Standard | Poor | 1 | 2026 |
| Ntpc Ltd. (India, 2016) | Controversial Project(s) - Environmental and Human Rights Impacts | Incidents | Standard | Standard | 4 | 2016 |
| Ntpc Ltd. (India, 2015) | Occupational Health and Safety | Incidents | Good | Good | 3 | 2015 |
| Oil & Natural Gas Corp. Ltd. (India, 2007) | Involvement With Entities Violating Human Rights | Incidents | Standard | Standard | 3 | 2007 |
| PacifiCorp (United States, 2026) | Quality and Safety | Incidents | None | None | 1 | 2026 |
| Pan American Silver Corp. (Canada, 2019) | Community Relations - Indigenous Peoples | Incidents | Good | Excellent | 4 | 2019 |
| Pegasystems, Inc. (United States, 2026) | Business Ethics | Incidents | Poor | Poor | 0 | 2026 |
| Petroleos Del Peru - Petroperu SA (Peru, 2024) | Leaks, Spills and Pollution - Environmental and Human Rights Impacts | Incidents | Standard | Standard | 2 | 2024 |
| Petróleos Mexicanos EPE (Mexico, 2014) | Incident(s) Resulting in Negative Human Rights and Environmental Impacts | Incidents | Standard | Good | 3 | 2014 |
| POSCO International Corp. (South Korea, 2023) | Involvement With Entities Violating Human Rights | Incidents | Standard | Standard | 3 | 2023 |
| Power Construction Corporation of China, Ltd. (China, 2022) | Controversial Project(s) - Environmental and Human Rights Impacts | Incidents | Poor | Poor | 1 | 2022 |
| PT Astra Agro Lestari Tbk (Indonesia, 2023) | Community Relations | Incidents | Standard | Standard | 3 | 2023 |
| PT Indah Kiat Pulp & Paper Tbk (Indonesia, 2020) | Land Use and Biodiversity | Incidents | Poor | Standard | 3 | 2020 |
| PTT Exploration & Production Plc (Thailand, 2022) | Involvement With Entities Violating Human Rights | Incidents | Standard | Standard | 2 | 2022 |
| PTT Oil & Retail Business Public Co., Ltd. (Thailand, 2022) | Involvement With Entities Violating Human Rights | Incidents | Poor | Standard | 3 | 2022 |
| RTX Corp. (United States, 2020) | Involvement With Entities Violating Human Rights | Incidents | Standard | Standard | 3 | 2020 |
| Samyang Corp. (South Korea, 2026) | Anti-Competitive Practices | Incidents | Standard | Standard | 2 | 2026 |

| Company Name | Issue | Focus Area | Progress | Response | Milestone | Engage Since |
|---|---|---|---|---|---|---|
| Sibanye Stillwater Ltd. (South Africa, 2018) | Occupational Health and Safety | Incidents | Standard | Standard | 4 | 2018 |
| Singtel Optus Pty Ltd. (Australia, 2024) | Data Privacy and Security | Incidents | Standard | Poor | 2 | 2024 |
| SLC Agricola SA (Brazil, 2021) | Land Use and Biodiversity | Incidents | Poor | Standard | 3 | 2021 |
| SolarWinds Corp. (United States, 2026) | Data Privacy and Security | Incidents | Standard | None | 2 | 2026 |
| Southern Copper Corp. (United States, 2014) | Leaks, Spills and Pollution - Environmental and Human Rights Impacts | Incidents | Standard | Standard | 3 | 2014 |
| Starbucks Corp. (United States, 2022) | Freedom of Association | Incidents | Standard | Poor | 3 | 2022 |
| Suzano SA (Brazil, 2024) | Community Relations | Incidents | Standard | Standard | 3 | 2024 |
| Teleperformance SE (France, 2021) | Freedom of Association | Incidents | Good | Good | 4 | 2021 |
| Tencent Holdings Ltd. (China, 2021) | Involvement With Entities Violating Human Rights | Incidents | Poor | Poor | 2 | 2021 |
| Ternium SA (Luxembourg, 2026) | Business Ethics | Incidents | Standard | Poor | 3 | 2026 |
| Tesla, Inc. (United States, 2022) | Discrimination and Harassment | Incidents | Standard | Poor | 2 | 2022 |
| Tesla, Inc. (United States, 2024) | Freedom of Association | Incidents | Standard | Poor | 0 | 2024 |
| The Boeing Co. (United States, 2019) | Quality and Safety - Human Rights | Incidents | Standard | Poor | 4 | 2019 |
| The Cigna Group (United States, 2025) | Anti-Competitive Practices | Incidents | Standard | Standard | 3 | 2025 |
| The GEO Group, Inc. (United States, 2018) | Incident(s) Resulting in Negative Human Rights Impacts | Incidents | Good | Good | 4 | 2018 |
| The Star Entertainment Group Ltd. (Australia, 2022) | Money Laundering | Incidents | Standard | Good | 3 | 2022 |
| The Toronto-Dominion Bank (Canada, 2024) | Money Laundering | Incidents | Good | Good | 3 | 2024 |
| Thermo Fisher Scientific, Inc. (United States, 2021) | Involvement With Entities Violating Human Rights | Incidents | Standard | Poor | 3 | 2021 |
| Tokyo Electric Power Co. Holdings, Inc. (Japan, 2011) | Incident(s) Resulting in Negative Environmental and Human Rights Impacts | Incidents | Standard | Standard | 3 | 2011 |

| Company Name | Issue | Focus Area | Progress | Response | Milestone | Engage Since |
|---|---|---|---|---|---|---|
| TotalEnergies SE (France, 2023) | Controversial Project(s) - Human Rights and Environmental Impacts | Incidents | Standard | Standard | 3 | 2023 |
| Toyota Motor Corp. (Japan, 2022) | Consumer Interests - Business Ethics | Incidents | Standard | Standard | 3 | 2022 |
| Tyson Foods, Inc. (United States, 2026) | Anti-Competitive Practices | Incidents | Standard | Standard | 3 | 2026 |
| UBS Group AG (Switzerland, 2023) | Business Ethics | Incidents | Good | Good | 4 | 2023 |
| UnitedHealth Group, Inc. (United States, 2025) | Anti-Competitive Practices | Incidents | Good | Good | 2 | 2025 |
| UnitedHealth Group, Inc. (United States, 2024) | Data Privacy and Security | Incidents | Good | Good | 2 | 2024 |
| Vale SA (Brazil, 2019) | Incident(s) Resulting in Negative Environmental and Human Rights Impacts | Incidents | Good | Excellent | 4 | 2019 |
| Vedanta Ltd. (India, 2018) | Community Relations | Incidents | Standard | Poor | 3 | 2018 |
| Vedanta Resources Ltd. (United Kingdom, 2018) | Community Relations | Incidents | Standard | Standard | 3 | 2018 |
| Weibo Corp. (China, 2021) | Involvement With Entities Violating Human Rights | Incidents | Poor | Good | 1 | 2021 |
| Wilmar International Ltd. (Singapore, 2017) | Community Relations - Indigenous Peoples | Incidents | Standard | Standard | 5 | 2017 |
| Wockhardt Ltd. (India, 2016) | Quality and Safety - Human Rights | Incidents | Standard | Standard | 5 | 2016 |
| Zijin Mining Group Co., Ltd. (China, 2015) | Activities Resulting in Adverse Environmental Impacts | Incidents | Standard | Good | 3 | 2015 |
| Zijin Mining Group Co., Ltd. (China, 2015) | Activities Resulting in Adverse Human Rights Impacts | Incidents | Standard | Good | 4 | 2015 |