



Swisscanto

by Zürcher Kantonalbank

Global & Thematic Engagement

Q2 Engagement Report 2024

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 advocating for the compliance within renowned international principles and widely accepted ESG best-practice standards. This may include promoting compliant practices, check-and-balance principles, adequate pay-for-performances, stewardship of environmental protection and climate change, supporting biodiversity, fair labor practices, non-discriminatory work and the protection of human rights and other best-practice ESG topics. 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 active, fundamental capabilities, mostly equity related but comprising also fixed income, as engagements drive both perspectives and may benefit issuers overall irrespective of their listed 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 investor by promoting best-practice ESG in the interest of our investors by leveraging on our home base expertise.

- **Collaborative engagements:** The focus is to promote best-practice ESG on entire industries as well as the 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+, TNFD, Climate Bond Initiative etc.
- **Global & thematic engagements:** The focus is to promote best-practice ESG standards and our climate strategy on a global scale in our investors' interest. In addition, we focus within the thematic engagements on climate change, cleantech and biodiversity. We mandated Sustainalytics to leverage existing resources and to convey our key sustainability messages 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 schemes).

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 Morningstar Sustainalytics

Morningstar Sustainalytics is our partner for engagement activities at international companies. The following report is provided by Morningstar Sustainalytics and covers the engagements they conduct on our behalf. It shows an overview of global and thematic engagements.

About Morningstar Sustainalytics

Morningstar Sustainalytics is a leading ESG data, research, and ratings firm that supports investors around the world with the development and implementation of responsible investment strategies. For more than 30 years, the firm has been at the forefront of developing high quality, innovative solutions to meet the evolving needs of global investors. Today, Morningstar Sustainalytics works with hundreds of the world's leading asset managers and pension funds who incorporate ESG information and assessments into their investment processes.

The firm also works with hundreds of companies and their financial intermediaries to help them consider material sustainability factors in policies, practices, and capital projects. Morningstar Sustainalytics has analysts around the world with varied multidisciplinary expertise across more than 40 industry groups. For more information, visit www.sustainalytics.com.

Implementation of investment stewardship

The Asset Management of Zürcher Kantonalbank executes the engagement. Swisscanto Fondsleitung AG, Switzerland, is responsible for implementing proxy voting.

About us

Swisscanto investment funds are managed centrally by the Asset Management of Zürcher Kantonalbank. Swisscanto Fondsleitung AG is the fund management company for Swisscanto funds domiciled in Switzerland.

Swisscanto Asset Management International S.A., Luxembourg is the fund management company for Swisscanto funds domiciled in Luxembourg.

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.

Swisscanto Fondsleitung AG

Swiss fund management for Zürcher Kantonalbank and third parties

Swisscanto Fondsleitung AG, part of Zürcher Kantonalbank group, has been established in 1960 and serves as fund management company of the Swiss domiciled Swisscanto funds. Furthermore, Swisscanto Fondsleitung AG also supports an increasing number of third-party customers with tailor-made services and flexible solutions.

Swisscanto Asset Management International S.A.

European fund management for Zürcher Kantonalbank and third parties

Swisscanto Asset Management International S.A. offers fund solutions in Luxembourg with different asset classes and risk profiles and offers Private Label Fund customers an attractive and high-quality alternative. Thanks to an AIFM license (Alternative Investment Fund Manager), Swisscanto Asset Management International S.A. can also offer services for alternative fund products.

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www.swisscanto.com

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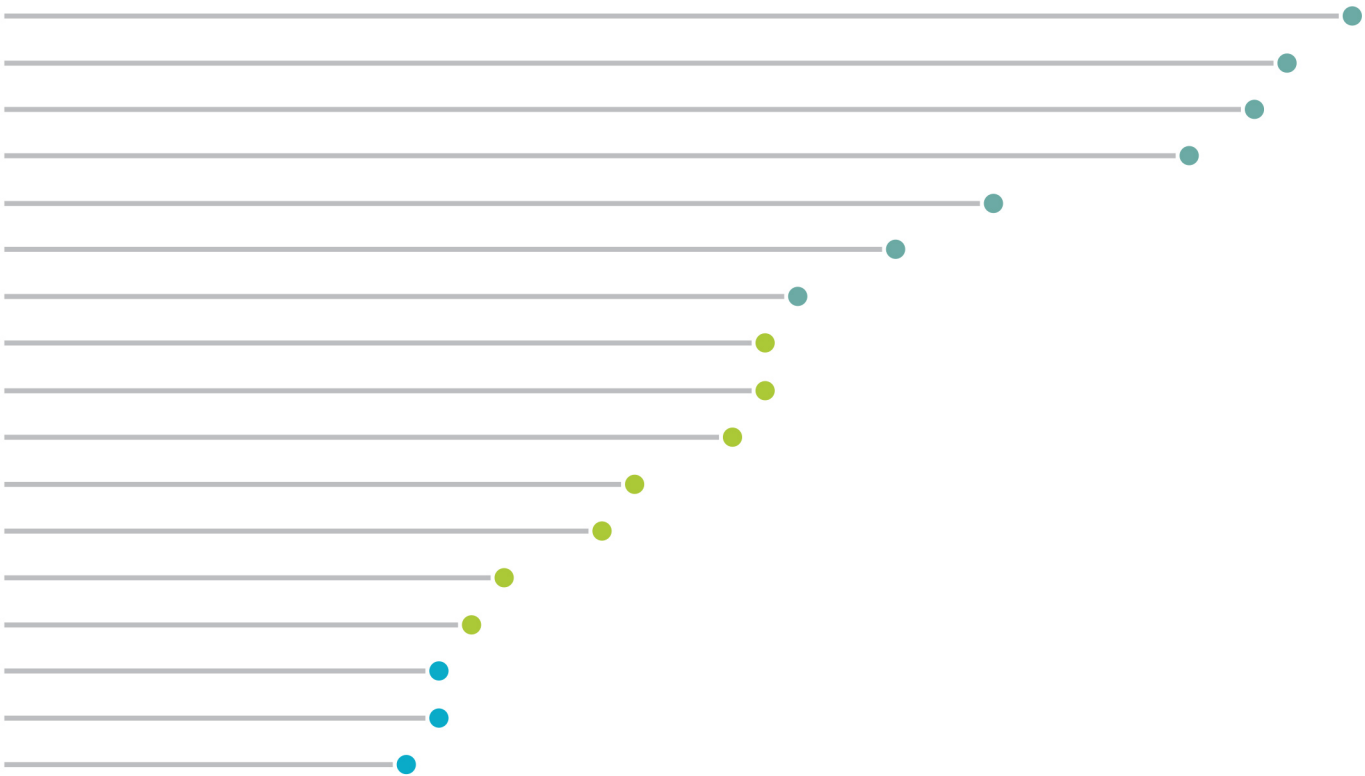
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Engagement 360

2024 Q2 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 Morningstar Sustainalytics performed between April and June 2024. This report summarizes the shareholder engagement activities that Morningstar Sustainalytics performed on behalf of Swisscanto / Zürcher Kantonalbank. The report has been produced between 1 - 29 July 2024. Version 1 disseminated on 29 July 2024. Use of and access to this information is subject to Morningstar Sustainalytics' 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.

ESG 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.

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



Executive Summary

We are delighted to report on the activities and results of the Morningstar Sustainalytics' Engagement 360 in Q2 2024. The quarterly report provides an overview of the activities and insight into the results of the stewardship work throughout the past quarter. This quarter, we are adding more case studies on active engagements and continuing to offer a wide range of articles from our subject matter experts.

Highlights of the Quarter

The transition from the former Thematic Engagement to the new Thematic Stewardship Programme continues, driving up the total number of engagements, so by the end of the second quarter, we have a total of 720 engagements. The Thematic Engagements are ramping up and establishing the engagement dialogues and setting the expectations with the companies.

The ESG Voting team has been through the peak season of Annual General Meetings (AGMs) and delivered 1,074 voting recommendations plus 375 engagement company meeting commentaries. Our recommendations and meeting commentaries covered 849 meetings across 41 markets. The report includes a review of the 2024 proxy voting season in the US and Canada.

The whole Stewardship team has been busy, and:

- i. Conducted 182 meetings, including 3 meetings in-person;
- ii. Exchanged 2,057 emails and phone calls;
- iii. Achieved 82 Positive Developments and 208 Milestones; and
- iv. Resolved 16 engagements successfully.

Good/Excellent Response and Progress has dropped about 10 points since the beginning of the year, which is due to the transition in the Thematic Engagements, where we are closing the old engagements and opening new themes. We are typically seeing the dialogue maturing and producing more outcomes as the engagement managers establish relationships with trust.

Looking Ahead

In the coming quarters, we will continue seeing Thematic Engagement adding companies to the programmes, and Strategy & Risk will replace some of the many engagements resolved with new companies.

Stewardship Overview



768

active engagements during Q2 2024

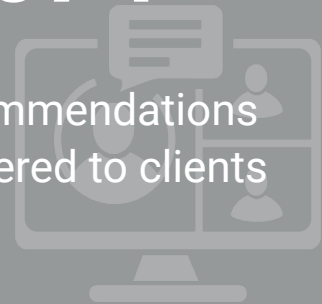
72

new engagements



1,074

vote recommendations delivered to clients



Food Producers

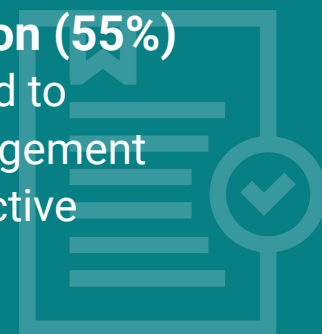
is the most engaged industry



Highest number of engagements in a single market is the US

Disclosure and Net Zero/Decarbonization are the most engaged topics

SDG 13 Climate Action (55%) linked to engagement objective



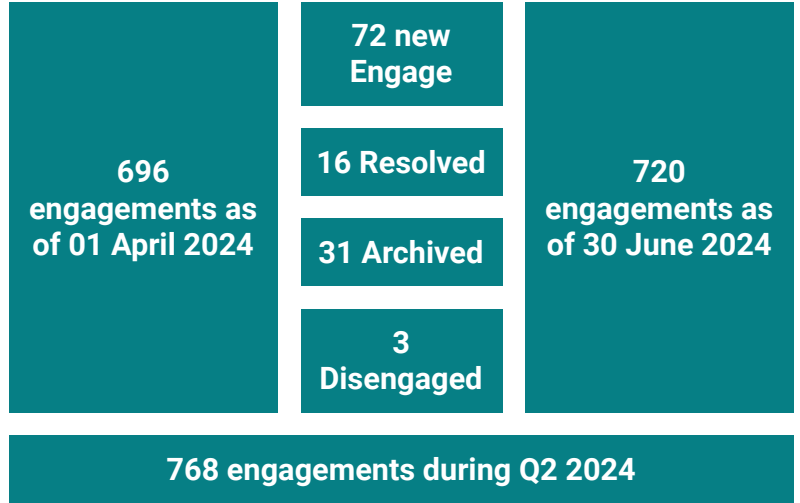
Engagement Status

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.

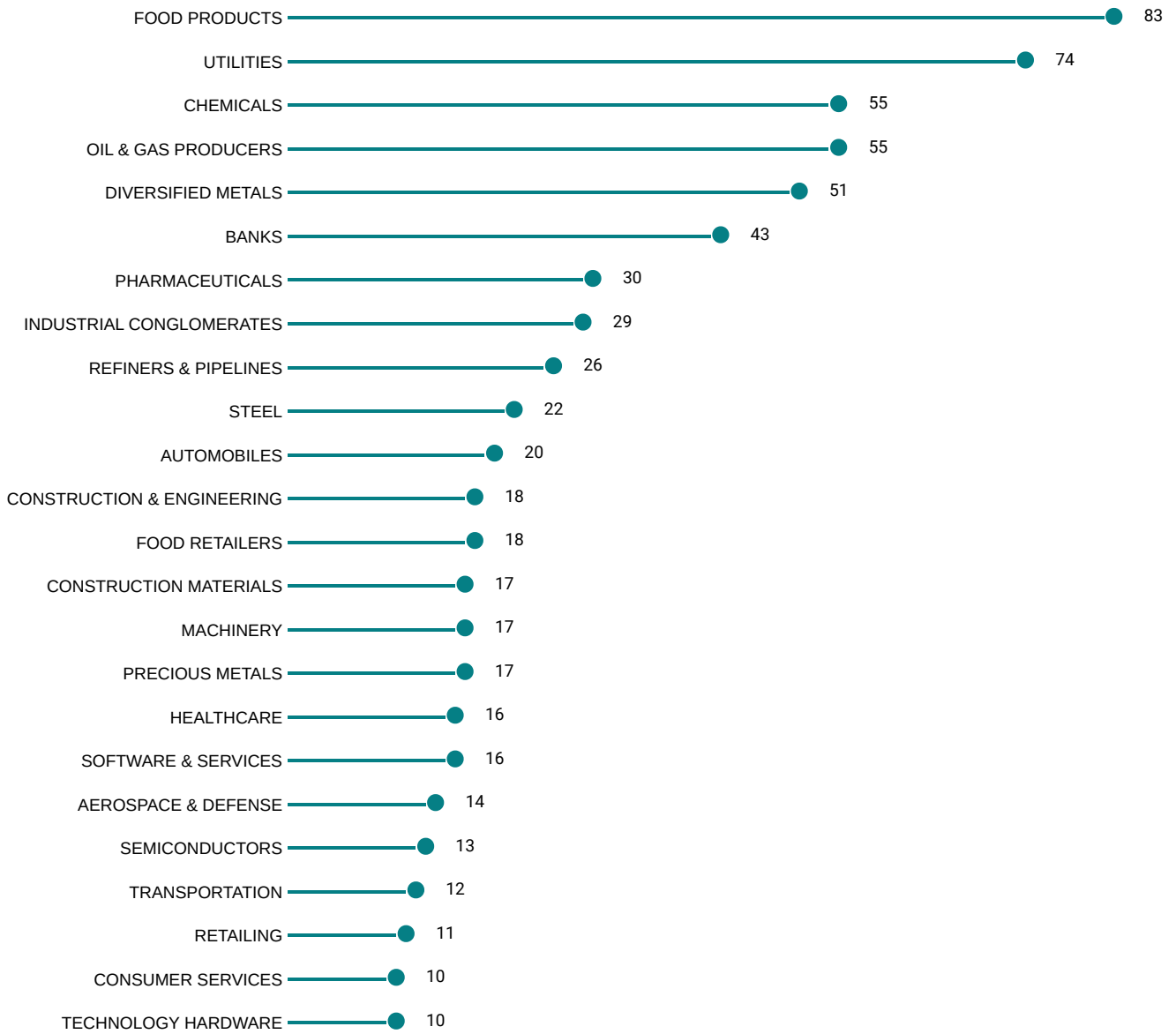
Disengage Engagement is deemed unlikely to succeed.



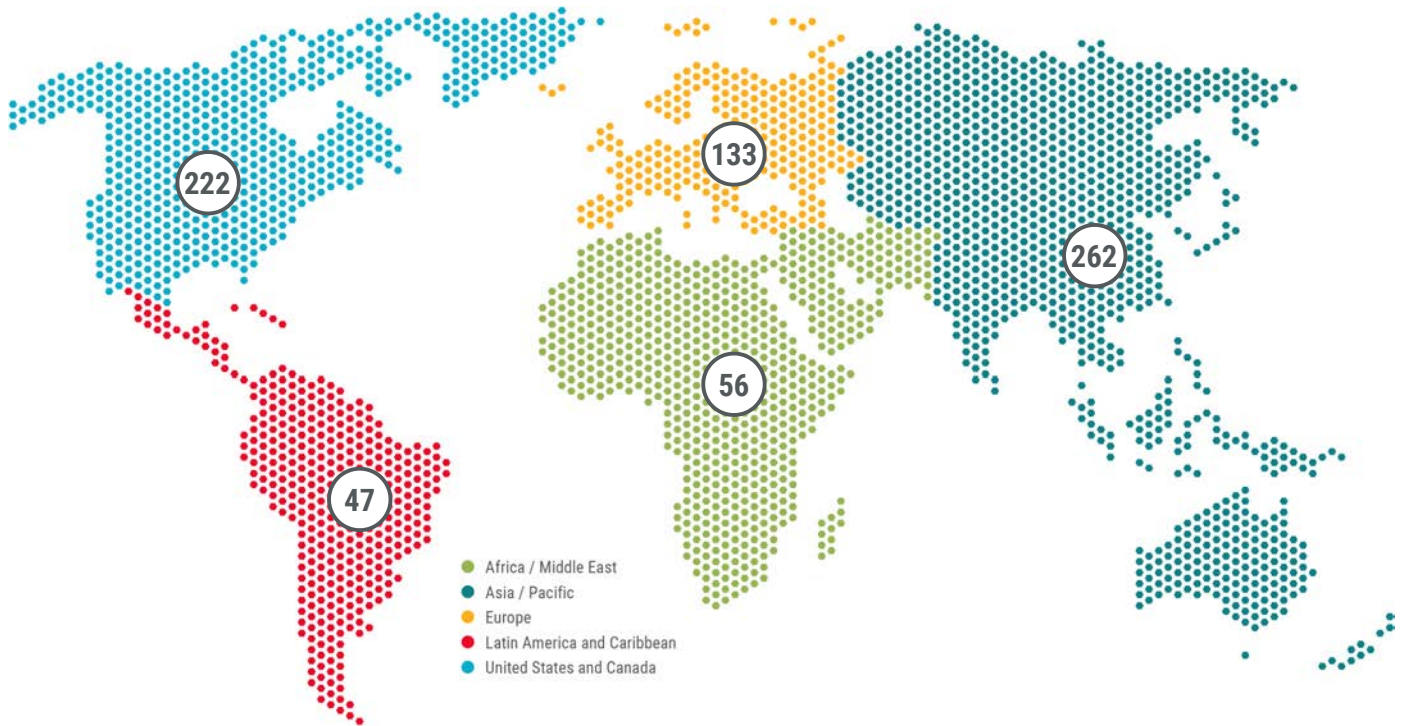
On a regular basis, universes are rebalanced and issuers might therefore be delisted and removed from our data set. In such circumstances, the opening and closing engagement counts will not match.

Industry Distribution

(Industries with a minimum of 10 engagements)



Engagements by Headquarter Location

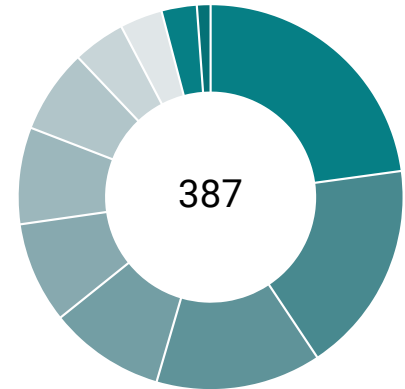


Engagement Topics

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

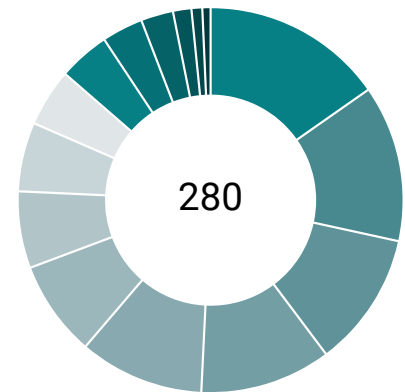
Environmental

- NET ZERO DECARBONIZATION (299)
- WATER SECURITY (181)
- DEFORESTATION (110)
- LAND POLLUTION AND SPILLS (91)
- NATURAL RESOURCE USE (45)
- AIR POLLUTANT EMISSIONS (13)
- CLIMATE CHANGE (233)
- WATER QUALITY (126)
- BIODIVERSITY (105)
- WASTE MANAGEMENT (56)
- CIRCULAR ECONOMY (37)



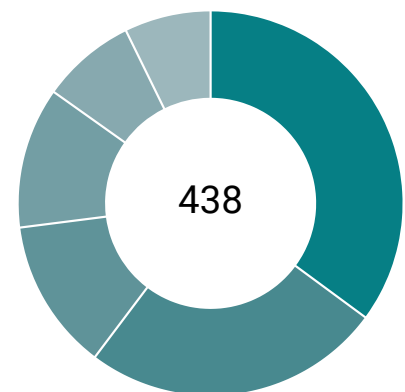
Social

- HUMAN RIGHTS (142)
- LABOUR RIGHTS (105)
- HUMAN CAPITAL (97)
- DIVERSITY, EQUITY AND INCLUSION (DEI) (59)
- INDIGENOUS PEOPLE (44)
- JUST TRANSITION (31)
- MARKETING PRACTICES (13)
- HIGH-RISK TERRITORIES (5)
- COMMUNITY RELATIONS (122)
- PRODUCT QUALITY AND SAFETY (102)
- OCCUPATIONAL HEALTH AND SAFETY (74)
- CHILD LABOUR (53)
- FORCED LABOUR (39)
- DATA PRIVACY AND SECURITY (24)
- WEAPONS (7)



Governance

- DISCLOSURE (320)
- BOARD COMPOSITION (115)
- SHAREHOLDERS RIGHTS (71)
- ESG GOVERNANCE (229)
- BUSINESS ETHICS, BRIBERY AND CORRUPTION (107)
- ACCOUNTING AND TAXATION (65)



Note: An engagement can cover one or more issues and objectives reflected in overlapping issue statistics.

Sustainable Development Goals – Mapping Engagements

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

1 No Poverty	4%	10 Reduced Inequality	7%
2 Zero Hunger	11%	11 Sustainable Cities and Communities	10%
3 Good Health and Well-Being	26%	12 Responsible Consumption and Production	55%
4 Quality Education	2%	13 Climate Action	55%
5 Gender Equality	4%	14 Life Below Water	11%
6 Clean Water and Sanitation	13%	15 Life on Land	18%
7 Affordable and Clean Energy	22%	16 Peace and Justice, Strong Institutions	38%
8 Decent Work and Economic Growth	22%	17 Partnerships to Achieve the Goal	4%
9 Industry, Innovation and Infrastructure	25%		

Case Study: Fortum Oyj

Net Zero Transition Stewardship Programme — Engagement Since: 16 November 2023



Industry: **Utilities**

Base Location: **Finland**

Fortum is a state-owned energy company from Finland. The company operates power plants, including co-generation plants, and generates and sells electricity and heat. Fortum aims to achieve carbon neutrality across all Scopes (1, 2, and 3) by 2030 and plans to cease all coal-based energy production by the end of 2027.

Engagement Update

Morningstar Sustainalytics held an engagement call with Fortum in March 2024. The company sped up decarbonization efforts at the beginning of the 2022 Russian invasion of Ukraine. In May 2022, Fortum decided to pursue a controlled exit from the Russian market, including divestment of its Russian operations. As a result, Russian authorities seized control of Fortum's assets, such as seven thermal power plants, significantly reducing the company's carbon footprint. Additionally, in late 2022, Fortum completed divesting its ownership in Uniper SE, a German multinational energy company with strong connections to Russia. Fortum's disclosure is very detailed and provides excellent information.

Focus Area

The discussion focused on Fortum's governance and strategic approach to climate issues, including the status of designating a board member for climate change and transition efforts, providing climate-related training for board members, and incorporating emissions reduction targets into remunerations. Furthermore, the discussion encompassed the assessment of strategy resilience in various climate scenarios and the details of the company's 2027 coal exit plan which includes its transition strategy to alternative energy sources, like gas and biomass.

Engagement Outcomes

Sustainability is at the center of Fortum's business. Currently, approximately 98% of the electricity the company generates is renewable. Moreover, the company is committed to phasing out coal by the end of 2027. In 2023, Fortum established a Green Finance Framework, strengthening the integration of sustainability ambitions into the company's financing. The company is pursuing its net zero strategy across all pillars, including governance, risk management, strategy, target setting, and transparency. Morningstar Sustainalytics suggested to Fortum to include in its next public disclosure that its board members attended several training courses focusing on the transformation to a net zero business model.

Insights & Outlook

The engagement confirmed that Fortum is a net zero transition leader in its sector. The company demonstrated how a significant geopolitical impact sped up its net zero transition. Fortum has yet to complete its coal exit, which is moving according to schedule. Future engagement calls will focus on discussing the practical implementation of the Green Finance Framework and its role in financing Fortum's path toward net zero transition.

Case Study: Volvo Cars AB

Scaling Circular Economies Stewardship Programme – Engagement Since: 15 February 2024



Industry: **Car Manufacturer**

Base Location: **Sweden**

Volvo Cars, headquartered and listed in Sweden, but Geely, a Chinese automobile company, owns the majority. Production plants are located in Belgium, China, Sweden, and the US. The company aims to become all-electric by 2030 and operate as a circular business by 2040.

Engagement Update

In Q2 2024, Morningstar Sustainalytics established an engagement dialogue with Volvo Cars on transitioning the automotive value chain to a circular economy. By establishing dedicated circular economy and biodiversity teams, in addition to the Climate Action and Global Sustainability teams, it is easier for Volvo Cars to make the circular economy topic matter to the business. Its strategy is not subordinated to climate action or site-specific environmental compliance agendas.

Focus Area

Among the companies targeted so far in our programme, only Volvo Cars established a circular economy revenue generation target. Remanufacturing, waste trading, and Volvo on Demand qualify as sources of circular revenue. Besides a social need for mobility, there is an environmental need to displace the demand for more vehicles. Volvo on Demand is a promising mobility-as-a-service initiative but can only be replicated in more markets and thrive commercially if national governments support infrastructure investments and fiscal incentives. From a resource productivity perspective, the initiative deserves more uptake, considering how it can improve vehicle utilization. The company's latest annual report (2023) quantifies the usage of materials per vehicle model and accounts for the average share of recycled plastics and bio-based materials (4%), recycled steel (15%), and recycled aluminum (10%). This type of accountability is an important first step. Like its peers, the company has yet to significantly reduce its dependence on primary materials.

Engagement Outcomes

Despite having a long way to go, Volvo Cars has made a promising start on its journey to becoming all-electric and circular business. While the latter ambition may come across as an aspiration than a hard commitment, our engagement dialogue illustrated Volvo Cars is "walking the talk," covering a comprehensive range of circular economy opportunities.

Insights & Outlook

Presently, the reporting of Volvo Cars offers practical ideas on how the transition to a circular economy can be defined and accelerated by a commercial business. The company has been among the most responsive companies in our Scaling Circular Economies Stewardship Programme to date. The engagement highlights the company's progressive approach to the circular economy topic and its curiosity about best practices and what investors value.

Case Study: Vistra Corp.

Material Risk/Strategy & Risk Engagement – Engagement Since: 25 February 2021



Industry: **Utilities**

Base Location: **United States**

ESG Risk Rating: **29.3**

Vistra is a leading US-integrated retail energy provider and power generation company based in Texas, serving 4 million residential, commercial and industrial retail customers. Vistra is also the largest competitive power generator in the US.

Engagement Update

Four conference calls with Vistra have been held since 2021. The latest meeting in May 2024 focused on material risk and net zero transition, and we discussed the Vistra's progress towards its low carbon transition strategy and its disclosures on non-GHG air emissions, effluents and wastes. While the company demonstrates consistent improvements in its disclosure practices and climate transition strategy development, challenges remain regarding disclosure of the company's capital allocation to finance the low carbon transition and specific details regarding how these investments will contribute to achieving the company's GHG emission reduction targets and long-term net zero goal.

Focus Area

Discussions focused on the Vistra's effluent and non-GHG emissions management, decarbonization targets, climate transition strategy and associated metrics, data, and incentivization programs. Dialogue around Vistra's biodiversity and nature-related risks was underpinned by its decommission and conversion processes of its coal plants. Vistra described its current evaluation of utilizing land distribution for new solar power generation and battery storage systems on its properties, including those with decommissioned coal plants.

Engagement Outcomes

Positive developments were observed with Vistra's enhanced reporting regarding scope 1 and 2 GHG emissions, stakeholder relations, emergency response and spill management. The company remains open to suggestions to improve its disclosure practices. Vistra's 2023 Sustainability Report will include disclosure of its recently performed materiality assessment.

Insights & Outlook

The engagement showcases Vistra's ambitious yet cautious approach to achieving its decarbonization goals and demonstrates the company's proactive viewpoint to reclaiming decommissioned coal plants while underscoring areas requiring enhanced disclosure. Investor queries on biodiversity and nature-related risks, supplier engagement for scope 3 emissions reductions, and adequacy of disclosures regarding public policy engagement indicate growing interest in these areas.

Case Study: Hangzhou Hikvision Digital Technology Co., Ltd.

Global Standards/Incidents Engagement – Engagement Since: 29 November 2019



Industry: **Technology Hardware**

Base Location: **China**

GSS Status: **Non-Compliant**

Hikvision is the world's largest manufacturer of video surveillance equipment. The controversy focuses on the use of the company's products and services in activities involving forced labour practices at vocational education centres in Xinjiang, China.

Engagement Update

Hikvision has actively participated in dialogues, seeking our recommendations and making progress in line with the advice provided since the start of the engagement in 2019. In June 2024, we held two in-person meetings with the company and investor clients. Hikvision stated it recently obtained permission from the Xinjiang local government to terminate the service contracts. The company also developed its human rights policy and became a member of the UN Global Compact. Hikvision shared that it has a robust system to incentivize employees to restrict sales to high-risk areas or high-risk use cases. A corporate culture of respect for human rights is being fostered. While these are significant improvements, the implementation of due diligence principles still needs to be strengthened.

Focus Area

The company leverages AI in facial recognition technologies in its products. Such technologies can pose significant human rights risks, especially when used in geographical areas where laws and regulations conflict with internationally recognized human rights. The engagement discussions focus on downstream due diligence addressing human rights risks associated with the use of company's goods. Specifically, this engagement focuses on both the remediation of current projects in Xinjiang and the prevention of future misuse of the company's products and services.

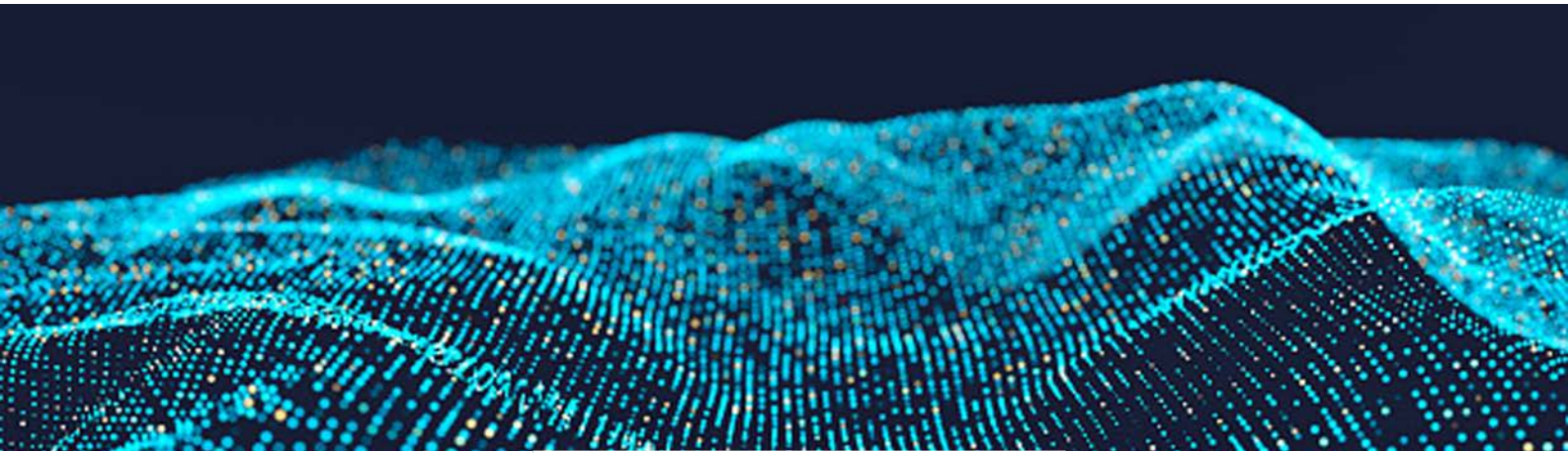
Engagement Outcomes

Encouraging developments have been observed in the Hikvision engagement case. We have built a trustworthy relationship with the company. From being unwilling to speak to investors and denying the company's exposure to forced labour risks, Hikvision has grown to become confident in discussing sensitive human rights issues.

Insights & Outlook

The engagement showcases Hikvision's commitment to downstream human rights due diligence and its willingness to communicate with stakeholders. Although the company announced the controversial contracts would be terminated, confirmation is still pending. Hikvision needs to continue its efforts to regain stakeholders' trust and confidence. This will be a time-consuming process. We will encourage Hikvision to increase disclosure and improve implementation of due diligence principles. Specifically, we advise the company to develop systems that will prevent distributors from selling its products in high-risk areas.

Engagement Results



182

meetings, including 3 in-person meetings



2,057

emails and phone calls exchanged



16

engagements Resolved



183

Milestones achieved in Q2 2024

82

Positive Developments achieved



39%

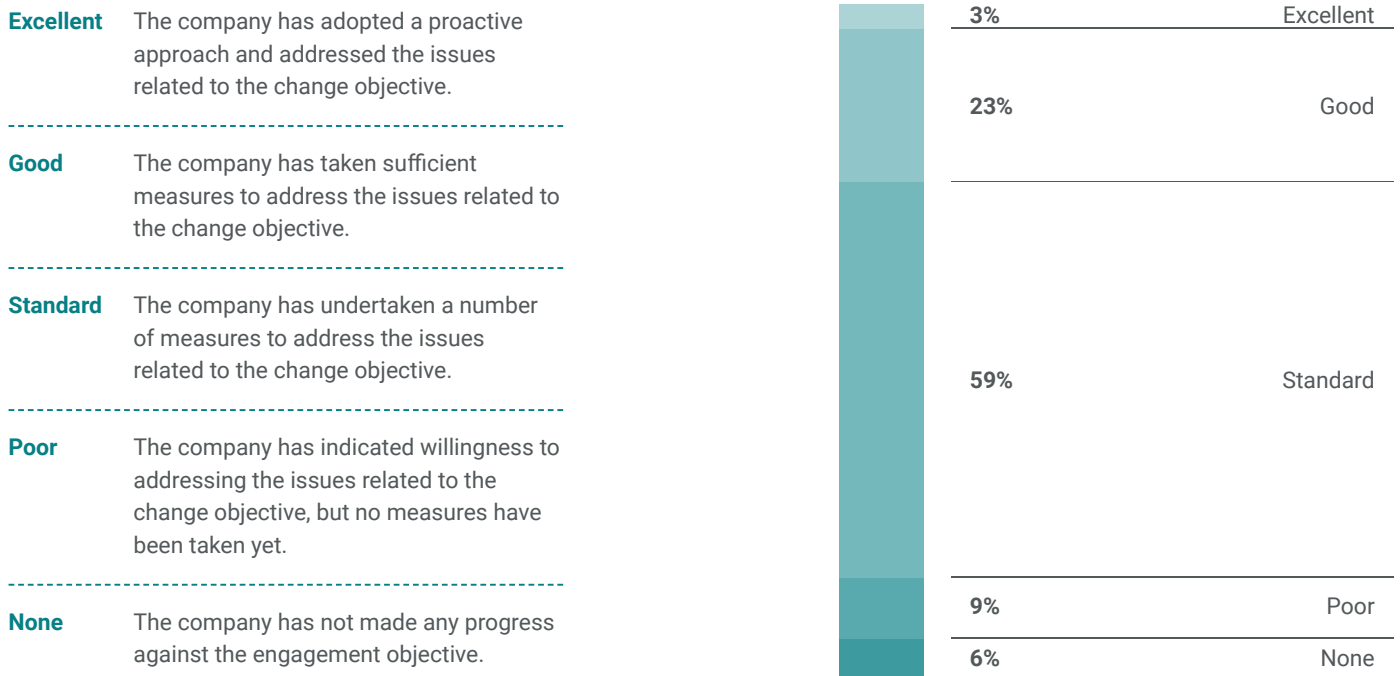
of engagements show Good or Excellent Response

26%

of engagements show Good or Excellent Progress

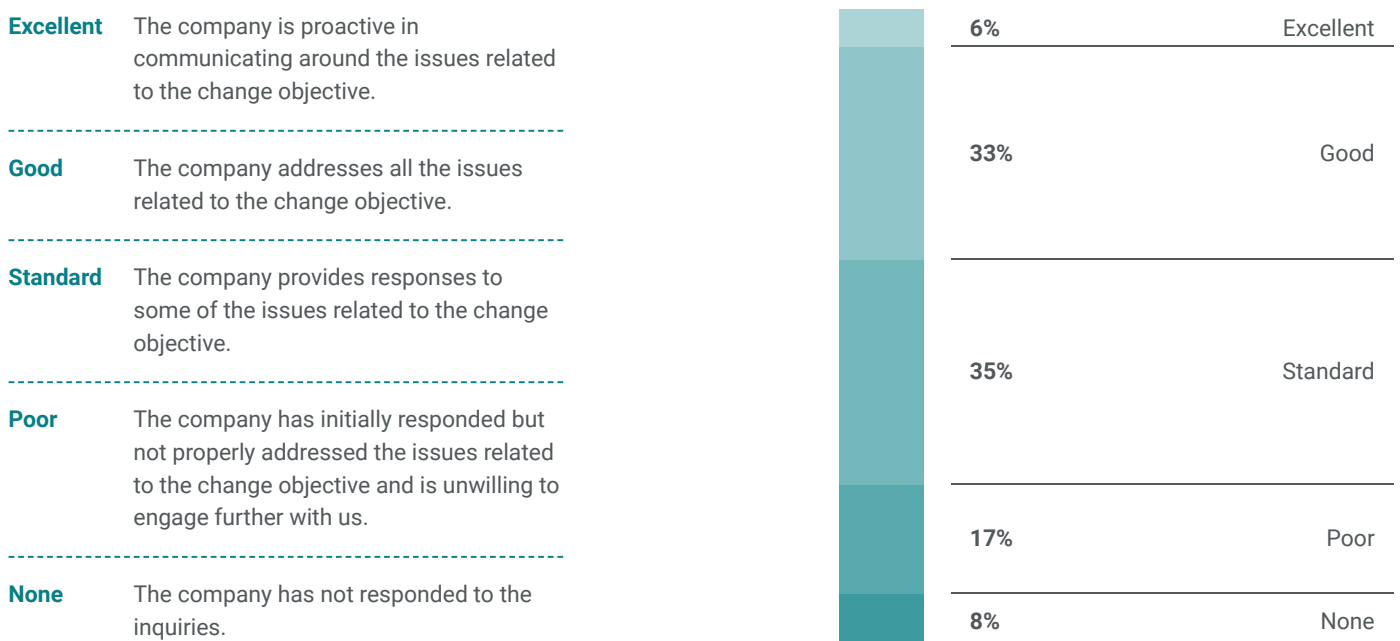
Engagement Progress

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



Engagement Response

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



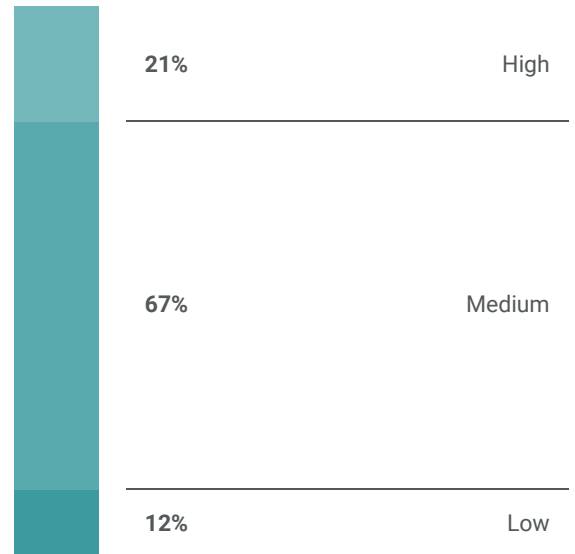
Engagement Performance

Performance describes the combined company Progress and Response.

- High** Good or Excellent Progress in combination with Good or Excellent Response.

- Medium** Standard Level of Progress and Response.

- Poor** Poor or None Progress in combination with Poor or None Response.



Engagement Milestones

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

208
Milestones achieved in
Q2 2024

Milestone Framework Structure

- Milestone 5** Change objective is considered fulfilled.

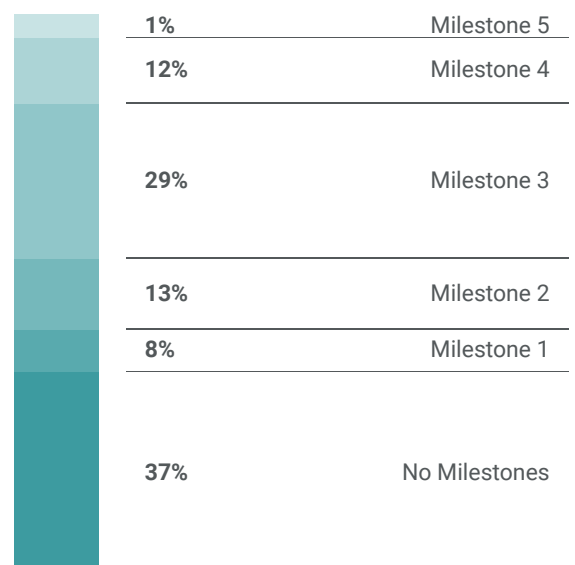
- Milestone 4** Implementation of strategy has advanced meaningfully, and related issuer disclosure maturing.

- 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.

Engagements by Highest Milestone Achieved



Engagements Resolved

COMPANY	COUNTRY	INDUSTRY	ISSUE
Adani Ports & Special Economic Zone Ltd.	India	Transportation Infrastructure	Involvement With Entities Violating Human Rights
CF Industries Holdings, Inc.	United States	Chemicals	Focus on Carbon and Emissions, Effluents and Waste
Chemical Works of Gedeon Richter Plc	Hungary	Pharmaceuticals	Focus on Access to Basic Services
Conagra Brands, Inc.	United States	Food Products	Focus on Product Governance
Envista Holdings Corp.	United States	Healthcare	Focus on Product Governance
Glanbia Plc	Ireland	Food Products	Focus on Product Governance
Graco, Inc.	United States	Machinery	Focus on Risk Assessment and ESG Disclosure
Grupo Bimbo SAB de CV	Mexico	Food Products	Focus on Corporate Governance
Hyundai Engineering & Construction Co., Ltd.	South Korea	Construction & Engineering	Focus on Risk Assessment and ESG Disclosure
Hyundai Motor Co., Ltd.	South Korea	Automobiles	Focus on Product Governance
Mitsubishi Heavy Industries, Ltd.	Japan	Machinery	Focus on Carbon Products and Services
OGE Energy Corp.	United States	Utilities	Focus on Risk Assessment and ESG Disclosure
Peab AB	Sweden	Construction & Engineering	Focus on Carbon and E&S Impact of Products and Services
PPL Corp.	United States	Utilities	Focus on Carbon and Emissions, Effluents and Waste
Shin-Etsu Chemical Co., Ltd.	Japan	Chemicals	Focus on Carbon Own Operations
Sumitomo Chemical Co., Ltd.	Japan	Chemicals	Focus on Carbon Own Operations

Resolved - Adani Ports & Special Economic Zone Ltd.

Engagement Since: 28 May 2021



INDUSTRY:

Transportation Infrastructure

BASE LOCATION:

Myanmar

ISSUE:

Involvement With Entities Violating Human Rights

In May 2019, a wholly owned subsidiary of Adani Ports & Special Economic Zone Ltd., Adani Yangon International Terminal Co., signed a build, operate and transfer agreement for 50 years with Myanmar Economic Corporation (MEC) to develop a new port. In August 2019, MEC was found to have commercial and management links with the Tatmadaw, a military group accused of human rights abuses and violations.

CHANGE OBJECTIVE

Adani Ports and Special Economic Zones should ensure it undertakes human rights due diligence of its businesses in Myanmar, adapted to the specific situation of the region. As a result, it should engage with the relevant stakeholders and take any necessary actions to ensure the business relationship with MEC does not make it complicit in any human rights violations. Should that not be possible, it should withdraw from the partnership.

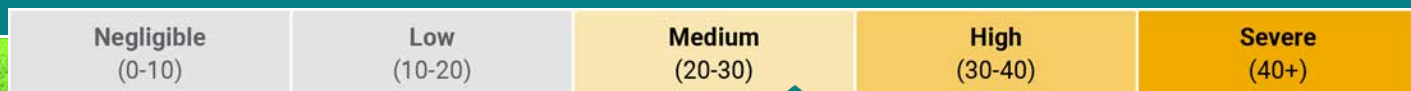
Engagement Outcomes

- In October 2021, Adani Ports and Special Economic Zones (APSEZ) announced its decision to exit its investment in Myanmar. It took the company over two years to sell the port in the country.
- The company made commitments to conduct enhanced due diligence in any other new projects, considering lessons learnt from its involvement in Myanmar.
- In its 2023 integrated report, APSEZ has committed to significantly more widespread and detailed corporate responses to human rights.

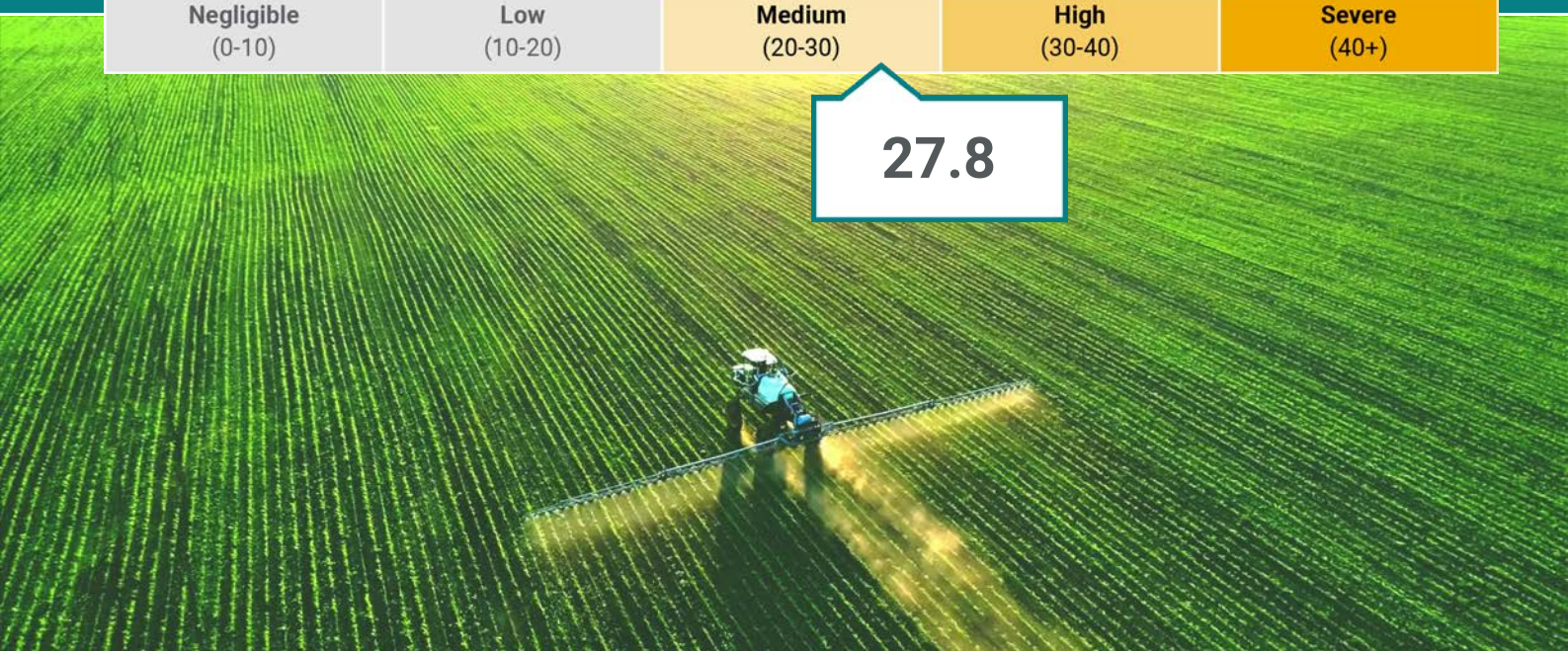
Conclusion: Considering the fact that the company is no longer operating in Myanmar and its commitment to enhanced approach to human rights, we decided to resolve this engagement.

Resolved - CF Industries Holdings, Inc.

ESG Risk Ratings Score



27.8



INDUSTRY:

Agricultural Chemicals

BASE LOCATION:

United States of America

ENGAGEMENT FOCUS:

**Carbon – Own Operations
Emissions, Effluents and Waste**

RATIONALE FOR RESOLVED STATUS:

CF Industries. has improved its ESG Risk Rating score to below 28.

Positive Development Highlights:

- CF Industries has established and disclosed roadmaps to achieve its 2030 scope 1 C02e emissions intensity reduction goal and its scope 1 and scope 2 net-zero by 2050 goal. The company included details of its decarbonization projects for each area of its business aligned with impacted emission scopes along with broad indications of project timelines and progression levels. CF Industries’ decarbonization roadmap demonstrates the main decarbonization levers the company expects to achieve its goals, including Process CCS, N20 Abatement, Reformer Flue Gas CCS, Residual Emissions, Virtual Power Purchase Agreements (VPPA) and Renewable Energy Credits (REC), as well as the absolute C02e reductions associated with each lever.
- As part of its goal to reduce Scope 3 emissions by 10% by 2030 (2020 baseline year), CF Industries purchased billion cubic feet (BCF) of natural gas certified to have 90% lower methane emissions intensity than the industry average. According to the company, this is the first known certified natural gas purchase for use in industrial manufacturing.
- In October 2022, CF Industries entered into the largest-of-its-kind commercial agreement with ExxonMobil to capture and permanently store up to 2 million tons of CO2 emissions annually from its Donaldsonville manufacturing complex in Louisiana.

In the latest ESG Risk Rating update, CF Industries’ score improved by 1.6 points, bringing it into the medium risk category and below the 28-point threshold for engagement.

Resolved - Conagra Brands, Inc.

ESG Risk Ratings Score

Negligible (0-10)	Low (10-20)	Medium (20-30)	High (30-40)	Severe (40+)
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26.9



INDUSTRY:

Packaged Foods

BASE LOCATION:

United States of America

ENGAGEMENT FOCUS:

Product Governance

Resource Use

Corporate Governance

RATIONALE FOR RESOLVED STATUS:

Conagra Brands Inc. has improved its ESG Risk Rating score to below 28.

Positive Development Highlights:

- Conagra's Board of Directors has a Nominating and Corporate Governance Committee overseeing climate-related issues, reviewing ESG goals, policies, and risks. This committee assesses stakeholder expectations and receives regular reports from management on ESG-related risks.
- All Conagra production facilities and over 95% of Tier 1 suppliers are GFSI-certified, ensuring high food safety standards. Regular training, incident investigations, corrective actions, and external audits are integral to their operations.
- Following a 2022 meeting with Sustainalytics, Conagra released its inaugural CDP Water Security Report in 2023, detailing their achievements and targets in waste and water reduction. It aims for 100% renewable, recyclable, or compostable plastic packaging by 2025 (currently at 93%) and has achieved a 2.7% reduction in water use intensity in FY 2022, saving 148.7 million gallons, toward a 20% reduction goal by 2030.

In the latest ESG Risk Rating update, Conagra's score improved by 8.4 points, bringing it into the medium risk category and below the 28-point threshold for engagement.

Resolved - PPL Corp.

ESG Risk Ratings Score



26.9



INDUSTRY:

Electric Utilities

BASE LOCATION:

United States of America

ENGAGEMENT FOCUS:

**Emissions, Effluents and Waste
Carbon – Own Operations**

RATIONALE FOR RESOLVED STATUS:

PPL Corp. has improved its ESG Risk Rating score to below 28.

Positive Development Highlights:

- PPL undertook a multi-year asset modernization and replacement program for natural gas infrastructure update projects in Kentucky, including replacing steel customer service lines, completing the removal of steel curbed services, completing the replacement of transmissions pipeline, and upgrading city gate stations and gas regulation facilities with new valves, piping and modern regulation and measurement equipment. In addition, in March 2023 the Rhode Island Public Utilities Commission approved \$290 million to improve Rhode Island’s electric and gas networks in connection with the latest Infrastructure, Safety, and Reliability plans proposed by Rhode Island Energy.
- PPL has disclosed proactive preventative actions to avoid spills, including a Spill Prevention Control and Countermeasure Plan as well as secondary containment and monthly tank inspections. The top causes of PPL Corp.’s significant spills—weather events and equipment failures—was disclosed in the company’s 2023 Sustainability Report.
- The company’s Environmental Policy Statement was enhanced and disclosed in August of 2022. The updated policy now includes commitments to use natural resources or energy more efficiently, report regularly on environmental issues, and monitor the company’s environmental performance.
- PPL updated its Human Rights Statement to include a statement on Indigenous Rights and has published this updated statement on its website (Sustainability / Reports & Disclosures).

In the latest ESG Risk Rating update, PPL Corp.’s score improved by 6.6 points, bringing it into the medium risk category and below the 28-point threshold for engagement.

Resolved - Shin-Etsu Chemical Co., Ltd.

ESG Risk Ratings Score



26.3



INDUSTRY:
Specialty Chemicals

BASE LOCATION:
Japan

ENGAGEMENT FOCUS:
**Carbon – Own Operations
Corporate Governance**

RATIONALE FOR RESOLVED STATUS:

Shin-Etsu Chemical Co., Ltd. has improved its ESG Risk Rating score to below 28.

Positive Development Highlights:

- Shin-Etsu Chemical Co., Ltd. provides investors with better insight to the robustness of their grievance mechanisms and discloses the number of reports received through the hotline system.
- Shin-Etsu Co., Ltd. has committed to achieve carbon neutrality goals by 2050.
- Shin-Etsu Co., Ltd. has set quantitative KPIs and targets for the material issues, (except one material issue: 'Contribution to industry and social initiatives'). This creates a more consistent performance management of the material issues.
- Shin-Etsu Chemical Co., Ltd. has established a reporting flow to the Board three times a year, which builds accountability on the board level.

In the latest ESG Risk Rating update, Shin-Etsu Chemical Co., Ltd.'s score improved by 4.9 points, bringing it into the medium risk category and below our 28-point threshold for engagement.

Thematic Engagement Updates

Biodiversity & Natural Capital Stewardship Programme

The Biodiversity and Natural Capital Stewardship Programme continues to advance engagement with 50 companies through ongoing research, detailed agenda development, and in-depth dialogues. This quarter, we also hosted a roundtable on regenerative agriculture.

- From April to June 2024, we hosted 12 meetings via conference call.
- The team sent a total of 184 emails to companies and received 101 responses.
- In May 2024, we held a roundtable with six companies and 11 investors to exchange insights and perspectives on the opportunities and challenges associated with regenerative agriculture.

In 2023, our primary objective was to establish dialogue expectations, build relationships, and cultivate trust. We introduced the engagement's structure, content, and process to companies. Throughout the first quarter of 2024 and continuing in through the second quarter, many engagements have now progressed to address specific gaps between company disclosure and the programme's Outcome Assessment. This Assessment, built upon five key pillars encompassing best practices—Governance, Risk and Impact Assessment, Strategy, Targets and Results, and Transparency and Accountability—provides a standardized approach for evaluating the progress of all 50 companies.

NA 100

Nature Action 100 (NA100) is a global investor-led engagement initiative focused on supporting greater corporate ambition and action to reverse nature and biodiversity loss. Morningstar Sustainalytics Biodiversity and Natural Capital engagement team is available to support clients with their NA100 engagements which overlap with BNC company engagements. We are currently supporting a limited number of clients with their NA100 dialogues.

PRI Spring

The PRI Spring, a PRI stewardship initiative for nature, convening investors to use their influence to halt and reverse global biodiversity loss by 2030, officially launched during the June 2024 London Climate Action Week. We are pleased to share that the Morningstar Sustainalytics Biodiversity and Natural Capital engagement team will be collaborating on engagements with two companies within our programme: **Cencosud SA** and **Golden Agri-Resources Ltd.**

Universe Changes

During this quarter, **Bunge Ltd.** Case and all related information has now been transferred to **Bunge Global SA**, due to the company relisting.

Looking Ahead

With the finalization of the Taskforce on Nature-related Financial Disclosures (TNFD) and the announcement of the Early Adopter organizations, our focus will be on encouraging companies to embrace nature-related disclosure. However, a fundamental step toward enabling companies to report relevant data and take action is to understand their nature-related impacts, dependencies, risks, and opportunities. Guidance for conducting such an assessment is now available through the TNFD LEAP approach and the Science Based Targets Network (SBTN) methods, with some first-mover companies already undergoing this process. With these tools and guidance now available, adoption will be a key focus of our engagements for 2024. We aim to be an enabling partner for companies, open to discussing challenges, sharing resources, and providing publicly available examples of company progress and leading practices.

Net Zero Transition Stewardship Programme

The second quarter of 2024 marks the one-year anniversary of the Net Zero Transition Stewardship Programme's official launch. By the end of this quarter, we successfully reached out to all 100 targeted companies. Most companies welcomed Morningstar Sustainalytics' request to engage. Therefore, in Q2 2024, the Net Zero Transition Stewardship Programme's team was able to schedule more than 30 calls. This was the highest number of calls scheduled in a quarter since the beginning of the programme. With this initial round of full engagement dialogues with our second batch of engage companies, we also saw a corresponding increase in the Markers achieved this quarter based on clarifications coming out of these meetings on the expectations set in our Outcome Assessment.

In the second quarter of 2024, the Sustainalytics Net Zero Transition engagement team conducted 22 engagement calls, 10 introductory calls, and 380 email exchanges with companies selected for this theme. Since the official launch in June 2023, we have conducted 111 introductory and engagement calls, managed 1,396 incoming and outgoing emails, and secured active engagement with 71 companies. However, 26 companies currently have declined or remain unresponsive. We also have 28 overlap cases with other engagement programmes, such as our risk-focused engagement service and Biodiversity and Natural Capital Stewardship Programme. We are currently establishing dialogue alongside Morningstar Sustainalytics' ongoing engagement as part of our Material Risk-focused engagements.

We are closely monitoring recent Annual General Meeting (AGM) and proxy voting developments that suggest weakening GHG emission reduction targets and declining investor support, particularly in the oil and gas industry. At Shell's 2024 AGM for example, only 18.6% of shareholders backed a resolution urging the company to set more stringent climate targets, down from over 20% the previous year. One of the main reasons for this trend is the widening ESG voting differences between the United States-based and European managers. While voting on ESG resolutions consistently maintained high support among European manager, falling support for the same resolutions was reflected in voting pattern of their peers from the United States. Understanding the growing gap in 2023 voting records on ESG issues between the United States and European managers is crucial for Net Zero Transition engagement. This highlights regional differences in ESG priorities and voting behavior, helping better tailor Morningstar Sustainalytics' approach to specific trends and investor expectations.

Looking Ahead

In the upcoming quarter, our goal is to develop the first draft of the Theory of Change for the Net Zero Transition Engagement Stewardship Programme. This draft will be presented to our investor clients toward the end of Q3 or early in Q4. Additionally, we aim to enhance our dialogue with low responsive companies to increase the number of engagement dialogues.

Sustainability Insights

Navigating Between What Companies “Say” and “Do”: Assessing Impact in a Complex Landscape

Regularly, the Global Standards/Incidents Engagement team presents to clients detailed analysis of cases to offer an overview of challenges, opportunities and successes of the engagement process. One such engagement focused on a mining company assessed as negatively impacting the health of the members of several communities located near its operations as well as polluting their land and affecting the local ecosystem.

After presenting this case, we received a question from one of our clients: “When you have this dialogue with companies and analyze their disclosures...how do you know that what the company says it is doing is what is really happening?” The question while appearing simple, captures relevant dimensions on how Global Standards/Incidents Engagement assesses the outcomes and impacts of companies’ operations and business activities on people and environment.

Global Standards/Incidents Engagement service is an incident-driven engagement. This means that we start engaging when a company has caused, contributed to, or is linked to alleged severe or systematic violations of international norms and standards concerning one or more principles of the UN Global Compact and related international conventions, norms, and standards.

Once the incident has been identified and the case has been opened, the engagement manager assesses, as a first step, the publicly available information about the negative impact of the incident as well as the gaps between the international standards and the company’s disclosures. Alongside this, we define the change that is required to ensure no practical repetition of the negative impact. In a second step, we also establish an engagement strategy, in which we map the activities the company should do in terms of its commitments, policies, processes and practices to achieve the desired change.

These steps imply that we are constantly navigating between potential gaps and alignments about what the companies “should do,” what the companies “say they do,” what companies “do,” and the “impact” they may or may not claim. The challenge here, as our client pointed out with his question, is to collect accessible, complete, reliable, and accurate information that allows us to identify and analyze these gaps and alignments and provide the highest quality analysis of the company’s ESG performance and the impact to our investor clients. To achieve this, we triangulate internal information provided by the company and external information gathered from stakeholders.

From our experience, what the companies “should do” is easy to identify in relation to expectations set by international standards.

When it comes to what the companies “say they do,” even if sometimes it is hidden in a labyrinthine website or report, we explore and evaluate it through the engagement dialogues and information the company discloses. Challenges present themselves when there are discrepancies between the directives from the head office and their interpretation by subsidiaries or ground teams, especially where negative impacts have occurred. Therefore, triangulating internal information gathered during the dialogues with various company levels is essential for a comprehensive understanding.

Furthermore, the engagement manager often faces the challenge of piecing together a puzzle from diverse sources such as annual reports, sustainability reports, policies, and press releases. The internal disclosed data is frequently incomplete, inaccurate, or lacks third-party verification and the complexity increases as companies are at different stages in their ESG journeys, operate in varied contexts, and are subject to different disclosure regulations.

To be able to analyze the gaps and alignments between what the company “says” and what the company “does” and its “impact,” it becomes particularly important to use external triangulation. Engaging and gathering data from different stakeholders is key for our work, as for a case to be closed successfully, we need to confirm that the negative impact has ceased, remediation has been delivered, and the company has made the necessary changes to its policies, processes, and practices so that similar incidents will not happen again.

Listening to the voices of different stakeholders, including directly impacted individuals, such as workers, indigenous communities, and consumers, enriches our understanding of the potential or actual impacts. Interactions with civil society organizations, academics, unions, industry associations, certification bodies, and government agencies not only enhance our analysis but also provide access to independent third-party assessments, thereby ensuring a comprehensive and accurate understanding of the impacts.

Returning to the question, how do we know if what the company “says” and “does” is aligned? There is no definitive, one-line, answer to this. For many reasons, a company may not disclose the full facts about a situation, and statements may be at an elevated level and lack desired content. Our approach is to gather evidence that can provide support to clarify the company’s ESG performance and impacts on people and environment, offering additional assurance. Similarly, our multi-perspectives gathering may indicate that there is still significant work to do before the engagement resolution can be achieved. Either way, the analysis of information gathered from several sources and the engagement with stakeholders brings additional value to our work and supports the activities of both our investors and companies we engage with, building their resilience and strengthening their social license.

ESG in the Boardroom

Boardrooms are still struggling to get ESG right. Morningstar Sustainalytics Stewardship Services often experience this through our engagements with companies around the world. Some of the main challenges discussed during these engagements are related to the role of ESG in strategy and performance management, and how integrated ESG should be in the company's governance structure. The emergence of ESG has also questioned the expectations for the combined skillset of the board and, for example, to what extent the board needs expertise on biodiversity, diversity, equity and inclusion (DEI), and climate change. In this article, I will argue that ESG should be integrated into company risk management, operations, performance management, reporting, and governance. Furthermore, the board should have enough ESG knowledge to hire the right CEO and ensure integration of the right material ESG issues into the company's performance management systems and processes.

ESG Has Reached The Board

During more than 12 years of engaging with companies across geographies, I have seen ESG rise on the agenda of most executive teams and board rooms. ESG is driven by different factors, not least regulation, and investors have played an important role with the integration of ESG into investment considerations. The fact that investors pay close attention means that company management and boards must also; because essentially, the board exists to serve shareholder interests.

Having realized that ESG is something they must now consider, boards have reacted in different ways. Some boards have tasked management to deal with ESG and have adopted a compliance perspective, where the board focuses entirely on making sure that the company is complying with regulatory requirements. This type of board would typically be addressing ESG once per year when they are signing off on ESG disclosure. In these companies, ESG strategy development is often slow or absent and relies on the CEO to drive—which is not happening because ESG is not a board (and therefore business) priority.

Other boards have adopted a radically different approach and decided ESG merits a new board committee, often named the Sustainability Committee. The advantage of this approach is that ESG and sustainability is visibly a highly prioritized issue on the board agenda and there is a clear board-level governance structure for ESG supervision. However, the fact that there is a sustainability committee does not mean that there is effective board-level ESG oversight. Some of the companies we engage with—in particularly in Asia—create a new board-level sustainability committee which also meets only once per year to sign off on the ESG disclosure. The sustainability committee is, in this case, a tick-box exercise and doesn't provide any meaningful governance oversight.

ESG Integration Builds Accountability From the Bottom to the Top

A more thoughtful and effective approach is to determine what ESG means to the company by way of an ESG materiality assessment. Through this exercise, the company identifies which ESG issues are material—preferably using a double materiality approach to include stakeholder perspectives and consider the impacts the company makes on society. The materiality assessment will typically highlight several ESG issues that are already addressed at the board level through existing board committees, such as business ethics and compliance supervised by a Risk Management and Audit Committee, occupational health and safety overseen by a Health, Safety and Environment Committee, and responsibility for human capital development with a Social and Ethics Committee. The board may also learn about new and emerging material ESG issues that it doesn't currently have a governance structure to oversee. At this point, it is up to the board (in collaboration with management) to define a threshold for what ESG issues are material enough to be supervised by the board, and which are not. The benefit of performing a meaningful ESG materiality assessment is the opportunity to make qualified decisions on what ESG issues to focus on, and what to give secondary priority.

Even if some material ESG issues are covered by existing board committees, it may be tempting for a board to establish a new sustainability committee to showcase how important sustainability is to the company. However, downsides of having a separate sustainability committee include unclear governance oversight (by way of interactions with various sub-committees) and unintentionally identifying sustainability and ESG as a separate functions in the company.

What Gets Measured, Gets Done

There is typically a sustainability or ESG angle to any function in a company. Therefore, if companies can integrate sustainability into the organizational fabric, then they can secure a deep ownership to the issues in the organization. For ESG, like many other issues, the thumb rule is; what gets measured, gets done. True ESG integration means that ESG is integrated into the company's performance management systems with performance metrics, goals, and remuneration. The most effective companies build ESG metrics into their existing scorecards (or other performance management systems) and ensure consistent performance reporting, vertically in the organization, to align employees around the same goals and focal points. ESG integration also builds additional accountability at the top of the organization, such as the management and board, as they receive ongoing updates on company performance. Therefore, Material Risk/Strategy & Risk engagement managers will focus on a company's performance reporting, integration of ESG metrics, and frequency at which the management and the board receives this information.

Who Knows Something About Biodiversity?

The emergence of ESG at the board-level questions the skills a board should possess. If biodiversity or DEI becomes a material ESG issue for a company, then does the board need an expert? Some boards have tried attracting senior climate change and biodiversity experts, but quite challenging as these experts are rare and often don't have a business mindset. The question is also if it makes sense to have such deep ESG subject matter expertise on the board in the first place, as this could create an imbalanced relationship among board members on these issues. The expert could quickly bring any board-level discussion on the topics to a high level of detail, hindering other board member contributions. In this case, the board could also overstep its oversight function and become too detail-oriented. The board's most important task is to hire the right CEO to manage the business, including ESG. Secondly, the board needs to know enough about the material ESG issues to ask management the right questions and collaboratively agree on the appropriate metrics to include in ongoing performance reporting to the board.

A company, like **Bayer AG**, uses ESG expertise constructively as Bayer has set up an independent external sustainability council to advise the Board of Management and other functions within the company on all sustainability matters. In this forum, the experts are among peers with a similar level of expertise, and they can develop more detailed discussions to the benefit of themselves and the company.

ESG Is Not New

Many of the issues that we deal with under the notion of ESG are not new, but the ESG framework has elevated boardroom discussion of these issues. Furthermore, materiality and impact analysis have broadened the scope of ESG issues that companies consider. ESG is not a new function or area, it is sound business risk management that is within the mandate and obligation of the board to address. The integrated approach is the most efficient and effective way of managing ESG issues—and a board can create oversight systems, so they do not have to be ESG subject matter experts to provide effective oversight.

Even if some material ESG issues are covered by existing board committees, it may be tempting for a board to establish a new sustainability committee to showcase how important sustainability is to the company. However, downsides of having a separate sustainability committee include unclear governance oversight (by way of interactions with various sub-committees) and unintentionally identifying sustainability and ESG as a separate functions in the company.

The Climate Accountability Crisis: Weakened Targets and Declining Investor Support in the Oil Industry

In recent years, the commitment of major oil and gas companies to climate targets has come under increasing scrutiny. Despite their public announcements of support for the Paris Agreement, many of these companies have been found to be falling short of their emission reduction goals, while shareholder support for climate resolutions has also been waning.

Weakened Emission Reduction Targets

The *Paris Maligned II* report by Carbon Tracker Initiative, which focused on the analysis of major oil and gas companies, reveals a troubling pattern: these companies are not only failing to align their targets with the Paris Agreement, but some are also actively weakening their existing climate commitments.¹ For instance, **BP**, which had initially set ambitious targets to cut its emissions by 35-40% by 2030, revised its goals down to a 20-30% reduction.² This lowered target raises concerns among investors and climate activists alike, highlighting a broader trend of weakened ambitions within the industry. **TotalEnergies** also faces criticism for its insufficient response to climate change, with only 79.7% of its shareholders supporting its sustainability and climate goals for 2030, down from 88.8% the previous year.³

The Erosion of Climate Targets

In March 2024, **Shell** announced a revision of its 2030 carbon-reduction goal, reducing the target from a 20% cut to a range of 15-20% compared to 2016 levels. This adjustment, justified by the company through anticipated strong gas demand and uncertainties in the energy transition, marks a significant step back in their climate ambition. Furthermore, Shell scrapped its 2035 emissions reduction objective while maintaining a long-term goal of net zero emissions by 2050. These changes underscore a prioritization of short-term profitability over long-term environmental responsibility.

The *Big Oil Reality Check* report reveals that major oil companies, including **Chevron**, **ExxonMobil**, **Shell**, **TotalEnergies**, **ConocoPhillips**, **Equinor**, **BP**, and **Eni**, are failing to set ambitious targets to align with the Paris Agreement's goal of limiting global temperature rise to below two degrees Celsius.⁴ The same document underscores that none of these companies have set comprehensive targets to ensure rapid and consistent emission reductions. Instead, many are increasing oil and gas production, leveraging carbon capture and storage (CCS) technologies, and selling off polluting assets to appear compliant while continuing to contribute to climate pollution.

Declining Shareholder Support

The weakening of climate commitments has coincided with a decline in shareholder support for climate resolutions. In 2023, voting records for major US and European asset managers showed increasing divergence, a trend continuing into 2024.⁵ Independent shareholder support for key ESG resolutions at US companies fell below 50% for the first time in over three years. Morningstar Sustainalytics' analysis indicates that European managers maintained high support levels averaging 98%, compared to 50% for US managers.

Ten of the twenty US equity fund managers exhibited low or very low support for key ESG resolutions in 2023, a significant increase from the past three years. Support trends declined for 12 of the 20 US managers, with **American Century**, **BlackRock**, **Capital Group**, **Goldman Sachs**, and **Janus Henderson** showing the strongest negative trends. In contrast, all 15 European managers assessed consistently demonstrated high support for key ESG resolutions, reflecting their stronger sustainability commitments.

Notably, at Shell's 2024 Annual General Meeting (AGM), only 18.6% of shareholders backed a resolution urging the company to set more stringent climate targets, down from over 20% the previous year. This resolution, proposed by the activist group Follow This and supported by a coalition of 27 investors managing around USD 4 trillion, sought to align Shell's medium-term carbon reduction targets with the Paris Climate Agreement.⁶ The reduced support reflects a broader trend of dwindling investor enthusiasm for ambitious climate action. Similarly, at TotalEnergies' recent AGM, more than 20% of shareholders voted against the company's climate strategy. This significant minority vote reflects growing dissatisfaction with the pace and scope of the company's climate actions.⁷

At BP's AGM, investor frustration over the company's revised emissions reduction targets for 2030—from 35-40% to 20-30%—was evident during the 2023 Annual General Meeting. Nearly 10% of shareholders voted against the re-election of chair Helge Lund, compared to just 3% the previous year.⁸ Despite this, support for BP's board remained relatively strong, indicating a complex interplay between shareholder priorities and corporate governance.

ExxonMobil's approach to climate resolutions has been equally contentious but with a legal twist. In an unprecedented move by a major corporation, ExxonMobil sued two activist investor groups, Follow This and Arjuna Capital, who had filed a proposal urging the company to set more ambitious climate targets. The lawsuit argued that the proposals breached Securities and Exchange Commission (SEC) guidelines and sought to exclude them from the AGM agenda. Although the proposals were withdrawn following the lawsuit, ExxonMobil's decision to continue legal proceedings underscored its aggressive stance against shareholder activism.⁹ Even though Exxon's actions are completely legal, this approach will certainly discourage future shareholder proposals.

The Path Forward

The current trajectory of major oil and gas companies poses significant risks to achieving global climate goals. To align with the Paris Agreement, these companies must set and adhere to more ambitious emission reduction targets, halt new fossil fuel projects, and transparently report their progress. Furthermore, shareholders and investors must continue to hold these companies accountable, leveraging their influence to drive meaningful change.

Conclusion

The weakening of emission reduction targets by major oil and gas companies, coupled with declining shareholder support for climate resolutions, paints a bleak picture for the global effort to combat climate change. As these companies continue to prioritize short-term profitability over long-term sustainability, the gap between their public commitments and actual practices grows wider. Investors, activists, and policymakers must intensify their efforts to hold these companies to account and push for more ambitious and actionable climate strategies. The future of our planet depends on it.

Freedom of Association and Labour Controversies

Why Investors Should Consider Using Their Voice to Support the Voice of Workers

While it is 2024, and life has assumed a version of normal, it would be incorrect to suggest that the experience of the Covid-19 pandemic is behind us. In particular, the sharp inflection point it provided for our collective conversation on labour rights and human capital is a conversation that is going strong today. It highlighted questions around provision of basic labour rights, created deep discussions about topics like health and safety, sick pay, and living wages, and gave us the terms “essential workers” and “hybrid work environments.”

It also inspired unionization movements around the globe as workforces and corporate management recalibrated how to collaborate on these topics. Starbucks, Amazon, and Teleperformance were prominent examples of companies making this list as Morningstar Sustainalytics launched new Global Standards/Incidents Engagement cases in either 2021 or 2022 focused specifically on freedom of association issues, without mentioning other cases opened in that period dealing with other labour rights concerns.

The Universal Declaration of Human Rights protects individuals’ right to associate freely. The International Labour Organization (ILO) considers freedom of association and collective bargaining as fundamental rights. They are addressed directly by ILO conventions 87 and 98, respectively Freedom of Association and Protection of the Right to Organise Convention and the Right to Organise and Collective Bargaining Convention.

A key reason that freedom of association is considered fundamental is that it provides a foundation for protecting and promoting other labour rights—health and safety, discrimination, working conditions, wages, etc. The protections provided by trade unions can enable a sense of safety for employees to raise concerns in a legitimate forum. In this way, issues that may not otherwise have been disclosed for fear of retaliation from the business can be heard and, ideally, remediated. Establishing genuine dialogue with freely chosen workers’ representatives enables both workers and employers to understand each other’s problems better and find ways to resolve them.

It is not only the experience of the pandemic that is leading workers to push for a stronger voice in their companies. We are also entering a time of generative AI, managing workplaces with four generations of people, such as Baby Boomers, Gen Xers, Millennials, and Gen Zers, and all of the diverse ethnicities, values, and expectations held by those generations, and balancing societal concerns as broad as climate change impact and a cost-of-living crisis. People want to feel safe at work, secure in their livelihoods, included in the work community, able to support themselves and their families, and to be able to express their values. Freedom of association and collective bargaining can support that objective.

Investors also need to be mindful of this reality as they look for companies that competently manage their ESG risks. Well managed companies—and particularly those for which human capital is a material aspect—must consider their ability to attract, retain, and develop talent to remain competitive in the future. Companies will often state their objective is to be an employer of choice, but if there are perceived gaps in their capacity to respect fundamental labour standards, their human capital management practices may falter. Investor support and advocacy for strong worker representation is also a contribution to good people management.

Over the past year, a great example of investors using their own voice to support the voice of workers has played out at Starbucks. Unionization efforts began at Starbucks during 2021 and were met with strong resistance from company management. The relationship between management and those employees pursuing unionization remained tense, resulting in multiple US National Labor Relations Board complaints and allegations of anti-union activity.

The stalemate began to loosen at the company’s 2023 annual general meeting when shareholders were able to push through a resolution demanding that Starbucks conduct an independent third-party workers’ rights assessment. Then, in the lead-up to the 2024 AGM, a proxy challenge was launched by shareholders to elect three independent directors to the Starbucks board specifically to address the labour relations issues. This resolution was withdrawn when the company agreed to collaborate with Workers United—the union representing Starbucks employees—on a framework agreement for unionizing stores. The Starbucks example is still in progress, but we think it can be looked at as a success story of the value of investors supporting workers goals. Investors of Starbucks expressed concern regarding the company’s reputation as an employer and whether it had the focus to continue attracting and retaining employees and took steps to protect their investment.

Investor engagement on ESG issues remains a powerful tool to leverage positive change. Investors looking to engage companies in their portfolios—or that they would like to be eligible for their portfolios—on issues of freedom of association and collective bargaining would do well to consider how well investee companies' policies align with international norms and ILO conventions and whether there is visibility on how those commitments are being implemented. Ensuring due diligence and enhanced stakeholder engagement are two very positive signs that labour rights are respected and should be an enabler for more detailed discussions. The pandemic was a disruptive element in all our lives but the conversation around labour rights has become more focused and responsive, a positive for the delivery of improved ESG performance, and reduced investor risk.

Empowering the Future Workforce: AI Integration With a Human-Centric Approach

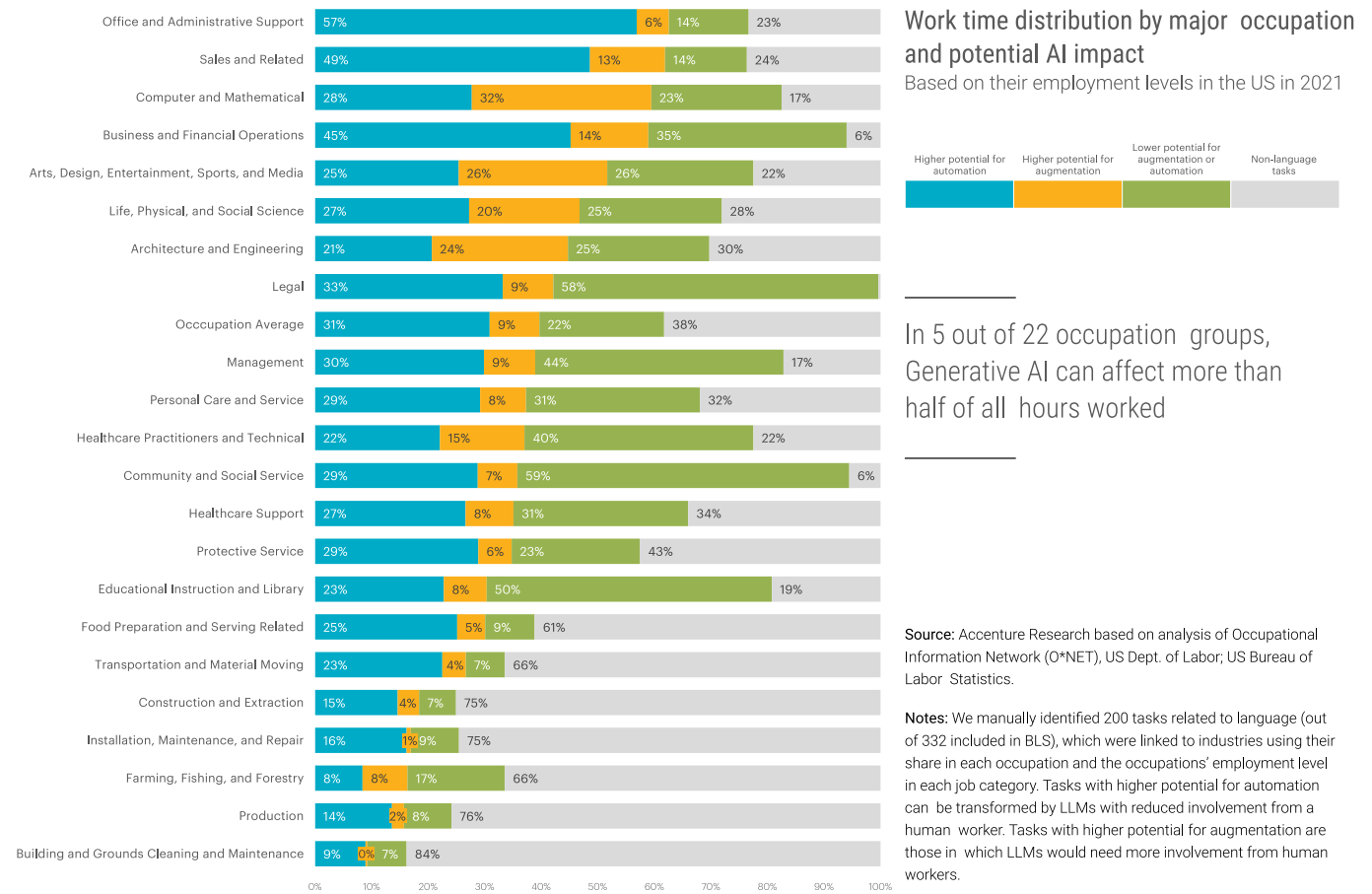
Integrating artificial intelligence (AI) into business operations is a critical focus for institutional investors. This transformation brings opportunities and challenges, particularly regarding its impact on customers, employees, and communities. For companies, it is essential to adopt a holistic approach that centers on people, ensuring AI enhances work and wellbeing rather than merely boosting productivity and innovation.¹⁰

Companies often claim that "people are our greatest asset," hence, investors should require companies to provide evidence of how they support this statement through data and progress. Mercer reports that 89% of asset managers consider people a key asset driving business value.¹¹ Thus, institutional investors play a pivotal role in guiding companies toward balanced and responsible AI integration. This article explores how companies can achieve this balance, focusing on the dual goals of leveraging AI for productivity and innovation while simultaneously enhancing employee well-being, driving cultural transformation and preparing the future workforce.

Enhancing Productivity and Innovation

A Mercer report highlights that tasks which add no value are major drains on employee productivity.¹² By automating routine tasks, AI can significantly boost productivity, allowing employees to dedicate their time to more valuable and complex work. AI tools can process data faster and more accurately, improving decision-making and operational efficiency. To effectively address the challenge of non-value-adding tasks—such as repetitive data entry, manual processing and routine administrative work—organizations need to focus on capacity planning, work redesign in collaboration with employees and better skills/task matching using AI tools.¹³ Generative AI, for example, could impact 40% of working hours across all industries by automating or augmenting tasks, as illustrated by Accenture's report on work time distribution (see Figure 3).¹⁴ However, this transformation will not happen overnight.

Figure 3. Impacts of Generative AI Across Job Categories.¹⁵



Organizations must prepare their workforce and adapt to these changes, especially since 75% of global knowledge workers already use AI with or without employer support, according to Microsoft and LinkedIn.¹⁶ Moving from experimentation to business transformation requires proactive measures. Institutional investors play a critical role in engaging organizations to understand how they deploy AI tools to enhance worker experiences and support this transition. Freeing up time for more meaningful tasks can boost creativity, innovation, and business value while enhancing employees' sense of purpose and well-being.

Cultural Transformation and Change Management

Implementing AI systems involves significant cultural and structural changes. To transition from experimentation to business transformation, effective change management strategies are essential. This includes clear communication, employee involvement, and addressing resistance to change. Fostering a culture that embraces innovation and continuous learning can create a positive attitude toward technological advancements. Mercer notes that 67% of organizations adopt new technology without transforming their work processes.¹⁷ Investors need to understand how companies embrace change and foster a culture of innovation, creativity, and lifelong learning to ensure that companies are implementing effective change management strategies in order to decrease risk and remain competitive.

Supporting employees during this transition is crucial. Data-driven approach and people analytics can help organizations understand the impact of technologies on roles and proactively address potential negative consequences. The challenge is that companies often do not disclose how they do this or assess technology's impact across job categories. Investors must engage with companies to discuss the potential impact of technology on jobs and how they address it proactively. Understanding a company's culture and its role in achieving strategic goals is key to adaptability.

Enhancing Employee Well-Being

A Microsoft and LinkedIn Work Trend Index Survey of 31,000 employees reveals that 68% of respondents struggle with the pace and volume of work, and 46% feel burned out.¹⁸ The World Health Organization classifies burnout as an organizational phenomenon that leads to exhaustion, negativity, and disengagement, resulting in low productivity.¹⁹ These statistics are concerning given their negative impact on employee mental health, well-being and overall business performance.

High workloads and inflexible work conditions are key factors contributing to burnout.²⁰ Redesigning work with employee input is critical. By understanding workload levels and identifying stress sources, organizations can deploy AI tools to automate or augment tasks effectively. AI can handle repetitive and time-consuming tasks, allowing employees to focus on more meaningful work. Additionally, AI-driven analytics can provide insights into employee well-being, identifying trends and potential issues before they escalate.

Improving employee health and well-being should be a priority to reduce workforce risks and boost agility and innovation.²¹ Mercer's Global Talent Trends 2024 reports that 46% of employees would forgo a pay increase for additional well-being benefits, highlighting the growing importance of well-being in the workplace.²² The "Great Exhaustion," a new term used to describe wide spread burnout across the workforce describes the situation we find ourselves in today.²³ Adopting a multidimensional view on flexibility—considering where, when, who, how, and why work is done—can enhance agility and productivity.²⁴ This approach may allow organizations to redesign work collaboratively with employees, ultimately increasing employee well-being, reducing burnout, and strengthening long-term business value.

Future Outlook and Expectations

Looking ahead, AI is set to further transform the workforce landscape. Investors should expect companies to continuously adapt and innovate, leveraging and learning about AI to stay competitive. This includes anticipating future trends and challenges. Encouraging companies to adopt a mindset of continuous improvement and regularly update their AI strategies to reflect technological advancements and market changes is essential. Supporting initiatives that build organizational resilience enables companies to adapt quickly to disruptions and capitalize on new opportunities.

However, as companies navigate this transformation, it is crucial that they do not lose sight of the human element. Ensuring that AI integration enhances worker well-being and maintains a human-centric approach is vital. Investors should monitor the long-term impact of AI on workforce dynamics, ensuring ethical considerations and human-centric approaches remain at the forefront.

Exxon vs. Shareholder Resolution Proponents: The Case that Could Muffle the Proxy Process

Generally, proxy season is seen to begin with Apple's annual general meeting in February, and end with Alphabet's annual general meeting in early June. This year, Exxon Mobil book-ended proxy season all on its own.

In January, Exxon sued two shareholders—Arjuna Capital and Follow This—to stop their proposal from appearing on the agenda of the company's annual general meeting (AGM) at the end of May. The proposal asked Exxon to do more to cut its greenhouse gas (GHG) emissions. Exxon has faced numerous climate-related shareholder proposals over the years but has taken issue with these proponents because Exxon believes that "neither organization wants to improve Exxon's business performance or increase shareholder value." Rather, Exxon states that the proponents share a different goal of "disrupting Exxon's investments and development of fossil fuel assets and causing Exxon to change its business model, regardless of the benefits, costs, or the world's needs."²⁵

This was an unusual move by the company, given that the standard approach is to follow the Securities and Exchange Commission (SEC) no action process, whereby companies seek assurance from the SEC that they can exclude a shareholder proposal from their AGM ballot. However, Exxon's lawsuit makes its position quite clear on this and clearly indicates why the company took such an unconventional route. Exxon describes the current shareholder proposal and proxy voting process as "flawed," stating that it "does not serve investors' interests and has become ripe for abuse by activists with minimal shares and no interest in growing long-term shareholder value."²⁶ Exxon was clearly concerned that the SEC no action process would not work in the company's favor, and after years of facing numerous climate-related shareholder proposals, the company took what some are seeing as the nuclear route.

The threat of legal action from a USD 500 billion company and all of its resources against two shareholders with a likely shareholding that is worth a few thousand dollars was enough to stop the shareholders in their tracks. A statement was soon released confirming that the shareholder proposal had been withdrawn, and that it would never be filed again.

However, despite seemingly achieving the objective of stopping the proposal from appearing on Exxon's AGM agenda, the company maintained the suit: a judge dismissed the case against Follow This on jurisdiction grounds, but the case against Arjuna Capital was allowed to proceed. Exxon stated its belief that the proponents' withdrawal did not provide the company with sufficient relief this year, because the proponents could table slightly modified proposals that address substantially the same subject matter in future years.

This became the thread that weaved its way through proxy season, culminating in the Exxon AGM on 29 May.

Many condemned Exxon for what appeared to be a case of overkill to the highest degree, but this transcends Exxon, its AGM, and even this year's proxy season. This is being seen as a gratuitous and calculated wielding of power to silence investors, prevent shareholder proposals in future, and ultimately attack shareholder democracy. Despite Exxon's actions being entirely legal, this approach will undoubtedly have a chilling effect on shareholder proposals in future. Many other companies may now see this approach as a way to limit the numerous troublesome shareholder proposals that they face annually.

Many Exxon shareholders publicly stated their opposition to the company's approach and declared an intention to vote against the company's Chair and CEO, Darren Woods, and the board's Lead Independent Director, Joseph Hooley. Glass Lewis—one of the big two proxy voting advisors—recommended a vote against Hooley, holding him accountable for the company's aggressive tactics.

A key question in all of this: was the board fully behind the company's approach? It seems unlikely that the body that is nominated by shareholders to oversee management and look after their best interests would support such aggressive tactics, particularly after the withdrawal of the proposal. And yet, despite Exxon's board including three nominees from Engine No. 1—the small climate activist whose proxy fight defeated Exxon in 2021 and installed its more climate-sympathetic nominees to the energy behemoth's board—Exxon has continued down this unwavering path.

Despite the outcry over Exxon's approach and the declarations to vote against the entire board in some cases, the company's AGM did not prove to be as explosive as the buildup throughout proxy season had suggested. The company reported soon after the AGM that Chair and CEO, Darren Woods, had received 91.6% support and Lead Independent Director, Joseph Hooley, had received 87.1% support. Generally, director support averages around 93-94% in the US, and while both results are lower than the average, the numbers still indicate strong support among shareholders.

While the Exxon AGM vote has now come and gone, and the case against Arjuna dismissed on 17 June (with Arjuna promising never to file another climate resolution at Exxon ever again),²⁷ the broader impact of Exxon's actions on future resolution filing at US companies is yet to be seen.

Our view is that shareholders can complement resolution filing with other activities available in the stewardship portfolio. For example, continuous engagement with issuers, especially when done together with other like-minded investors, can help to create effective communication channels with issuers, allowing a greater understanding of perspectives and an increased likelihood of successful outcomes.

Insights from the 2024 Proxy Season in the US and Canada

The majority of issuers in US and Canada have already concluded their annual general meetings. Based on the voting activity publicly available between 1 January 2024 and 17 June 2024, we want to share some highlights of the 2024 proxy season related to sustainability and good governance topics. The selected data points and insights presented below can help to better understand current trends and provide useful background.

Total Shareholder Resolutions

During the 2024 proxy season, around 600 shareholder proposals were voted across the US and Canadian markets, 261 of these focusing on governance-related topics. At the highest level, most governance-related resolutions can be grouped into three broad categories: shareholder voting rights, board accountability and executive compensation. Two topics with ten or more resolutions receiving strong average support include shareholder voting rights and racial/gender pay equity. Board diversity resolutions, while numbering only two resolutions this year, also received strong support, showing shareholders' continued conviction about the importance of this governance metric. Proposals focusing on board accountability and workplace/senior management diversity also received significant support.

By further aggregating the data, one may conclude that shareholder priorities during the 2024 proxy season can be grouped into two broader categories: seeking greater influence over their investees and promoting equity and diversity throughout their portfolios.

Table 2. Shareholder Resolutions Addressing Governance Topics Voted at US and Canadian Companies in the 2024 Proxy Season.

Governance-Related Topics	Number of Proposals	Average Support from Independent Shareholders
Shareholder Voting Rights	103	42%
Board Accountability	65	27%
Executive Compensation	58	12%
Workplace/Senior Management Diversity	16	27%
Racial/Gender Pay Equity	13	30%
Board Diversity	2	42%
Tax Accountability/Fair Taxation	2	19%
Employee Governance Representation	1	6%
Corporate Purpose/Corporate Form	1	2%
Total	261	

Shareholder Resolutions Receiving Majority Support

During the 2024 proxy season, 45 governance-related shareholder proposals received majority support across the US and Canadian markets. The adoption of a simple majority vote rule stands out as the main priority for investors being covered by more than half of the successful resolutions. In addition, the declassification of board of directors, allowing shareholders to call special meetings, and offer in-person participation to annual meetings at Canadian issuers are three other topics that have been supported by majorities of shareholders at various issuers.

Beyond voting at proxy seasons, investors can rely on continuous engagement with issuers to establish and maintain open communication channels that advance shareholder democracy. This approach can lead to better outcomes for shareholders by building trust, enabling proactive issue resolution, developing a deeper understanding of long-term strategy, and promoting transparency and accountability in corporate governance.

Table 3. Majority Supported Governance Requests Voted at US and Canadian Companies in the 2024 Proxy Season.

Shareholder Resolutions Filed in the US and Canada	Number of Shareholder Resolutions Receiving Majority Support
Adopt Simple Majority Vote	23
Collapse Dual Class Share Structure	1
Declassify the Board of Directors	6
Separate CEO and Chair Roles	2
Extend Proxy Access	1
Shareholder Approval of Poison Pill Provisions	1
Shareholder Ratification of Termination Pay	1
Shareholder Right to Call Special Meetings	5
Extend In-Person AGM Participation (Canadian Companies)	5
Total	45

Engagement Events and Industry Initiatives

OECD Forum on Sustainable Mineral Supply Chains in Paris

The year's Forum in Paris was attended by various stakeholders such as governments, businesses and civil society organizations. While the Forum addressed a wide range of issues and it offered a great opportunity to meet with stakeholders in the field, we identified three key takeaways for investors in terms of engaging with mining companies.

Firstly, the goal of engagement should focus on outcomes rather than merely counting the number of meetings. Secondly, quantitative data should be complemented by qualitative data. Thirdly, data triangulation should become mainstream when assessing corporate performance.

This is especially important when engaging with mining companies, as they encounter complex issues and interact with a wide range of stakeholders. Not only might the companies have competing perspectives from those of the communities, but the various communities themselves may also have differing views. Investors need to overcome the challenge by accessing appropriate information sources, ensuring data quality, and balancing stakeholder views to make decisions.

Highlights of the Latest Developments for the Incoming GRI Banking Sector Standard

GRI Banking Sector Standard Technical Committee In-person Meeting in Amsterdam

In April 2024, Angela Flaemrich, an Engagement Manager on the Stewardship Services team at Morningstar Sustainalytics and a member of the Banking Technical Committee, participated in the GRI (Global Reporting Initiative) in-person meeting in Amsterdam, aimed at making progress on focal topics for drafting the new GRI Banking Sector Standard.

Since September 2023, members of the GRI Banking, Insurance, and Capital Markets Technical Committees have been collaborating to advise the GRI on developing the three respective sustainability reporting Sector Standards, which are expected to be released in late 2025. These Standards are designed to help identify a sector's most significant impacts and provide sector-specific disclosures to complement the existing GRI Standards and will enhance the global comparability and quality of information within the banking sector, as needed to support informed decision-making by a variety of stakeholders.

Angela is pleased to share a few highlights for the Banking Sector Standard thus far:

The Banking Technical Committee has identified an initial list of likely material topics for the banking sector. These proposed topics cover issues including climate change, biodiversity, financial health and inclusion, customer privacy, forced or compulsory labour, non-discrimination and equal opportunity, anti-corruption and prevention of financial crime, anti-competitive behavior, employment, remuneration and working time, local communities and rights of indigenous peoples, and marketing and labelling.

The likely material topics outlined in the new Banking Sector Standard will provide banking organizations with a helpful tool when conducting their materiality assessment and additional sector specific reporting as needed. While banks can continue to report on any material topic, banks reporting in accordance with GRI in the future will need to refer to the Banking Sector Standard and provide an explanation if any of the identified topics are not material to them.

Considerable attention has been given to developing sector-specific reporting to supplement the revised drafted GRI Climate Change Topic Standard (particularly to new disclosures on just transition principles, transition plans for climate change mitigation and climate change adaptation plans) and the new GRI Biodiversity Topic Standard.²⁸ The technical committee's discussions focused on Scope 3 GHG emissions and expectations for separately reporting financed GHG emissions, insured GHG emissions, and off-balance sheet GHG emissions (with breakdowns by sector), and reporting on exclusions, the rationales for the exclusions, any limitations on the data and plans to improve the data. Regarding biodiversity, Angela raised the issues of limitations in data and reporting expectations around impact assessment and client due diligence.

There have been extensive discussions regarding how to structure banking disclosures for the many types of business ethics-related topics, which represent most of the industry's controversies. While at Morningstar Sustainalytics business ethics disclosures are grouped together under one material issue, for the GRI, certain aspects of business ethics are already covered under GRI 2 (Universal Standards) and different Topic Standards.

The technical committee discussed potential reporting expectations for the banking sector around the prevention of financial crime (anti-competitive behavior, public policy and tax). Sustainability integration (how organizations define and manage sustainability impacts through investment practices, organizational approach, alignment with core business strategies, and implementation through policies, processes, and investment decisions) is another challenging area that is still being discussed and is recognized as very important.

Angela has been advocating for improved disclosures on the approach, means and actions of stewardship and engagement activities by banks on material topics, and is pleased that this type of disclosure is being developed as part of this project.

The GRI Banking, Capital Markets and Insurance Sector Standards drafts will undergo a significant feedback and comment period from technical committee members and peer reviewers between now and July 2024, and will enter a public comment period early 2025, for release late next year.

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About Morningstar Sustainalytics

Morningstar Sustainalytics is a leading ESG data, research, and ratings firm that supports investors around the world with the development and implementation of responsible investment strategies. For more than 30 years, the firm has been at the forefront of developing high-quality, innovative solutions to meet the evolving needs of global investors.

Today, Morningstar Sustainalytics works with hundreds of the world's leading asset managers and pension funds who incorporate ESG information and assessments into their investment processes.

The firm also works with hundreds of companies and their financial intermediaries to help them consider material sustainability factors in policies, practices, and capital projects. Morningstar Sustainalytics has analysts around the world with varied multidisciplinary expertise across more than 40 industry groups. For more information, visit www.sustainalytics.com.

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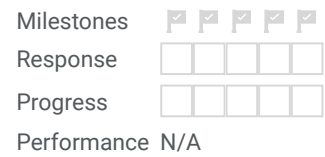
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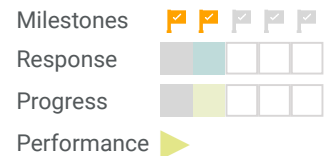
Strategy & Risk Engage List

<p>3M Co. (United States of America, 2021) Focus on Product Governance</p>	<p>Milestones </p> <p>Response </p> <p>Progress </p> <p>Performance </p>
<p>Change Objective: 3M should ensure continuity of sound ESG governance and management as the company goes through the planned spin-off of the healthcare business; and continue to enhance product quality and safety management and effluents management.</p>	
<p>Acerinox SA (Spain, 2022) Focus on Carbon and Community Relations</p>	<p>Milestones </p> <p>Response </p> <p>Progress </p> <p>Performance </p>
<p>Change Objective: Provide investors with consistent ESG disclosure and management approaches covering all material ESG issues. Disclose a climate transition plan with a clear decarbonization pathway.</p>	
<p>Adani Enterprises Ltd. (India, 2022) Focus on Resource Use and Community Relations</p>	<p>Milestones </p> <p>Response </p> <p>Progress </p> <p>Performance </p>
<p>Change Objective: To continue Adani's progress on ESG disclosures, focusing on ESG buy-in downstream across all company segments, and continued exponential growth in renewable energy developments per all new energy production capacity, until fossil fuels begin to reduce (2032).</p>	
<p>Agricultural Bank of China Ltd. (China, 2021) Focus on Business Ethics</p>	<p>Milestones </p> <p>Response </p> <p>Progress </p> <p>Performance </p>
<p>Change Objective: Agricultural Bank of China should tie ESG targets with executive compensation. Further, it should disclose the strategies to mitigate business ethics and climate risks.</p>	
<p>Airtac International Group (Taiwan, 2021) Focus on ESG Disclosure</p>	<p>Milestones </p> <p>Response </p> <p>Progress </p> <p>Performance </p>
<p>Change Objective: Airtac should develop a robust and efficient ESG governance structure with clear reporting on ESG performance and set targets for prioritized areas, and also develop more internal ESG capacity (and not increasing dependence on third party Consultancy Firm)</p>	
<p>Aker BP ASA (Norway, 2020) Focus on Carbon and Emissions, Effluents and Waste</p>	<p>Milestones </p> <p>Response </p> <p>Progress </p> <p>Performance </p>
<p>Change Objective: Develop a systematic, consistent, and comprehensive ESG disclosure framework, which covers all material ESG issues supported by policies, management systems and performance indicators.</p>	

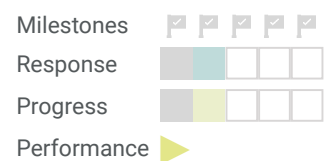
Alamos Gold, Inc. (Canada, 2024)
 Focus on Emissions, Effluents and Waste and Resource Use
Change Objective: Will be defined after the first meeting.



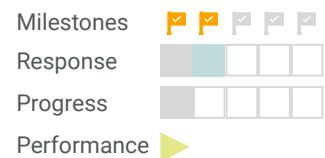
Alfa SAB de CV (Mexico, 2020)
 Focus on Risk Assessment and ESG Disclosure
Change Objective: Alfa should provide investors with a reasonable overview of ESG risk management of the material ESG issues for each of the business units.



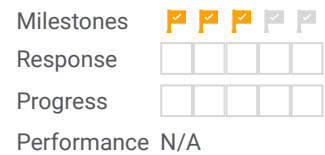
Alinma Bank (Saudi Arabia, 2022)
 Focus on Risk Assessment and ESG Disclosure
Change Objective: To develop substantial disclosure environment and develop key target aligning to Saudi Vision 2030.



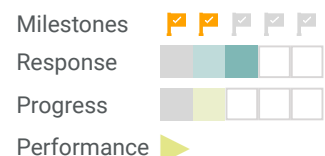
Almarai Co. Ltd. (Saudi Arabia, 2020)
 Focus on Risk Assessment and ESG Disclosure
Change Objective: Improve awareness and management of material ESG-risks.



AltaGas Ltd. (Canada, 2023)
 Focus on Emissions, Effluents and Waste
Change Objective: Disclosure that provides investors with a full overview of material ESG risks, main mitigation strategies and performance. This includes enhanced disclosure on effluent and solid and hazardous waste management, as well as the development of performance improvement objectives and targets.



Aluminum Corp. of China Ltd. (China, 2021)
 Focus on Carbon Own Operations
Change Objective: Provide investors with further insight into effectively managing climate risks and community relations.



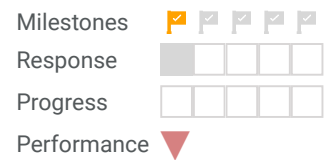
Amazon.com, Inc. (United States of America, 2021)
Focus on Risk Assessment and ESG Disclosure

Change Objective: We had an introductory meeting with Amazon in April 2023 and are in the process of setting up a call to discuss the material ESG issues together with GSE and Net Zero Transition engagement. The change objective will be defined after this meeting.



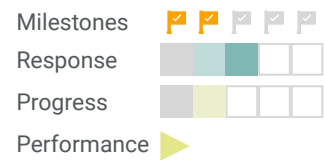
Amorepacific Corp. (South Korea, 2022)
Focus on ESG Disclosure

Change Objective: Amorepacific Corporation should enhance disclosure and clarity on its own management structure, strategy, and mitigation practices towards its material ESG issues.



ANA HOLDINGS INC. (Japan, 2021)
Focus on Human Capital

Change Objective: ANA Holdings should continue enhancing disclosure and management towards human capital risks.



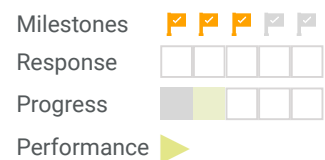
APA Corp. (United States of America, 2023)
Focus on Carbon and Emissions, Effluents and Waste

Change Objective: Disclosure that provides investors with a full overview of material ESG risks, main mitigation strategies and performance. This includes enhanced disclosure on longer term decarbonization strategy, portfolio diversification to include less carbon intensive products, and quantitative business integration of the company's GHG risk management programme.



ARC Resources Ltd. (Canada, 2023)
Focus on Emissions, Effluents and Waste

Change Objective: Disclosure that provides investors with a full overview of material ESG risks, main mitigation strategies and performance. This includes disclosure of performance improvement objectives for the company's effluent management and non-GHG air emissions as well as portfolio diversification to include sustainable or less carbon intensive products.



ArcelorMittal SA (Luxembourg, 2021)
Focus on Occupational Health and Safety

Change Objective: Demonstrate industry-leading capacity to tackle systemic issues and embed a robust behaviour-based safety culture in challenging markets and at assets with legacy issues. In addition, provide regular and comprehensive information regarding progress on the climate transition (including just transition) and the implementation of region-specific transformation plans.



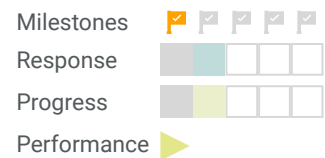
Archer-Daniels-Midland Co. (United States of America, 2022)
Focus on Land Use and Biodiversity Supply Chain

Change Objective: ADM should demonstrate an effective management programme addressing deforestation and human rights risks in the value chain, including the development of nature-related disclosure and goals.



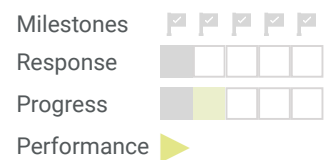
Asian Paints Ltd. (India, 2022)
Focus on Emissions, Effluents and Waste and Resource Use

Change Objective: To develop the internal (not externally sourced) the capacity of ESG Governance and Disclosures and ensure that buy-in transcends units to the ExCo.



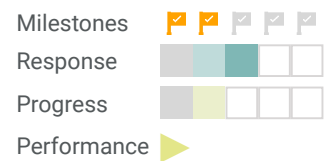
Associated British Foods Plc (United Kingdom, 2023)
Focus on Product Governance

Change Objective: Will be defined after the first meeting.



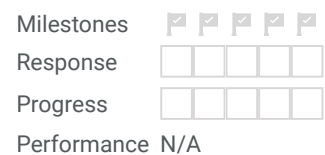
Aston Martin Lagonda Global Holdings Plc (United Kingdom, 2023)
Focus on Carbon and Product Governance

Change Objective: Aston Martin Lagonda should enhance transparency in the company's management practices related to material risks associated with product quality and safety, sustainable product stewardship, and human capital.



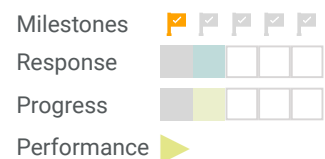
Athabasca Oil Corp. (Canada, 2024)
New Case - Focus to be Determined

Change Objective: Will be defined after the first meeting.



Atmos Energy Corp. (United States of America, 2021)
Focus on Product Governance

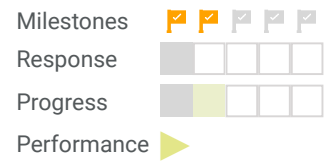
Change Objective: Disclosure that provides investors with a full overview of material ESG risks, main mitigation strategies and performance. This includes disclosing additional asset management information including identified risks and mitigation plans, 3 years of metrics and long-term goals.



ATS Corp. (Canada, 2020)

Focus on Risk Assessment and ESG Disclosure

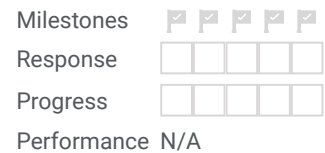
Change Objective: Disclosure that provides investors with a full overview of material ESG risks, main mitigation strategies and performance, including enhanced product safety/governance management disclosure as well as enhanced roadmap and incentivization to achieve carbon neutrality.



Balfour Beatty Plc (United Kingdom, 2024)

New Case - Focus to be Determined

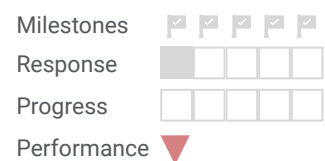
Change Objective: Will be defined after the first meeting where material ESG issues are discussed.



Bank of China Ltd. (China, 2021)

Focus on ESG Integration Financials

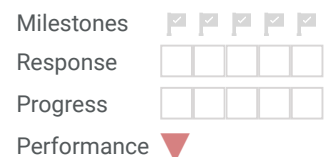
Change Objective: Provide investors with further insight into the ESG assessment in finance and investing activities



Bank of Shanghai Co., Ltd. (China, 2021)

Focus on Risk Assessment and ESG Disclosure

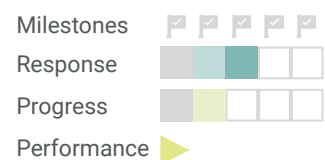
Change Objective: Bank of Shanghai should demonstrate robust Board-level ESG governance is in place. Further, it should disclose the strategies to mitigate business ethics and climate risks.



Banque Saudi Fransi (Saudi Arabia, 2022)

Focus on Risk Assessment and Corporate Governance

Change Objective: To deliver a robust initial ESG Sustainability report which reflects the governance developments and turns the materiality assessment into clear KPIs through Saudi Vision 2030.



Barrick Gold Corp. (Canada, 2021)

Focus on Emissions, Effluents and Waste and Community Relations

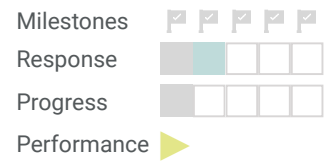
Change Objective: Disclosure that provides investors with a full overview of material ESG risks, main mitigation strategies and performance. This includes external Board review as well as enhanced disclosure of community relations and human rights legacy issues.



Bausch Health Cos., Inc. (Canada, 2020)

Focus on Product Governance

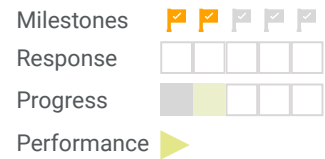
Change Objective: Disclosure that provides investors with a full overview of material ESG risks, main mitigation strategies and performance. This includes enhanced ESG disclosure and reporting framework alignment, 3 years of performance data for material ESG issues along with goals to improve performance, and risk assessment, monitoring, and public reporting relating to product quality and safety.



Baytex Energy Corp. (Canada, 2023)

Focus on Carbon Products and Services

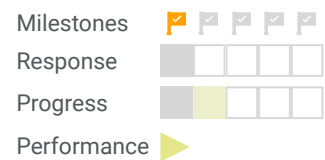
Change Objective: Disclosure that provides investors with a full overview of material ESG risks, main mitigation strategies and performance. This includes enhanced disclosure on low-carbon transitional risk and opportunities, portfolio diversification to include sustainable or less carbon intensive products, and continuous reductions in the company’s GHG emissions and carbon intensity of its products and value chain.



BBMG Corp. (China, 2020)

Focus on Carbon Own Operations

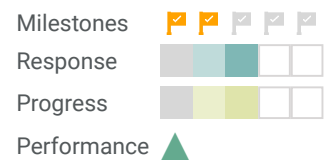
Change Objective: BBMG should develop a clear strategy to align with the national ambitions for carbon neutrality and report to investors according to or similar with the TCFD guidelines.



Beijing Enterprises Water Group Ltd. (Hong Kong, 2019)

Focus on Product Governance

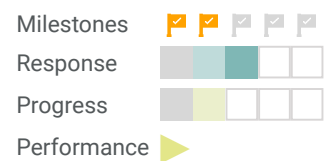
Change Objective: Beijing Enterprises Water Group should provide investors with insight to risks related to water scarcity and quality. It should also ensure a strong product safety governance, including transparency on performance metrics.



Bharat Petroleum Corp. Ltd. (India, 2020)

Focus on Carbon and Emissions, Effluents and Waste

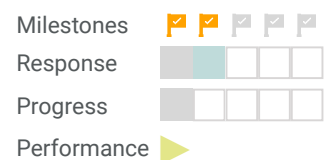
Change Objective: BCPL should develop and share with investors a plan that shows medium and long-term plans for risk management of GHG emissions to improve trust and engagement with international investors through communicating progress more collaboratively.



BIM Birlesik Magazalar AS (Turkey, 2022)

Focus on Corporate Governance

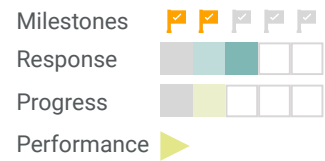
Change Objective: To be determined after the first engagement meeting on September 5th.



BioArctic AB (Sweden, 2023)

Focus on Product Governance and Access to Basic Services

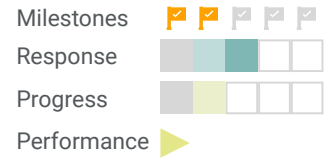
Change Objective: Will be defined after the first in-depth meeting scheduled for May where material ESG risks will be discussed.



BKW AG (Switzerland, 2023)

Focus on Carbon Own Operations

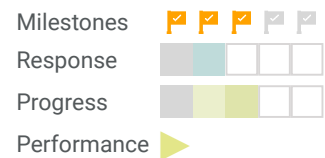
Change Objective: Develop a proactive, diligent and transparent governance and management approach of material ESG issues including climate transition risk, environmental emissions and community impact.



BlueScope Steel Ltd. (Australia, 2022)

Focus on Carbon and Resource Use

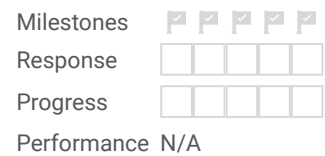
Change Objective: Bluescope Steel should provide investors with a comprehensive decarbonization plan including scope 3.



Bombardier, Inc. (Canada, 2023)

Focus on Product Governance

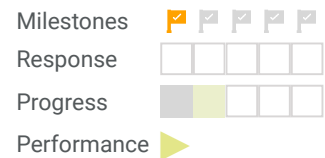
Change Objective: Will be defined after the first meeting.



Boubyan Bank KSC (Kuwait, 2021)

Focus on Risk Assessment and ESG Disclosure

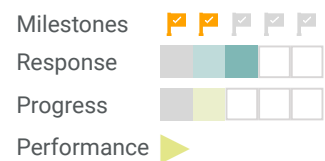
Change Objective: Will be defined after the first meeting - ideally in late 2023 in person, otherwise in 2024.



Bouygues SA (France, 2021)

Focus on E&S Impact of Products and Services and Community Relations

Change Objective: Disclose a robust management approach to community risks and impacts with a focus on outcomes for people.



BP Plc (United Kingdom, 2022)

Focus on Carbon and Emissions, Effluents and Waste

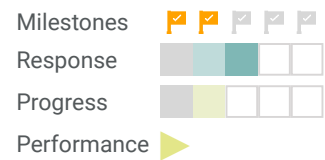
Change Objective: Disclose a business strategy adapted to Paris-aligned transition pathways and establish climate-related reporting that integrates climate risks into financial and audit statements.



British American Tobacco plc (United Kingdom, 2023)

Focus on E&S Impact of Products and Services

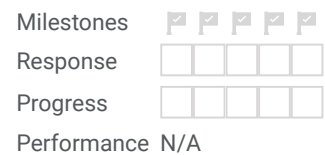
Change Objective: Proactively seek to implement industry-leading corporate practices and enhance disclosure on material ESG topics, such as responsible marketing, tax transparency, product stewardship, and business ethics.



Cameco Corp. (Canada, 2023)

Focus on Community Relations

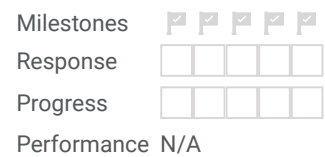
Change Objective: Will be defined after the first meeting.



Canadian Natural Resources Ltd. (Canada, 2024)

Focus on Carbon Products and Services

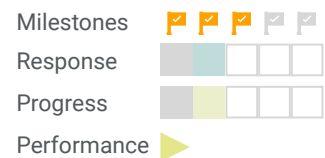
Change Objective: Will be defined after the first meeting.



Capital Power Corp. (Canada, 2023)

Focus on Emissions, Effluents and Waste

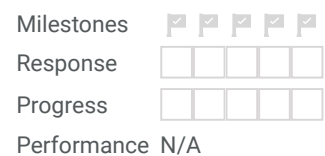
Change Objective: Disclosure that provides investors with a full overview of material ESG risks, main mitigation strategies and performance. This includes reporting and targets for waste (solid and hazardous) and targets for effluents and non-GHG emissions with quantified performance reporting on all Sustainability Targets and GHG reductions.



Capstone Copper Corp. (Canada, 2024)

New Case - Focus to be Determined

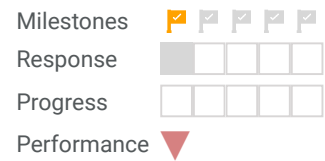
Change Objective: Will be defined after the first meeting.



Carabao Group Public Co. Ltd. (Thailand, 2022)

Focus on Corporate Governance

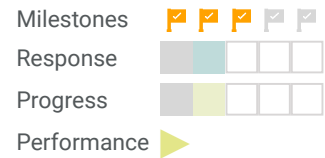
Change Objective: Will be defined after the first meeting.



Caterpillar, Inc. (United States of America, 2020)

Focus on Product Governance

Change Objective: Caterpillar should enhance transparency on product quality and safety management.



Cenovus Energy, Inc. (Canada, 2023)

Focus on Carbon and Emissions, Effluents and Waste

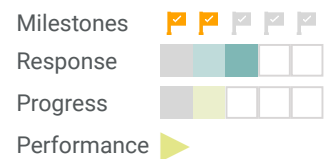
Change Objective: Disclosure that provides investors with a full overview of material ESG risks, main mitigation strategies and performance. This includes continuing to show progress to emission reduction targets as well as effluent and spill management, and considering additional investments in alternative less emission intensive products as a market opportunity.



Centrais Elétricas Brasileiras SA (Brazil, 2019)

Focus on Community Relations and Land Use and Biodiversity

Change Objective: Eletrobras should commit to international best practice in corporate governance and implement mechanisms to ensure alignment.



CEZ as (Czech Republic, 2020)

Focus on Occupational Health and Safety

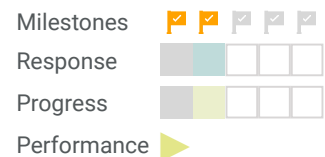
Change Objective: Disclose information on programs and initiatives that aim to engage suppliers in emission reductions, integrate biodiversity and nature risk considerations at the nature-climate nexus, and actively participate in the advancement of transition technologies.



Charoen Pokphand Foods Public Co. Ltd. (Thailand, 2022)

Focus on Corporate Governance

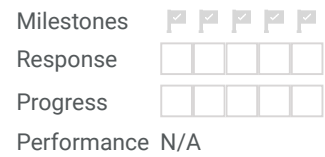
Change Objective: CPF should enhance corporate governance, especially on gender balance and evaluation of the Board effectiveness, to align with international (best) practices.



Chesapeake Energy Corp. (United States of America, 2023)

Focus on Carbon and Emissions, Effluents and Waste

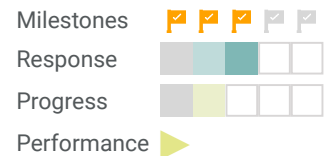
Change Objective: Will be defined after the first meeting.



Chevron Corp. (United States of America, 2021)

Focus on Carbon Products and Services

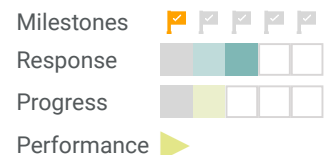
Change Objective: Disclosure that provides investors with a full overview of material ESG risks, main mitigation strategies and performance. This includes enhanced product reporting, progressing on current GHG emission reduction targets, and setting more ambitious decarbonization targets.



China Hongqiao Group Ltd. (China, 2021)

Focus on Community Relations

Change Objective: China Hongqiao should provide investors with further insights into the management of community relations and impacts.



China Mengniu Dairy Co., Ltd. (Hong Kong, 2014)

Focus on Carbon and Resource Use

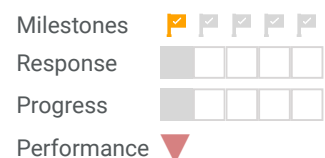
Change Objective: China Mengniu should develop consistent and dynamic engagement strategies with the full value chain on biodiversity and carbon emissions.



China Petroleum & Chemical Corp. (China, 2011)

Focus on Carbon and Emissions, Effluents and Waste

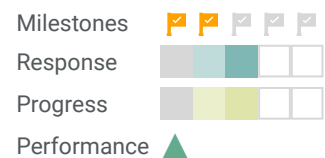
Change Objective: Sinopec Corp should develop aggressive goals for reduction in carbon emissions. It should additionally conduct a water risk analysis for all operations including a long-term risk scenario.



China Railway Group Ltd. (China, 2017)

Focus on Occupational Health and Safety

Change Objective: China Railway Group should provide investors with more granular information on health and safety management practices and performance data.



China Resources Building Materials Technology Holdings Ltd. (Hong Kong, 2017)

Focus on Carbon Own Operations

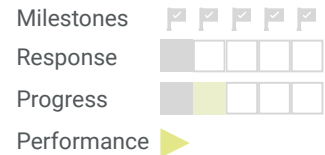
Change Objective: CR Cement should provide investors with TCFD-aligned disclosure with verified data. Additionally, the company should expand transparency on management of compliance issues and the use of the whistleblower system.



China Resources Gas Group Ltd. (Hong Kong, 2016)

Focus on Product Governance

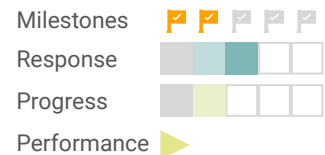
Change Objective: CRG should expand disclosure to investors on ESG. There should particularly be better insight to performance in safety, compliance (whistle blower function) and carbon emission management. There should also be specific plans with goals to drive performance in safety management and carbon footprint reduction.



China Resources Power Holdings Co., Ltd. (Hong Kong, 2019)

Focus on Carbon Own Operations

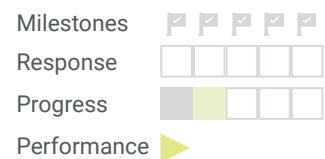
Change Objective: CR Power should ensure and show to investors a plan how to align with the targets in the Paris Agreement and the national Chinese commitments to carbon neutrality.



China State Construction Engineering Corp. Ltd. (China, 2021)

Focus on Risk Assessment

Change Objective: Will be defined after the first meeting.



China State Construction International Holdings Ltd. (Hong Kong, 2018)

Focus on Occupational Health and Safety and Human Capital

Change Objective: CSCI should develop TCFD aligned disclosure for investors, where there is a clear plan to reduce carbon footprint in the entire lifetime of the buildings and infrastructure that CSCI is involved in.



China Steel Corp. (Taiwan, 2022)

Focus on Carbon Own Operations

Change Objective: To develop internal ESG Governance and Systems Unit, including cross unit buy-in and capacity, leading to accelerated decarbonization and electrification



China Traditional Chinese Medicine Holdings Co. Ltd. (Hong Kong, 2021)
Focus on Product Governance

Change Objective: Ensures effective ESG governance at the board and strengthens product governance disclosure.



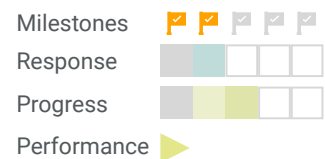
Chubu Electric Power Co., Inc. (Japan, 2020)
Focus on Carbon Own Operations

Change Objective: Chubu Electric Power should continue enhancing the performance data management, strategy and disclosure towards carbon transition risks.



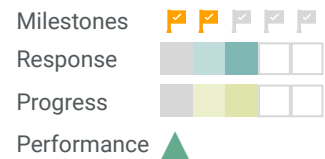
CITIC Ltd. (China, 2021)
Focus on Risk Assessment and ESG Disclosure

Change Objective: CITIC should formalize ESG governance and management structures and strengthen climate risk disclosure.



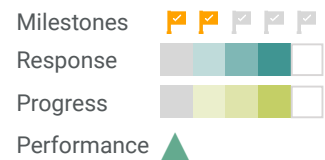
CJ CheilJedang Corp. (South Korea, 2022)
Focus on Carbon Own Operations

Change Objective: CJ CheilJedang should enhance carbon transition management and disclosure.



CK Infrastructure Holdings Ltd. (Hong Kong, 2021)
Focus on Carbon Own Operations

Change Objective: CKI should further develop climate disclosures supported by scenario analysis and in alignment with the TCFD recommendations.

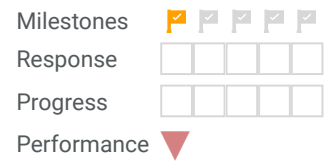


CMOC Group Ltd. (China, 2021)
Focus on Community Relations

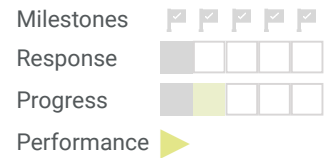
Change Objective: CMOC should develop management systems and dedicate enough resources to mitigate risks related to security and community development around TFM.



Coal India Ltd. (India, 2021)
 Focus on Occupational Health and Safety and Emissions, Effluents and Waste
Change Objective: Will be defined after the first meeting.



Commercial Bank of Qatar (Qatar, 2020)
 Focus on Risk Assessment and ESG Disclosure
Change Objective: Support the company to develop a full scale ESG risk management program and disclosure.



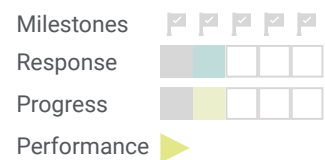
ConocoPhillips (United States of America, 2023)
 Focus on Carbon and Emissions, Effluents and Waste
Change Objective: Disclosure that provides investors with a full overview of material ESG risks, main mitigation strategies and performance. This includes continuing to show progress to emission reduction targets as well as effluent and spill management, and considering additional investments in alternative less emission intensive products as a market opportunity.



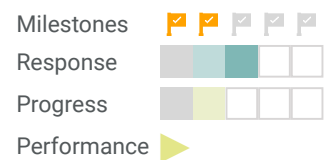
Cosan SA (Brazil, 2014)
 Focus on Land Use and Biodiversity Supply Chain
Change Objective: Cosan SA should develop a group-level ESG risk management that ensures consistency, when suitable, and investor insight to the material ESG issues of the entire group.



Coterra Energy, Inc. (United States of America, 2020)
 Focus on Carbon and Emissions, Effluents and Waste
Change Objective: Support the company to develop an adequate management system for material ESG risk management.

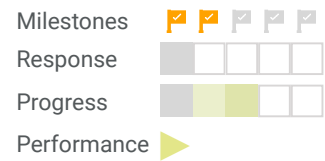


Crescent Point Energy Corp. (Canada, 2023)
 Focus on Carbon Products and Services
Change Objective: Disclosure that provides investors with a full overview of material ESG risks, main mitigation strategies and performance. This includes enhanced disclosure on low-carbon transitional risk and opportunities, portfolio diversification to include sustainable or less carbon intensive products, and continuous reductions in the company’s GHG emissions and carbon intensity of its products.



Dassault Aviation SA (France, 2021)
Focus on Risk Assessment and ESG Disclosure

Change Objective: Expand disclosure on material ESG topics in line with established reporting standards.



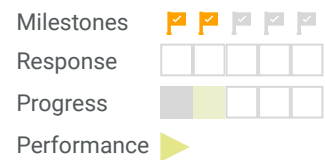
Diamondback Energy, Inc. (United States of America, 2021)
Focus on Emissions, Effluents and Waste and Community Relations

Change Objective: Disclosure that provides investors with a full overview of material ESG risks, main mitigation strategies and performance. This includes continuing to show initiatives & capex dedicated to reaching emission reduction targets and enhanced community relations disclosure.



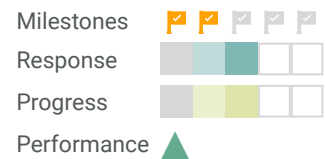
Donaldson Co., Inc. (United States of America, 2021)
Focus on Product Governance

Change Objective: Donaldson should provide investors with further insights into its ESG governance and management, especially in terms of product governance.



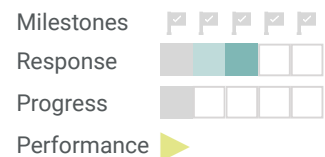
Doosan Enerbility Co., Ltd. (South Korea, 2022)
Focus on ESG Disclosure

Change Objective: Doosan Enerbility should enhance disclosure on its ESG governance (Board's skills matrix) and the mitigation practices towards material ESG issues.



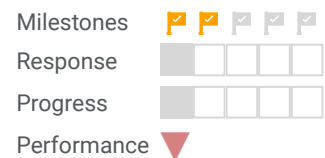
Dubai Islamic Bank PJSC (United Arab Emirates, 2020)
Focus on Product Governance

Change Objective: Overall improvement of ESG policies, disclosures, reporting, and in-house capacity.



Eiffage SA (France, 2021)
Focus on E&S Impact of Products and Services

Change Objective: Will be defined after the first meeting where we are able to discuss material ESG risks.



Elders Ltd. (Australia, 2020)

Focus on Risk Assessment and ESG Disclosure

Change Objective: Elders should develop more robust ESG governance structure with clear reporting structures on ESG and more ESG metrics integrated in the variable pay systems.



Emera, Inc. (Canada, 2021)

Focus on Emissions, Effluents and Waste

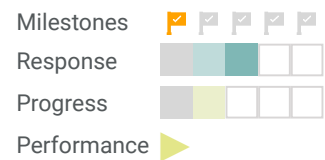
Change Objective: Disclosure that provides investors with a full overview of material ESG risks, main mitigation strategies and performance. This includes audits of EMS & SMS every 3 years, reduction targets for non-GHG air emissions, effluents, and wastes as well and quantitative enhancements to its decarbonization strategy and climate-related disclosures.



EMS-Chemie Holding AG (Switzerland, 2020)

Focus on Carbon Own Operations

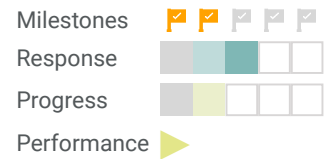
Change Objective: Provide investors with consistent disclosure on material ESG topics in line with established reporting frameworks and industry best practices, particularly with regards to the net-zero climate strategy.



ENEOS Holdings, Inc. (Japan, 2021)

Focus on Carbon Own Operations

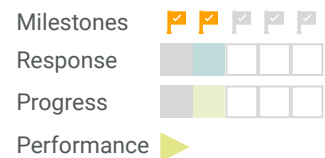
Change Objective: ENEOS Holdings should continue enhancing its strategy toward mitigating climate change.



Energean Plc (United Kingdom, 2020)

Focus on Carbon and Emissions, Effluents and Waste

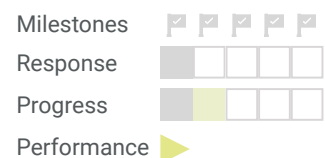
Change Objective: Implement effective risk management as a pure-play oil and gas (O&G) company in the context of the accelerating energy transition and a global shift away from fossil fuels.



Energisa SA (Brazil, 2021)

Focus on Emissions, Effluents and Waste and Resource Use

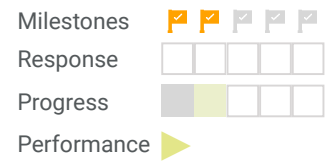
Change Objective: Alignment with Paris agreement (TCFD) and transparency about results and effectiveness of management systems.



Enerplus Corp. (Canada, 2023)

Focus on Carbon Own Operations

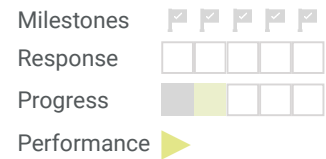
Change Objective: Disclosure that provides investors with a full overview of material ESG risks, main mitigation strategies and performance. This includes enhanced disclosure on low-carbon transitional risk and opportunities, portfolio diversification to include sustainable or less carbon intensive products, and continuous reductions in the company’s GHG emissions and carbon intensity of its products.



Eneva SA (Brazil, 2023)

Focus on Carbon and Emissions, Effluents and Waste

Change Objective: Eneva should develop a clear decarbonization plan, where investors can assess how much each initiative is contributing to the carbon emission reduction targets and the progress.



EOG Resources, Inc. (United States of America, 2021)

Focus on Emissions, Effluents and Waste

Change Objective: Disclosure that provides investors with a full overview of material ESG risks, main mitigation strategies and performance. This includes enhanced ESG governance and disclosure, progressing on GHG emission reduction targets and developing scope 3 emissions inventory and reduction strategy, and enhanced risk management and disclosure for effluent and non-GHG air emissions.



Equatorial Energia SA (Brazil, 2021)

Focus on Product Governance

Change Objective: Equatorial Energia should develop a consistent set of strategies to reduce safety hazards for contractors as well as third-parties.



Equinor ASA (Norway, 2021)

Focus on Carbon and Emissions, Effluents and Waste

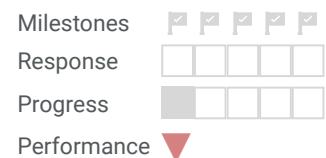
Change Objective: Continue enhancing transparency and expanding disclosure on targets and performance indicators consistent with its material issues. The Energy Transition Plan, environmental management, and health & safety should be given particular attention.



Eregli Demir ve Çelik Fabrikalari TAS (Turkey, 2022)

Focus on Carbon Own Operations

Change Objective: To be determined if we manage to engage with Eregli.



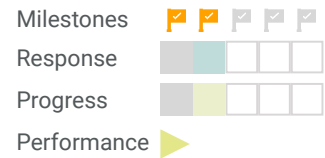
Etihad Etisalat Co. (Saudi Arabia, 2022)
Focus on Corporate Governance and Human Capital

Change Objective: To be determined after first engagement meeting in late 2022.



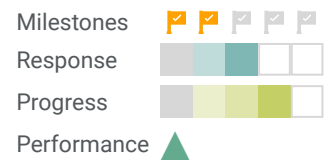
Evergy, Inc. (United States of America, 2021)
Focus on Carbon and Community Relations

Change Objective: Disclosure that provides investors with a full overview of material ESG risks, main mitigation strategies and performance. This includes reduction targets for non-GHG air emissions and wastes as well as management systems for community involvement and development and emergency response.



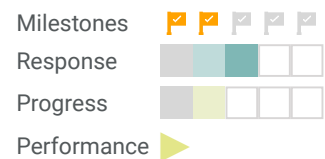
EWE AG (Germany, 2021)
Focus on Carbon and Emissions, Effluents and Waste

Change Objective: EWE should continue to enhance its disclosure in alignment with applicable reporting standards and in preparation to meet the requirements of relevant EU and German directives. Special focus should be given to the further development of a science-based decarbonization strategy and a robust environmental due diligence program.



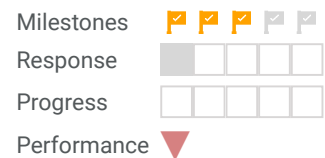
Exxaro Resources Ltd. (South Africa, 2022)
Focus on Carbon Products and Services

Change Objective: Exxaro should show investors a clear plan with goals, timeline and CAPEX in place to transition away from the current dependency on the coal business.



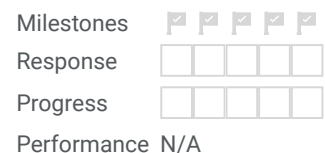
Exxon Mobil Corp. (United States of America, 2023)
Focus on Carbon and Emissions, Effluents and Waste

Change Objective: Disclosure that provides investors with a full overview of material ESG risks, main mitigation strategies and performance. This includes enhanced disclosure regarding climate related risks and opportunities, mitigation plans, and financial planning, oil spill disclosure and performance, effluent management and progress or investments to include alternative energies in its product portfolio.



Ferrovial SE (Netherlands, 2024)
New Case - Focus to be Determined

Change Objective: Will be defined after the first meeting where material ESG issues are discussed.



Formosa Petrochemical Corp. (Taiwan, 2022)

Focus on Carbon Own Operations

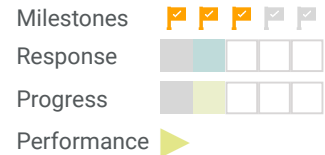
Change Objective: Will be decided after first meeting, intended for early 2024 in person in Taiwan.



Fortive Corp. (United States of America, 2022)

Focus on Product Governance

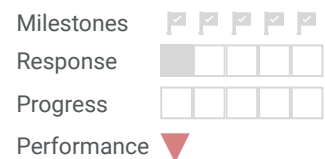
Change Objective: Fortive should provide documentation on how its commitment to product quality and safety is consistently implemented in a diverse product portfolio.



Foshan Haitian Flavouring & Food Co., Ltd. (China, 2021)

Focus on ESG Disclosure

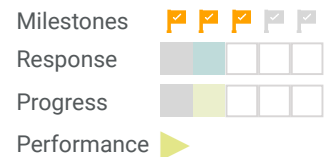
Change Objective: Foshan Haitian Flavouring & Food should establish a relevant ESG governance and a strategy to address the most material ESG issues.



Freeport-McMoRan, Inc. (United States of America, 2022)

Focus on Emissions, Effluents and Waste and Community Relations

Change Objective: Disclosure that provides investors with a full overview of material ESG risks, main mitigation strategies and performance. This includes reduction strategies and targets for riverine tailings, non-GHG air emissions and water consumption, enhanced climate reporting, and furthering alignment with global best practice in ESG materiality and reporting.



GE Aerospace (United States of America, 2022)

Focus on Corporate Governance

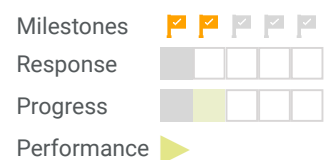
Change Objective: Provides investors with further insights into product governance.



General Dynamics Corp. (United States of America, 2021)

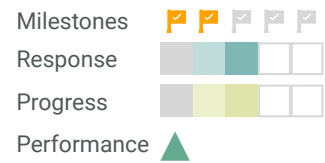
Focus on Risk Assessment and ESG Disclosure

Change Objective: General Dynamics should enhance ESG disclosure with details of materiality assessment and management practices.



General Motors Co. (United States of America, 2021)
Focus on Carbon Products and Services

Change Objective: GM should disclose further its financial and human capital planning to deliver the decarbonization goals.



Gerdau SA (Brazil, 2019)
Focus on Occupational Health and Safety and Emissions, Effluents and Waste

Change Objective: Gerdau should develop a group-level decarbonization roadmap that shows performance in different production methods.



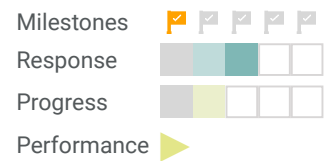
Glencore Plc (Switzerland, 2021)
Focus on Community Relations

Change Objective: Continue evolving its approach on community engagement with an increasing focus on outcomes for people. Provide investors with transparent, regular and insightful information on interaction with host communities, especially at industry assets with heightened risk. In addition, the company will also benefit from explicit incentive alignment with climate goals and other ESG targets across senior management.



Grasim Industries Ltd. (India, 2020)
Focus on Business Ethics

Change Objective: Grasim should provide investors with deeper insights to the ESG risk management of material ESG issues for the main business lines of the group.



Gruma SAB de CV (Mexico, 2016)
Focus on Risk Assessment and ESG Disclosure

Change Objective: Gruma should ensure a consistent product quality and safety system across all operating facilities and disclose relevant performance data to investors.



Grupo Carso SAB de CV (Mexico, 2021)
Focus on Risk Assessment and ESG Disclosure

Change Objective: Grupo Carso should build a relevant ESG disclosure covering the material ESG issues for the group and an ESG governance structure to effectively coordinate efforts and build accountability.



Grupo Financiero Inbursa SAB de CV (Mexico, 2021)

Focus on Risk Assessment and ESG Disclosure

Change Objective: GFI should develop formal ESG governance and management structures, at the board and executive levels, and assess the materiality of ESG.



Grupo México S.A.B. de C.V. (Mexico, 2011)

Focus on Emissions, Effluents and Waste and Community Relations

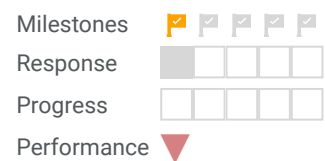
Change Objective: Grupo México should align board composition to international best practice.



GS Holdings Corp. (South Korea, 2022)

Focus on Carbon Own Operations

Change Objective: GS Holdings Corp. should develop targets to reduce GHG emissions in line with Paris Agreement goals and complete an analysis on climate risks in accordance with TCFD disclosure.



Guangdong Haid Group Co., Ltd. (China, 2021)

Focus on Risk Assessment and ESG Disclosure

Change Objective: Guangdong Haid should strengthen its ESG disclosure on ESG governance and climate risks mitigation.



Guangzhou Baiyunshan Pharmaceutical Holdings Co., Ltd. (China, 2021)

Focus on Product Governance

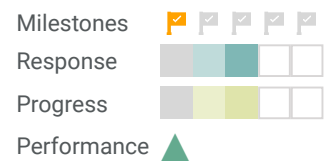
Change Objective: GYBYS should demonstrate product quality and safety as well as business ethics are effectively managed across the organization.



Gulf Energy Development Public Co. Ltd. (Thailand, 2022)

Focus on Carbon Own Operations

Change Objective: Gulf Energy Development should complete developing and disclosing the long-term target for carbon emissions in line with Paris Agreement goals and the roadmap to achieve the target.



Hanmi Pharmaceutical Co., Ltd. (South Korea, 2021)

Focus on Corporate Governance and Human Capital

Change Objective: Hanmi Pharma should strengthen the corporate governance structure with a stronger role to the independent board members and clear governance structure for ESG issues.



Hap Seng Consolidated Bhd. (Malaysia, 2022)

Focus on Carbon Own Operations

Change Objective: Hap Seng should complete developing and disclosing GHG emissions reduction targets in line with Paris Agreement Goals.



Harbour Energy Plc (United Kingdom, 2022)

Focus on Carbon and Community Relations

Change Objective: Implement effective risk management as a pure-play oil and gas (O&G) company in the context of the accelerating energy transition and a global shift away from fossil fuels.



Harmony Gold Mining Co. Ltd. (South Africa, 2014)

Focus on Community Relations

Change Objective: Harmony Gold should improve safety performance and mitigate the growing problem with illegal mining, while keeping investors updated on progress.



HD HYUNDAI Co., Ltd. (South Korea, 2015)

Focus on Corporate Governance and Human Capital

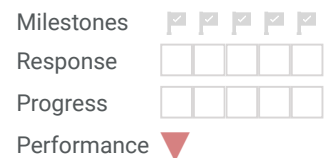
Change Objective: HD Hyundai should provide investors with consolidated ESG disclosure on the group level. Furthermore, HD Hyundai should improve labor relations and move towards longer wage agreements.



HEICO Corp. (United States of America, 2021)

Focus on Risk Assessment and ESG Disclosure

Change Objective: Heico should strengthen ESG risk management with materiality assessment.



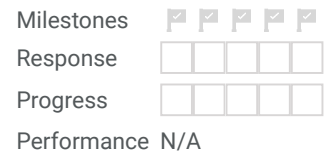
Hess Corp. (United States of America, 2023)
Focus on Carbon Products and Services

Change Objective: Disclosure that provides investors with a full overview of material ESG risks, main mitigation strategies and performance. This includes enhanced disclosure on low carbon transition risks and mitigation plans, demonstration of transition risk integration into business and financial planning, as well as portfolio diversification to include less carbon intensive products.



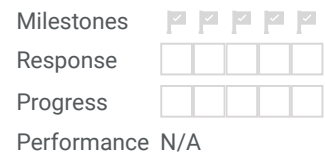
HF Sinclair Corp. (United States of America, 2023)
Focus on Carbon and Emissions, Effluents and Waste

Change Objective: Will be defined after the first meeting.



HF Sinclair Corp. (United States of America, 2023)
New Case - Focus to be Determined

Change Objective: Will be defined after the first meeting.



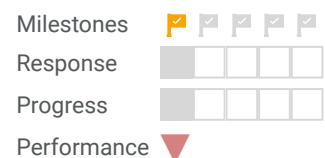
Hindalco Industries Ltd. (India, 2020)
Focus on Carbon and Emissions, Effluents and Waste

Change Objective: To continue to increase efficiencies and RE investment towards Net Zero 2050; reduce coal usage, and reduce carbon emissions to 12.8kg Co2 / tonne with clearer short term pathways.



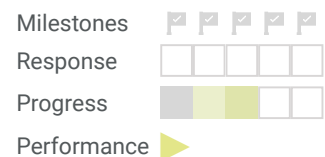
Hindustan Petroleum Corp. Ltd. (India, 2021)
Focus on Carbon and Community Relations

Change Objective: Will be defined after the first meeting of 2023 (or possibly 2024).



HIWIN Technologies Corp. (Taiwan, 2023)
Focus on ESG Disclosure

Change Objective: None to Report as they are medium risk (26 points).



HOSHIZAKI Corp. (Japan, 2022)

Focus on Human Capital

Change Objective: Hoshizaki should complete tracking and disclose carbon emissions and social data on a consolidated basis.



Huntington Ingalls Industries, Inc. (United States of America, 2021)

Focus on Risk Assessment and ESG Disclosure

Change Objective: HII should provide investors with more consistent performance data on material ESG issues and formulate relevant targets to further guide ESG efforts.



Hypera SA (Brazil, 2014)

Focus on Product Governance

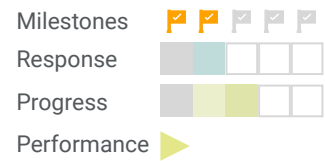
Change Objective: Hypera should provide investors with better insight to management systems and performance on product quality and safety.



Hyundai Steel Co. (South Korea, 2022)

Focus on Carbon Own Operations

Change Objective: Hyundai Steel should continue to enhance disclosure and practices towards 2050 net zero goals.



Idemitsu Kosan Co., Ltd. (Japan, 2021)

Focus on Carbon Own Operations

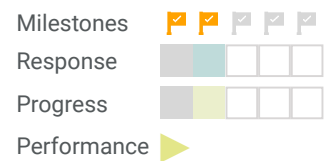
Change Objective: Idemitsu Kosan should continue to enhance its carbon transition strategy and disclosure.



Iluka Resources Ltd. (Australia, 2022)

Focus on Carbon Own Operations

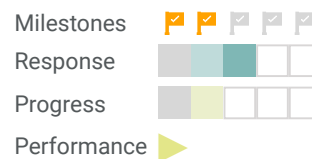
Change Objective: Iluka Resources should develop a TCFD aligned reporting with carbon reduction targets aligned with the Paris-Agreement.



Imerys SA (France, 2021)

Focus on E&S Impact of Products and Services

Change Objective: Define and quantify the company’s decarbonization trajectory beyond 2030, accounting for potential lock-in risks. In addition, enhance transparency of progress made against the company’s 2025 environmental targets.



Imperial Oil Ltd. (Canada, 2023)

Focus on Carbon Products and Services

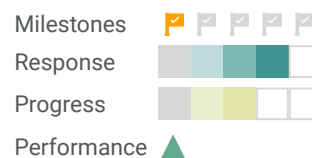
Change Objective: Disclosure that provides investors with a full overview of material ESG risks, main mitigation strategies and performance. This includes enhanced disclosure on low carbon transition risks and mitigation, effluent and spill management, and improved environmental management and compliance practices.



Indivior PLC (United States of America, 2022)

Focus on Product Governance

Change Objective: Connect material ESG issues to the company’s business strategy and risk management systems. In addition, the company should provide investors with consistent disclosure on the management and performance of all material ESG issues in line with recognized reporting frameworks and industry best practices. The product governance program should be given special focus.



Industrial & Commercial Bank of China Ltd. (China, 2020)

Focus on ESG Integration Financials

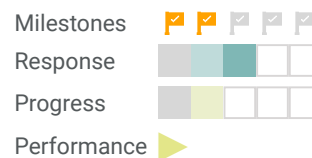
Change Objective: Demonstrate that ESG is consistently considered in the development and management of financial products.



Industrias Peñoles SAB de CV (Mexico, 2022)

Focus on Corporate Governance and Human Capital

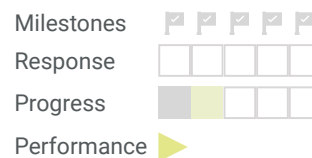
Change Objective: Industrias Peñoles should develop a clear ESG governance structure and fully integrate ESG into the performance management.



Industries of Qatar Co. (Qatar, 2020)

Focus on Risk Assessment and ESG Disclosure

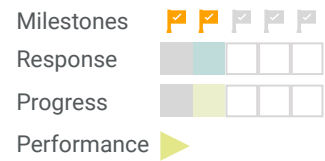
Change Objective: To increase quality and frequency of ESG disclosures. To be further identified after first engagement.



INPEX Corp. (Japan, 2021)

Focus on Carbon and E&S Impact of Products and Services

Change Objective: INPEX should continue enhancing strategy and disclosure for carbon transition.



InterGlobe Aviation Ltd. (India, 2022)

Focus on ESG Disclosure

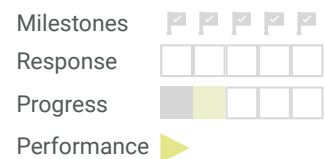
Change Objective: Strengthen the quality of ESG disclosures, and provide increased peer information in ESG Governance, Waste Management, and Carbon Own Operations.



Israel Discount Bank Ltd. (Israel, 2021)

Focus on Product Governance

Change Objective: Evaluate product offering in light of international treaties.



Jardine Matheson Holdings Ltd. (Bermuda, 2019)

Focus on Risk Assessment and ESG Disclosure

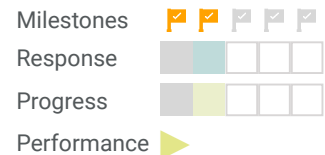
Change Objective: Jardine Matheson should provide investors with full insight to material ESG issues in the group and develop/disclose mitigation strategies and performance metrics for the material ESG issues.



JBS SA (Brazil, 2015)

Focus on Land Use and Biodiversity Supply Chain

Change Objective: JBS should provide investors with better insight to risk management and performance on product quality and safety.



JFE Holdings, Inc. (Japan, 2021)

Focus on Carbon Own Operations

Change Objective: JFE Holdings should continue enhancing the carbon transition strategy, including the commitment on setting science-based target.



JGC Holdings Corp. (Japan, 2020)

Focus on ESG Disclosure

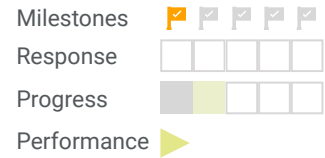
Change Objective: JGC should build up a mechanism that allows it to track and disclose carbon and social data on a consolidated basis.



Jiangsu Hengrui Pharmaceuticals Co., Ltd. (China, 2021)

Focus on Product Governance

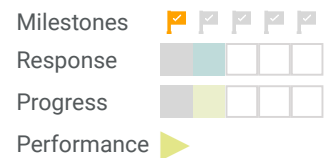
Change Objective: Hengrui Pharma should provide investors with better insight to performance in product quality and safety and performance metrics associated with product quality and safety should be integrated in variable pay systems.



Jinko Solar Co., Ltd. (China, 2024)

New Case - Focus to be Determined

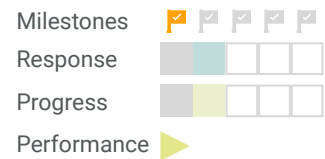
Change Objective: Will be defined after the first meeting.



JSR Corp. (Japan, 2022)

Focus on Corporate Governance

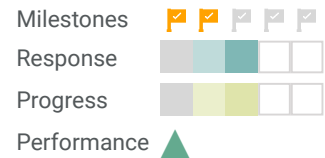
Change Objective: Will be defined after the first meeting.



K+S AG (Germany, 2020)

Focus on Carbon and Community Relations

Change Objective: Provide investors with consistent ESG disclosure and management approaches covering all material ESG issues. Disclose a climate transition plan with a clear decarbonization pathway.



Kajima Corp. (Japan, 2022)

Focus on Human Capital

Change Objective: Kajima should continue its efforts towards and complete building out a system to track and disclose social performance data on a consolidated basis.



Kansai Paint Co., Ltd. (Japan, 2021)

Focus on ESG Disclosure

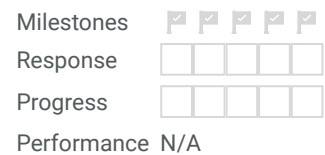
Change Objective: Kansai Paint should continue its efforts in building a consistent data management system that allows it to track and disclose ESG performance data on a consolidated basis.



Kawasaki Heavy Industries Ltd. (Japan, 2024)

New Case - Focus to be Determined

Change Objective: Will be defined after the first meeting.



Keikyu Corp. (Japan, 2021)

Focus on Human Capital

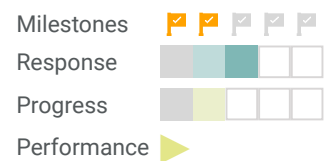
Change Objective: Keikyu Corporation should build out a system that allows it to track and disclose the performance data on human capital on a consolidated basis.



KGHM Polska Miedz SA (Poland, 2021)

Focus on Carbon and Emissions, Effluents and Waste

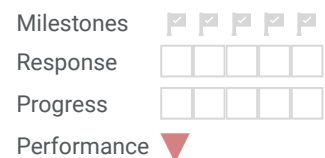
Change Objective: Disclose a detailed decarbonization roadmap that includes climate risk management strategies, reduction targets, and capex plans. In addition, disclose the Group-level governance structure and management approach to environmental and human rights due diligence.



Kikkoman Corp. (Japan, 2021)

Focus on Corporate Governance

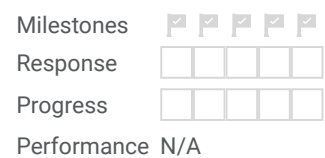
Change Objective: Will be defined after the first meeting.



Kintetsu Group Holdings Co., Ltd. (Japan, 2024)

New Case - Focus to be Determined

Change Objective: Will be defined after the first meeting.



Kobayashi Pharmaceutical Co., Ltd. (Japan, 2022)

Focus on Resource Use

Change Objective: Kobayashi Pharmaceutical should continue enhancing mitigation practices and disclosure towards water risks.



Kobe Bussan Co., Ltd. (Japan, 2022)

Focus on Risk Assessment

Change Objective: Kobe Bussan should prioritise making clear material ESG issue and further enhance disclosure on and complete relevant initiatives on carbon management (i.e. GHG emissions data and TCFD).



Koç Holding A.S. (Turkey, 2022)

Focus on Product Governance

Change Objective: To level (ie: narrow) the ESG performance amongst all the business units, through increased shared lessons and collective international alignment.



Korea Electric Power Corp. (South Korea, 2018)

Focus on Carbon Own Operations

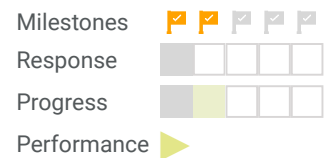
Change Objective: KEPCO should show investors a clear plan for the carbon transition towards the 2030 goal and the national goal for net-zero carbon emissions in 2050.



Korea Zinc Co., Ltd. (South Korea, 2022)

Focus on Community Relations

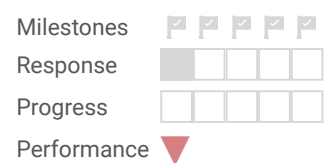
Change Objective: Korea Zinc should continue to address human rights risks and further enhance mitigation practices and disclosure towards the risks.



KOSÉ Corp. (Japan, 2022)

Focus on Corporate Governance

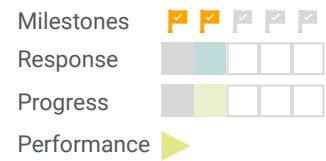
Change Objective: Will be defined after the first meeting.



Kuala Lumpur Kepong Bhd. (Malaysia, 2021)

Focus on Land Use and Biodiversity

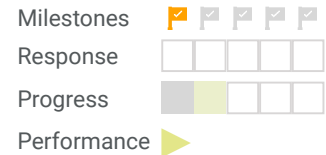
Change Objective: Kuala Lumpur Kepong should systematically integrate ESG into the performance management systems.



Kweichow Moutai Co., Ltd. (China, 2023)

Focus on Corporate Governance

Change Objective: Will be defined after the first meeting.



Kyushu Electric Power Co., Inc. (Japan, 2021)

Focus on Carbon Own Operations

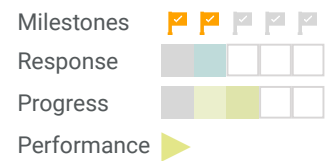
Change Objective: Kyushu Electric Power should continue to enhance its carbon transition strategy and disclosure.



Larsen & Toubro Ltd. (India, 2015)

Focus on Occupational Health and Safety and Emissions, Effluents and Waste

Change Objective: L&T should continue improving its safety performance, focusing on contractors. There should also be stronger focus on transparent compliance systems and disclosure of supply chain due diligence.



Lifco AB (Sweden, 2022)

Focus on Resource Use

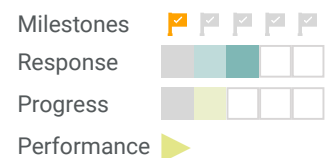
Change Objective: Lifco AB should continue expanding its disclosure on the management and performance of material ESG issues. Lifco should pay special attention to the decarbonization of its businesses and the sound management of water use and other environmental emissions.



Lithium Americas (Argentina) Corp. (Canada, 2023)

Focus on Community Relations

Change Objective: Disclosure that provides investors with a full overview of material ESG risks, main mitigation strategies and performance. This includes enhanced ESG disclosure and reporting framework alignment, 3 years of performance data for material ESG issues along with goals to improve performance, and development of policies and programmes focused on community development and Indigenous rights.



LONGi Green Energy Technology Co., Ltd. (China, 2022)

Focus on Corporate Governance and Human Capital

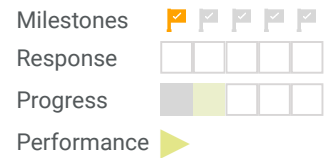
Change Objective: LONGi should enhance the board’s governance to address all material E, S and G issues, and the transparency on the management of human capital, water risks and business ethics.



Lupin Ltd. (India, 2020)

Focus on Risk Assessment and ESG Disclosure

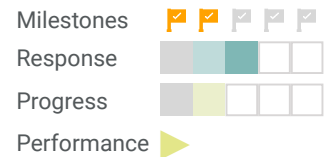
Change Objective: To be developed after next call in Q2 2023.



Manila Electric Co. (Philippines, 2021)

Focus on Carbon Own Operations

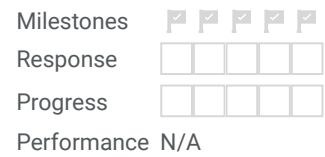
Change Objective: Meralco should disclose to investors a plan for the decarbonization of the operations and alignment with the Paris-agreement.



Marathon Oil Corp. (United States of America, 2023)

Focus on Carbon and Emissions, Effluents and Waste

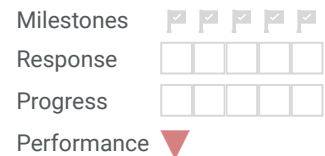
Change Objective: Will be defined after the first meeting.



Masimo Corp. (United States of America, 2020)

Focus on Risk Assessment and ESG Disclosure

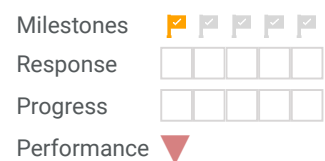
Change Objective: Masimo should develop formal ESG governance and management oversight and assess the materiality of ESG.



Masraf Al-Rayan QSC (Qatar, 2022)

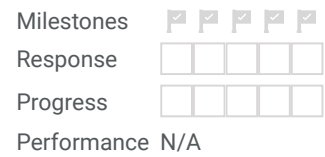
Focus on ESG Integration Financials

Change Objective: To be established after first or second engagements in 2023.



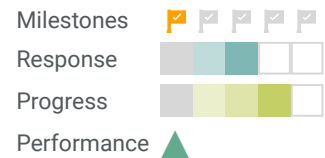
MasTec, Inc. (United States of America, 2024)
New Case - Focus to be Determined

Change Objective: To be determined after first meeting



MDU Resources Group, Inc. (United States of America, 2021)
Focus on Risk Assessment and ESG Disclosure

Change Objective: The company should ensure strong ESG governance and management structures will continue to be in place as it separates into two listed entities and provide transparency on ESG risk management accordingly.



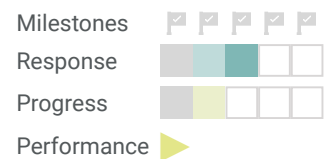
MEG Energy Corp. (Canada, 2021)
Focus on Carbon and Community Relations

Change Objective: Disclosure that provides investors with a full overview of material ESG risks, main mitigation strategies and performance. This includes enhanced ESG reporting and stakeholder relations disclosure and continuing to show progress to emission reduction targets.



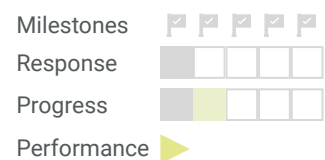
Mesaieed Petrochemical Holding Co. QSC (Qatar, 2020)
Focus on Risk Assessment and ESG Disclosure

Change Objective: To be determined after first engagement meeting which we are planning in Q2 2023



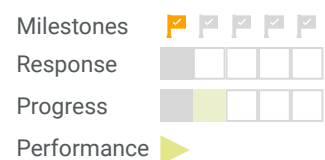
Meta Platforms, Inc. (United States of America, 2020)
Focus on Data Privacy and Security

Change Objective: Facebook should implement its commitments to privacy and data security by ensuring that it has in place adequate internal controls systems and risk management procedures to manage privacy and cybersecurity risks. Specifically, the company should ensure an adequate protection level for personal data. Facebook should increase transparency in reporting on the management of data security and users' privacy.



Microchip Technology, Inc. (United States of America, 2021)
Focus on ESG Disclosure

Change Objective: Microchip should improve transparency of ESG governance and main business practices to address human capital issues.



MicroPort Scientific Corp. (China, 2021)

Focus on Risk Assessment and Corporate Governance

Change Objective: MicroPort should continue to strengthen ESG governance and improve the transparency on product governance.



MISUMI Group, Inc. (Japan, 2021)

Focus on Product Governance

Change Objective: Misumi should prioritize enhanced disclosure on product governance.



Mitsubishi Chemical Group Corp. (Japan, 2021)

Focus on Carbon Own Operations

Change Objective: Mitsubishi Chemical Group should enhance mitigation practices and disclosure that are oriented towards low carbon transition risks.



Mitsubishi Motors Corp. (Japan, 2020)

Focus on Carbon Own Operations

Change Objective: MMC should develop a target for GHG emissions reduction by 2050 in line with the Paris Agreement Goals and a detailed roadmap towards the target.



Motor Oil (Hellas) Corinth Refineries SA (Greece, 2023)

Focus on Carbon Products and Services

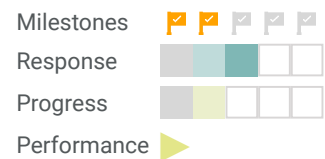
Change Objective: Will be defined after the first meeting where material ESG issues are discussed.



Nagoya Railroad Co., Ltd. (Japan, 2020)

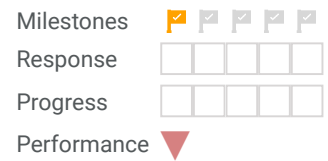
Focus on ESG Disclosure

Change Objective: Nagoya Railroad should complete building out a system that allows it to track and disclose the overall ESG data on a consolidated basis.



National Industrialization Co. (Saudi Arabia, 2022)
Focus on Emissions, Effluents and Waste and Land Use and Biodiversity

Change Objective: To be determined after first engagement.



Natura &Co Holding SA (Brazil, 2022)
Focus on Product Governance

Change Objective: Natura should provide investors with better insight to management systems and performance in product quality and safety.



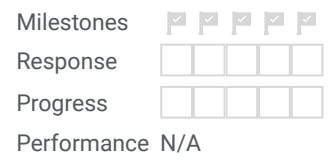
NEL ASA (Norway, 2020)
Focus on Carbon and Product Governance

Change Objective: Develop a robust product stewardship program and disclose the management approach to eco-design and circularity.



NexGen Energy Ltd. (Canada, 2023)
Focus on Community Relations

Change Objective: Will be defined after the first meeting.



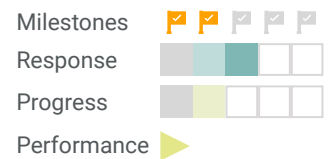
Nippon Paint Holdings Co., Ltd. (Japan, 2021)
Focus on Carbon Own Operations

Change Objective: NPHD should continue enhancing its carbon transition strategy and disclosure towards net zero emissions.



NIPPON STEEL CORP. (Japan, 2021)
Focus on Carbon Own Operations

Change Objective: Nippon Steel should continue enhancing its carbon transition strategy and disclosure to meet investor expectations.



Nordnet AB (Sweden, 2023)

Focus on Product Governance

Change Objective: Provide investors with consistent, systematic and transparent information regarding the governance, management and performance of material ESG risks.



Northam Platinum Holdings Ltd. (South Africa, 2023)

Focus on Community Relations

Change Objective: Northam Platinum should build up management systems and communication practices that will lead to a robust safety culture in the company.



Northern Star Resources Ltd. (Australia, 2021)

Focus on Emissions, Effluents and Waste and Resource Use

Change Objective: Northern Star should ensure consistent high standards in the operational management of quality, safety and environment.



Ntpc Ltd. (India, 2020)

Focus on Carbon and Emissions, Effluents and Waste

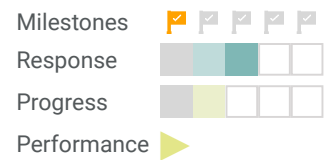
Change Objective: To advance the peak of coal usage before 2030 and develop a clear strategy on hydrogen usage, gas vs coal usage, and roadmap to increased senior level gender parity and full Zero Liquid discharge (and full risk mitigation) along all 36 site locations.



Nucor Corp. (United States of America, 2022)

Focus on Carbon and Community Relations

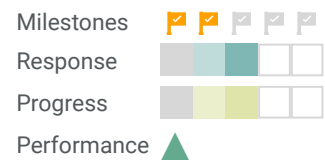
Change Objective: Nucor should demonstrate that its climate risks-mitigation is aligned with science-based transition pathways and that formal community engagement policy and processes are in place.



Nufarm Ltd. (Australia, 2020)

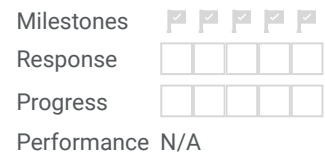
Focus on E&S Impact of Products and Services

Change Objective: Nufarm should develop an articulated product policy that defines a reference to minimum standards for global sales. It must be clear how Nufarm mitigates potentially negative impacts from the use of products.



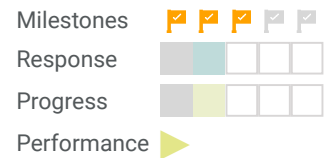
NuVista Energy Ltd. (Canada, 2023)
Focus on Carbon and Community Relations

Change Objective: Will be defined after the first meeting.



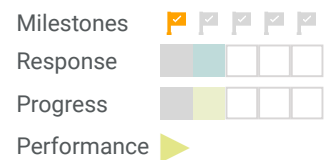
Occidental Petroleum Corp. (United States of America, 2023)
Focus on Carbon and Emissions, Effluents and Waste

Change Objective: Disclosure that provides investors with a full overview of material ESG risks, main mitigation strategies and performance. This includes portfolio diversification to include less carbon intensive products and enhanced effluent and spill management.



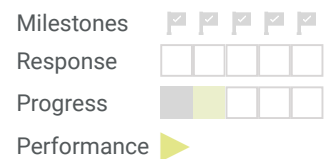
Oil & Natural Gas Corp. Ltd. (India, 2020)
Focus on Carbon and Emissions, Effluents and Waste

Change Objective: ONGC should provide investors with a clear plan and documentation for alignment with the Paris Agreement and stipulate targets and CAPEX for a transition to a low carbon economy.



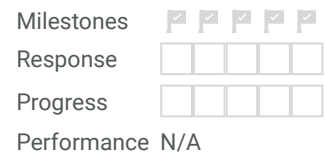
ORION Corp. (South Korea, 2020)
Focus on Product Governance

Change Objective: Will be defined after the first meeting.



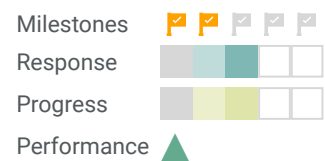
Osaka Gas Co., Ltd. (Japan, 2024)
New Case - Focus to be Determined

Change Objective: Will be defined after the first meeting.



Panasonic Holdings Corp. (Japan, 2021)
Focus on Product Governance

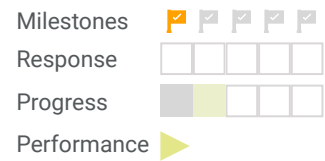
Change Objective: PHD should conduct a materiality assessment and develop quantitative KPIs/targets for material ESG issues.



Paramount Resources Ltd. (Canada, 2023)

Focus on Carbon and Community Relations

Change Objective: Disclosure that provides investors with a full overview of material ESG risks, main mitigation strategies and performance. This includes disclosure of the company's community development and human rights programmes, enhanced disclosure on low-carbon transitional risk and opportunities, and portfolio diversification to include sustainable or less carbon intensive products.



Parkland Corp. (Canada, 2021)

Focus on Carbon and Emissions, Effluents and Waste

Change Objective: Disclosure that provides investors with a full overview of material ESG risks, main mitigation strategies and performance. This includes enhancement and verification of its emissions inventory, further integration of ESG risks, goals and targets into business performance processes, as well as asset and pipeline integrity management.



Perenti Ltd. (Australia, 2020)

Focus on Occupational Health and Safety and Human Capital

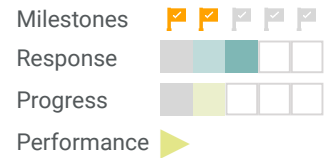
Change Objective: Perenti should simultaneously drive focus and mitigation strategies towards reducing employee turnover and improving occupational health and safety performance.



Perrigo Co. Plc (Ireland, 2020)

Focus on Risk Assessment and ESG Disclosure

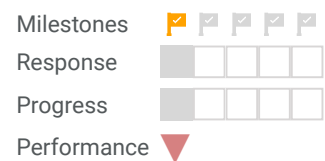
Change Objective: Provide consistent disclosure on the management and performance of material ESG issues in line with recognized reporting frameworks.



PetroChina Co., Ltd. (China, 2015)

Focus on Carbon and Emissions, Effluents and Waste

Change Objective: Petrochina should improve ESG disclosure for investors and include KPIs for all material ESG issues. Petrochina should particularly articulate plans for future energy mix and to what extent carbon is priced in future investments.



Petróleo Brasileiro SA (Brazil, 2010)

Focus on Carbon and E&S Impact of Products and Services

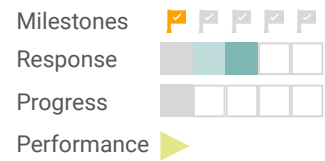
Change Objective: Petrobras should put more priority to climate change and develop a strategic plan for the company as part of the transition to a low carbon economy. The plan should include clear investments and goals.



Petróleos Mexicanos EPE (Mexico, 2015)

Focus on Carbon and Community Relations

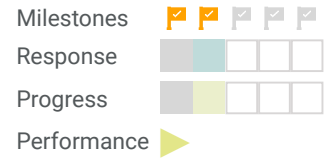
Change Objective: PEMEX should provide investors with a timely and consistent ESG disclosure in English. The ESG disclosure should include reporting aligned with the TCFD framework.



PGE Polska Grupa Energetyczna SA (Poland, 2019)

Focus on Carbon and Emissions, Effluents and Waste

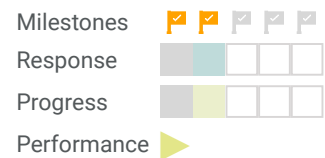
Change Objective: Provide regular and detailed updates on the coal phase-out, the growth of the zero and low-emission portfolio against the 2030 target, and details on the financing the decarbonization of energy generation.



Phillips 66 (United States of America, 2023)

Focus on Carbon and Emissions, Effluents and Waste

Change Objective: Disclosure that provides investors with a full overview of material ESG risks, main mitigation strategies and performance. This includes enhanced disclosure on low carbon transition risk and opportunity impacts, more ambitious reduction targets, and further defining investments in renewable and alternative energy projects.



Pilbara Minerals Ltd. (Australia, 2022)

Focus on Carbon Products and Services

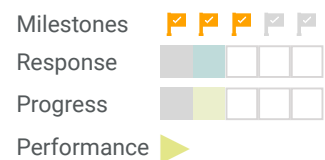
Change Objective: Pilbara should identify ESG performance metrics related to the material ESG issues and integrate these into the risk and performance management.



Pilgrim's Pride Corp. (United States of America, 2021)

Focus on Corporate Governance and Business Ethics

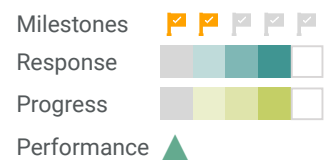
Change Objective: Pilgrim's should demonstrate that enhanced anti-trust policy, measures and controls are in place. Further, it should report against the TCFD framework.



Post Holdings, Inc. (United States of America, 2021)

Focus on E&S Impact of Products and Services

Change Objective: Post should demonstrate a consistent approach to responsible marketing across businesses and provide transparency on climate risks in supply chain.



Power Assets Holdings Ltd. (Hong Kong, 2020)

Focus on Risk Assessment and ESG Disclosure

Change Objective: Power Assets Holdings should articulate to investors a decarbonization roadmap making clear how much each initiative is contributing and ensure alignment with the Paris-Agreement.



Premium Brands Holdings Corp. (Canada, 2020)

Focus on Product Governance

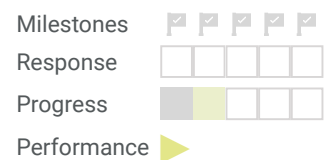
Change Objective: Disclosure that provides investors with a full overview of material ESG risks, main mitigation strategies and performance. This includes progress and initiatives on waste diversion, enhancing human rights and inclusion of indigenous rights, and year over year metrics.



PT Perusahaan Listrik Negara (Persero) (Indonesia, 2021)

Focus on Carbon Own Operations

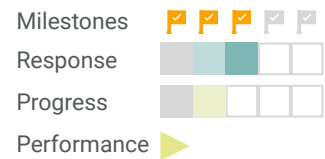
Change Objective: Will be defined after the first meeting.



Public Power Corp. SA (Greece, 2023)

Focus on Carbon Own Operations

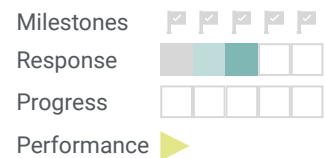
Change Objective: Enhance ESG performance with regular and comprehensive updates on decarbonization and financial strategies, progress on lignite decommissioning, and the implementation of a robust environmental and social due diligence system.



Qatar Electricity & Water Co. (Qatar, 2022)

Focus on Emissions, Effluents and Waste and Community Relations

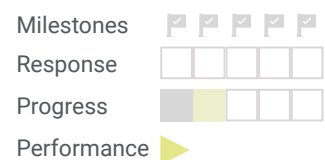
Change Objective: To be determined after our first engagement.



Qatar International Islamic Bank (Qatar, 2021)

Focus on ESG Integration Financials

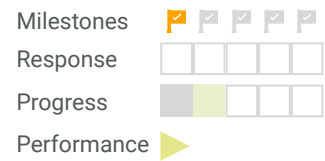
Change Objective: Will be defined after the first meeting.



QL Resources Bhd. (Malaysia, 2021)

Focus on Product Governance

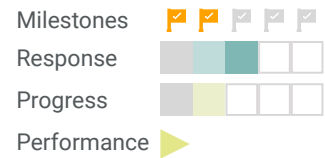
Change Objective: QI Resources should provide investors with consistent ESG risk mitigation information on all material ESG issues. This includes product quality and safety as well as animal welfare.



Quanta Services, Inc. (United States of America, 2022)

Focus on Product Governance

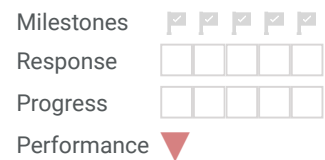
Change Objective: Quanta should demonstrate how its company-wide commitment to sustainability including quality management is consistently implemented in a decentralized operating model.



Rabigh Refining & Petrochemical Co. (Saudi Arabia, 2022)

Focus on ESG Disclosure

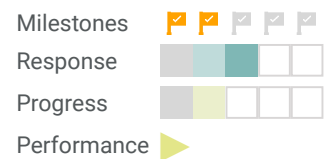
Change Objective: To be developed after first engagement in 2023.



Range Resources Corp. (United States of America, 2023)

Focus on Risk Assessment and ESG Disclosure

Change Objective: Disclosure that provides investors with a full overview of material ESG risks, main mitigation strategies and performance. This includes enhanced disclosure on ESG materiality and Governance, GHG and Physical Climate Risk Management, and Human Rights and Community Involvement programmes.



Regis Resources Ltd. (Australia, 2020)

Focus on Risk Assessment and ESG Disclosure

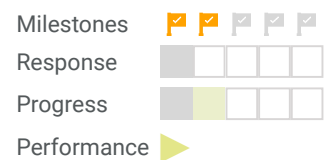
Change Objective: Regis Resources should develop performance metrics for all material issues and build it into general performance management.



Reliance Industries Ltd. (India, 2017)

Focus on Risk Assessment and ESG Disclosure

Change Objective: Reliance Industries should provide investors with clear and consistent disclosure on risk mitigation of all material ESG issues.



Rio Tinto Ltd. (Australia, 2022)

Focus on Carbon and Resource Use

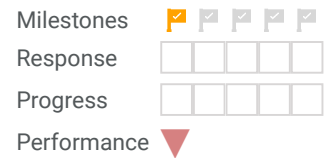
Change Objective: Transparent disclosure that provides investors with a full overview of managing environmental and social water impacts and proactive efforts to de-risk capex and opex as the energy transition unfolds.



Riyad Bank (Saudi Arabia, 2022)

Focus on ESG Integration Financials

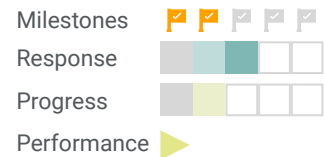
Change Objective: To be determined after first or second engagement



RPM International, Inc. (United States of America, 2020)

Focus on Emissions, Effluents and Waste

Change Objective: Disclosure that provides investors with a full overview of material ESG risks, main mitigation strategies and performance. This includes backing up programs and policies with metrics to show year over year performance in the areas of hazardous substances and waste, effluent, emissions, and sustainable products.



RTX Corp. (United States of America, 2021)

Focus on Product Governance

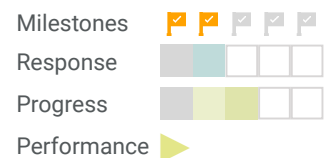
Change Objective: RTX should provide investors with further insights into ESG risks mitigation efforts in areas of product governance and business ethics including human rights risks.



S-Oil Corp. (South Korea, 2022)

Focus on Carbon Own Operations

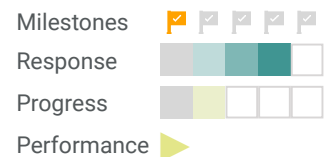
Change Objective: S-Oil should enhance its carbon transition strategy, especially by developing the long-term targets for carbon emissions reduction in line with Paris Agreement Goals.



SABIC Agri-Nutrients Co. (Saudi Arabia, 2020)

Focus on Risk Assessment and ESG Disclosure

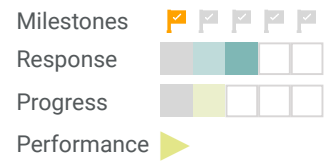
Change Objective: For ESG disclosure reporting to reflect the developments within SABIC and also contribute to more detailed interim targets (through 2025 towards net zero 2050).



SAIC Motor Corp. Ltd. (China, 2021)

Focus on Product Governance

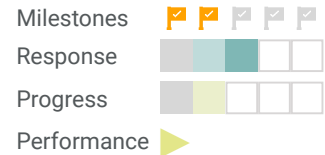
Change Objective: SAIC should provide consistent disclosures on managing product quality and safety, as well as climate/carbon risks.



Santos Ltd. (Australia, 2023)

Focus on Carbon and Emissions, Effluents and Waste

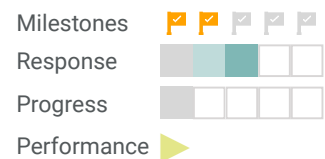
Change Objective: Santos should minimize scope 1 and 2 carbon emissions and improve investors' ability to assess their environmental management system.



Sasol Ltd. (South Africa, 2019)

Focus on Carbon and Resource Use

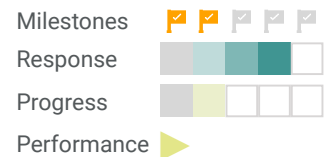
Change Objective: Sasol should align the decarbonization process with the Paris agreement and the 1.5 degree ambition.



Saudi Arabian Mining Co. (Saudi Arabia, 2020)

Focus on Risk Assessment and ESG Disclosure

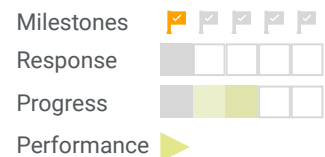
Change Objective: To develop clearer pathways to net zero in line with their lofty production goals, and increasing gender inclusion in their growth and management.



Saudi Arabian Oil Co. (Saudi Arabia, 2020)

Focus on Emissions, Effluents and Waste and Community Relations

Change Objective: Stimulate the company to improve policies, practices and transparency on effluents management, carbon/GHG, community relations an human rights.



Saudi Awwal Bank (Saudi Arabia, 2023)

Focus on Product Governance

Change Objective: To focus on improving ESG-Financials and assessing the sustainability of their commercial loans, and on their own operations (data management) and disclosure reporting.



Saudi Basic Industries Corp. (Saudi Arabia, 2023)

Focus on Carbon and Product Governance

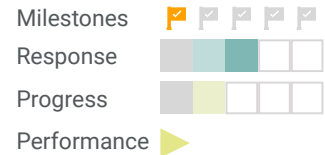
Change Objective: To focus at their group level to incorporate their positive practices to their key businesses -, in particular SABIC Agri-Nutrients.



Saudi Electricity Co. (Saudi Arabia, 2020)

Focus on Emissions, Effluents and Waste and Land Use and Biodiversity

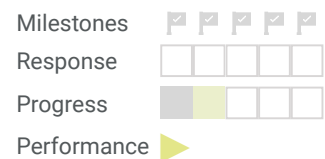
Change Objective: To support and improve the ESG reporting and disclosures, and established and executed clearer emissions reductions targets by 2030 in line with Saudi Electricity's growth.



Saudi Industrial Investment Group (Saudi Arabia, 2020)

Focus on Risk Assessment and ESG Disclosure

Change Objective: Improve risk management and transparency



Saudi Kayan Petrochemical Co. (Saudi Arabia, 2022)

Focus on Emissions, Effluents and Waste and Community Relations

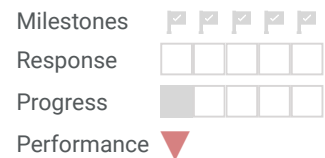
Change Objective: To focus on basic ESG Reporting fundamentals, and building governance capacity.



Savola Group (Saudi Arabia, 2022)

Focus on Emissions, Effluents and Waste and Land Use and Biodiversity

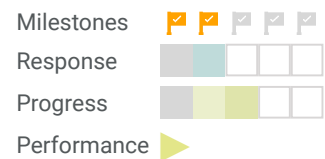
Change Objective: To be determined after first engagement which we are attempting for H1 2023 (ideally in person)



SBI Holdings, Inc. (Japan, 2022)

Focus on Product Governance

Change Objective: SBI Holdings should continue to enhance management and disclosure to mitigate product governance risks.



Sekisui Chemical Co., Ltd. (Japan, 2021)

Focus on Human Capital

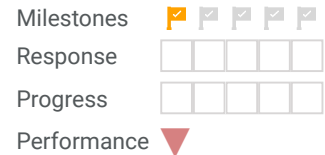
Change Objective: Sekisui Chemical should build out a consistent system that allows it to track human capital data on a consolidated basis.



Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (China, 2021)

Focus on Product Governance

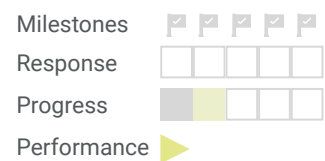
Change Objective: Will be defined after the first meeting.



Shanghai M&G Stationery, Inc. (China, 2021)

Focus on ESG Disclosure

Change Objective: Will be defined after the first meeting.



Shanghai Pudong Development Bank Co., Ltd. (China, 2021)

Focus on ESG Integration Financials

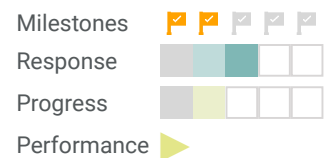
Change Objective: SPD Bank should strengthen ESG risk management with a comprehensive materiality analysis and demonstrate how ESG criteria are incorporated into loan/credit business



Shell Plc (United Kingdom, 2022)

Focus on Carbon and Emissions, Effluents and Waste

Change Objective: Given the oil and gas industry's crucial role in the climate transition and Shell's leverage in the global energy market, the company should continue reinforcing its commitment to effectively managing exposure to material climate and environmental risks in step with evolving investor expectations, policy/technology adoption and fossil demand substitution. Information provided throughout the year should be clear, comprehensive, externally assured (where relevant), and easily accessible to different stakeholder groups.



Sigma Alimentos SA de CV (Mexico, 2021)

Focus on Product Governance

Change Objective: Sigma should develop a robust and transparent performance management system for product governance.



SK, Inc. (South Korea, 2020)

Focus on Risk Assessment and Corporate Governance

Change Objective: SK Holdings should establish a risk assessment, reporting and governance structure for the affiliates that ensure consistent high standards of ESG risk management.



SMC Corp. (Japan) (Japan, 2021)

Focus on Product Governance

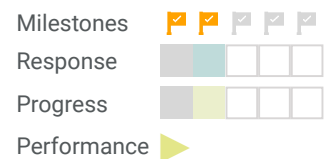
Change Objective: SMC should enhance disclosure on the management structure and initiatives to ensure product safety and quality.



Southwest Airlines Co. (United States of America, 2020)

Focus on Product Governance

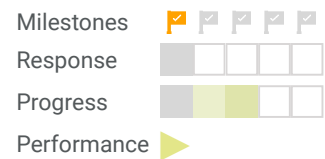
Change Objective: Southwest Airlines should provide investors with further insights into the robustness of safety management system and the roadmap to align business with the 1.5°C transition pathway.



Steel Dynamics, Inc. (United States of America, 2021)

Focus on Risk Assessment and ESG Disclosure

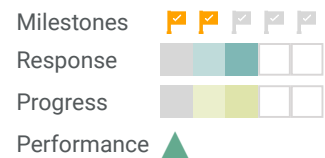
Change Objective: Steel Dynamics should provide investors with further insights into the board's governance of ESG and its climate-risk mitigation efforts including TCFD reporting.



STRABAG SE (Austria, 2023)

Focus on E&S Impact of Products and Services and Community Relations

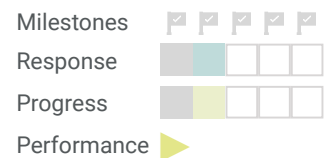
Change Objective: Develop, formalize, and disclose transparently regarding the governance, risk management, strategies, and performance of the most material ESG issues such as carbon emissions, sustainable products, and community impact.



Südzucker AG (Germany, 2021)

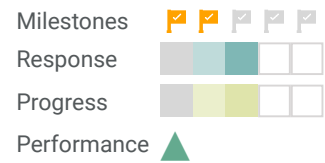
Focus on Carbon and Resource Use

Change Objective: Enhance the ESG strategy and performance by disclosing information on water management, climate risk assessment, and engagement with global agricultural supply chains on systemic issues.



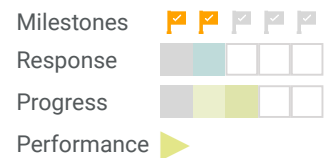
SUMCO Corp. (Japan, 2020)
Focus on Carbon Own Operations

Change Objective: SUMCO should enhance its carbon transition strategy by completing development of the GHG emissions reduction targets and by creating a detailed roadmap to achieve its carbon neutrality goals by 2050.



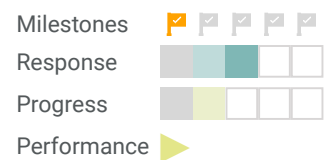
Sumitomo Metal Mining Co. Ltd. (Japan, 2021)
Focus on Carbon Own Operations

Change Objective: Sumitomo Metal Mining should continue enhancing its carbon transition strategy and disclosure.



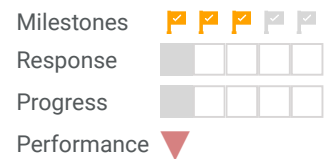
Sun Pharmaceutical Industries Ltd. (India, 2021)
Focus on ESG Disclosure

Change Objective: To strengthen ESG Governance systems and detail clear pathways and milestones to achieve most ESG targets.



Suncor Energy, Inc. (Canada, 2023)
Focus on Carbon and Emissions, Effluents and Waste

Change Objective: Disclosure that provides investors with a full overview of material ESG risks, main mitigation strategies and performance. This includes enhanced disclosure on low carbon transition risks and mitigation, effluent, spill and non-GHG air emissions management.



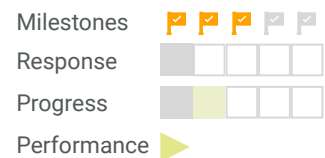
Swire Pacific Ltd. (Hong Kong, 2021)
Focus on Product Governance

Change Objective: Swire Pacific should provide investors with further insights into how product quality and safety and business ethics are managed consistently across the Group.



Targa Resources Corp. (United States of America, 2021)
Focus on Emissions, Effluents and Waste and Community Relations

Change Objective: MRE requested a conference call with Targa to discuss and provide suggested actions on their top manageable material ESG issues: 1) materiality & ESG and corporate governance, 2) community relations, and 3) emissions, effluents and waste. In our conference call, we will discuss any notable gaps in ESG risk management and I will provide suggested actions for improvement. Targa was non-responsive for months and then declined engagement.



Tata Power Co., Ltd. (India, 2020)

Focus on Carbon Own Operations

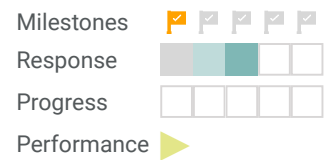
Change Objective: Tata Power should provide greater disclosure on its commitment and targets to address material ESG issues related to risks arising from Climate change. It should also disclose GHG emission reduction targets and reduction of air and water pollution impact.



TCS Holding IPJSC (Russian Federation, 2022)

Focus on Risk Assessment and ESG Disclosure

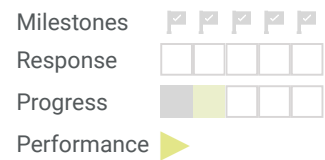
Change Objective: Beyond simply the engagement, this is dependent on the current freezing of engagement with all Russian-centric companies.



Teledyne Technologies, Inc. (United States of America, 2021)

Focus on Risk Assessment

Change Objective: Teledyne should provide investors with further insights into its materiality assessment process and the management of product quality and safety.



Textron, Inc. (United States of America, 2022)

Focus on Product Governance

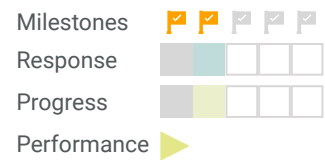
Change Objective: Textron should continue to enhance transparency on the management of product quality and product’s environmental impacts.



Thai Union Group Public Co. Ltd. (Thailand, 2020)

Focus on Product Governance

Change Objective: Thai Union Group should provide investors with better insight to product governance, including performance metrics on product quality and safety.



The Bidvest Group Ltd. (South Africa, 2020)

Focus on Risk Assessment and ESG Disclosure

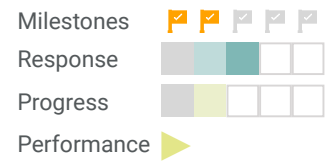
Change Objective: Bidvest should provide investors with better insight to ESG related performance on divisional level and ensure consistent group-wide practices for ESG risk management.



The Boeing Co. (United States of America, 2021)

Focus on Product Governance

Change Objective: Boeing should provide investors with further insights into how product safety/quality are integrated into management practices.



The Chugoku Electric Power Co., Inc. (Japan, 2021)

Focus on Carbon Own Operations

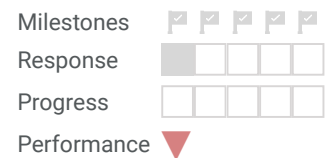
Change Objective: Chugoku Electric Power should continue to enhance its carbon transition strategy including the development of targets aligned with SBTi and of a detailed roadmap towards 2050.



The Company for Cooperative Insurance (Saudi Arabia, 2022)

Focus on ESG Integration Financials

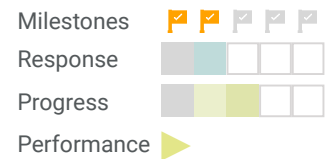
Change Objective: To be determined after the first engagement meeting



The Kansai Electric Power Co., Inc. (Japan, 2020)

Focus on Carbon Own Operations

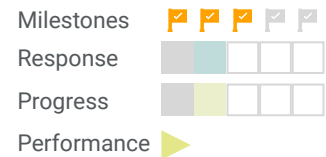
Change Objective: Kansai Electric Power should continue enhancing its carbon transition strategy and disclosure.



The Kraft Heinz Co. (United States of America, 2022)

Focus on Product Governance

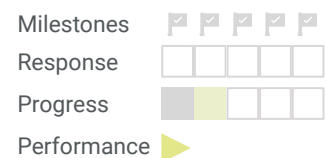
Change Objective: Kraft Heinz should demonstrate strong management structures and practices are in place to ensure product quality and safety, as well as manage the environmental and social impacts of products.



The Middleby Corp. (United States of America, 2022)

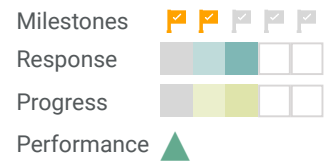
New Case - Focus to be Determined

Change Objective: Will be defined after the first meeting.



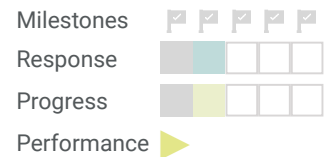
The Mosaic Co. (United States of America, 2021)
Focus on E&S Impact of Products and Services

Change Objective: Disclosure that provides investors with a full overview of material ESG risks, main mitigation strategies and performance. This includes details of longer-term GHG emission reduction goals, including continued reporting on sustainability-related products and responsible R&D.



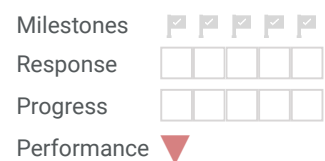
The People's Insurance Co. (Group) of China Ltd. (China, 2021)
Focus on Product Governance

Change Objective: Provide evidence of sound responsible product offering and cybersecurity management.



The Saudi Investment Bank (Saudi Arabia, 2023)
Focus on ESG Disclosure

Change Objective: To be determined after first or second meeting in 2024 / 2025



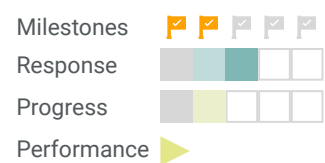
Tobu Railway Co., Ltd. (Japan, 2021)
Focus on Carbon Own Operations

Change Objective: Tobu Railway should complete the measurement of carbon emissions on a consolidated basis and develop the long-term target in line with Paris Agreement goals.



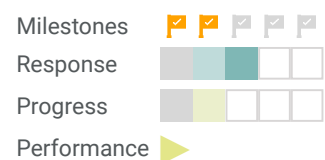
Tokyo Electric Power Co. Holdings, Inc. (Japan, 2021)
Focus on Carbon Own Operations

Change Objective: TEPCO should further enhance carbon transition roadmap, along with its ongoing efforts to address Fukushima incident relevant ESG issues.



Tokyo Gas Co., Ltd. (Japan, 2022)
Focus on Carbon Own Operations

Change Objective: Tokyo Gas should further enhance disclosure and management towards carbon transition risk.



Toyo Suisan Kaisha, Ltd. (Japan, 2021)

Focus on Corporate Governance

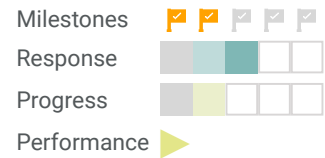
Change Objective: Will be defined after the first meeting.



Toyota Industries Corp. (Japan, 2021)

Focus on Carbon and E&S Impact of Products and Services

Change Objective: Toyota Industries should further enhance the carbon transition strategy by receiving SBT approvals on CO2 emissions reduction targets and developing a detailed roadmap to achieve carbon neutrality goals by 2050.



Toyota Motor Corp. (Japan, 2021)

Focus on Carbon and E&S Impact of Products and Services

Change Objective: Toyota should develop and provide investors with a more detailed carbon transition plan in scopes 1, 2 and 3 towards carbon neutrality by 2050.



TransDigm Group, Inc. (United States of America, 2021)

Focus on Risk Assessment and Corporate Governance

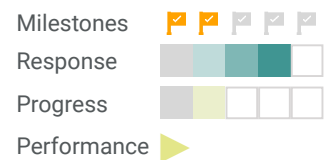
Change Objective: TransDigm should demonstrate management oversight on material ESG issues is in place across business and expand the reporting of group-level performance metrics.



Türkiye Petrol Rafinerileri AS (Turkey, 2022)

Focus on Emissions, Effluents and Waste and Community Relations

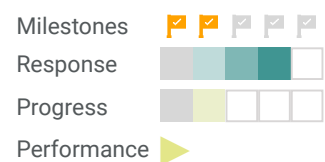
Change Objective: Tupras will continue to address their carbon emissions, while increasing their downstream community engagement with rail and ports.



Türkiye Sise ve Cam Fabrikalari AS (Turkey, 2022)

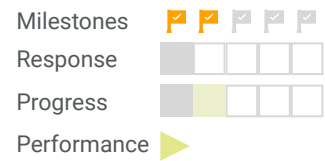
Focus on Emissions, Effluents and Waste

Change Objective: To support SiseCam attain its ambition of being an international ESG leader in its industry, through increased medium-term targets, global disclosure standards, and thought leadership in reduced emissions.



Tyson Foods, Inc. (United States of America, 2022)
Focus on Business Ethics

Change Objective: Tyson should provide investors with further insights into how anticompetition and corruption risks are adequately mitigated and how product governance and impacts are managed.



UBE Corp. (Japan, 2021)
Focus on Carbon Own Operations

Change Objective: UBE should enhance the development of GHG emissions reduction targets and the disclosure for carbon transition.



UGI Corp. (United States of America, 2020)
Focus on Carbon Own Operations

Change Objective: Disclosure that provides investors with a full overview of material ESG risks, main mitigation strategies and performance. This includes continuing ESG journey aligned with a 1.5 or 2-degree carbon reduction scenario and initiatives to reach goals, disclosing external audits, and enhancing disclosure on community development and involvement.



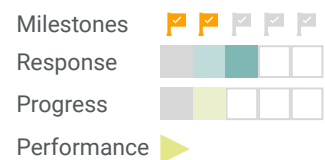
Ultrapar Participações SA (Brazil, 2011)
Focus on Carbon Products and Services

Change Objective: Ultrapar should develop a full TCFD aligned reporting including SBTi aligned targets for scope 1,2 and 3.



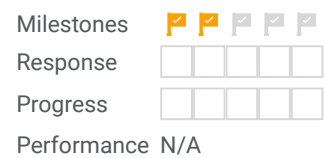
UltraTech Cement Ltd. (India, 2021)
Focus on Carbon Own Operations

Change Objective: To support UltraTech reduce their Carbon Own Emissions exposure and increased their Corporate Governance management metrics.



United States Steel Corp. (United States of America, 2022)
Focus on Risk Assessment and ESG Disclosure

Change Objective: United States Steel should provide investors with further insights into the board’s governance of ESG and its climate-risk mitigation efforts including TCFD reporting.



Universal Health Services, Inc. (United States of America, 2021)

Focus on Risk Assessment and ESG Disclosure

Change Objective: UHS should provide investors with further insights into its sustainability strategy supported by performance monitoring/reporting and target setting, especially in areas related to service quality and safety management.



Universal Robina Corp. (Philippines, 2020)

Focus on Product Governance

Change Objective: URC should ensure investor insight to policies, management systems and performance related to product quality and safety.



Vale SA (Brazil, 2012)

Focus on Emissions, Effluents and Waste and Community Relations

Change Objective: Vale should provide investors with better insight (overview and updates) to physical risk from climate changes/extreme weather.



Valmont Industries, Inc. (United States of America, 2021)

Focus on Risk Assessment and ESG Disclosure

Change Objective: Valmont should align its risks assessment and mitigation efforts to cover the full scope of material environmental, social and governance issues, with a particular focus on sound and effective product governance.



Vedanta Ltd. (India, 2018)

Focus on Occupational Health and Safety and Emissions, Effluents and Waste

Change Objective: Vedanta should improve transparency on carbon as well as other emissions and develop aggressive goals for reductions. Vedanta should also implement measures to improve safety performance.



Vistra Corp. (United States of America, 2021)

Focus on Carbon Own Operations

Change Objective: Disclosure that provides investors with a full overview of material ESG risks, main mitigation strategies and performance. This includes enhanced GHG emissions and climate transition reporting and reduction targets for scope 3 GHG emissions, non-GHG emissions and effluent/spill management.



Viva Energy Group Ltd. (Australia, 2022)

Focus on Carbon Products and Services

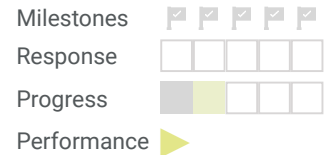
Change Objective: Viva Energy should provide investors with a balanced ESG disclosure taking materiality and scope into account.



Wanhua Chemical Group Co., Ltd. (China, 2021)

Focus on ESG Disclosure

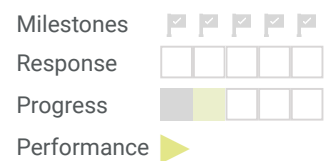
Change Objective: Will be defined after the first meeting.



Weihai Guangwei Composites Co., Ltd. (China, 2021)

Focus on Carbon Own Operations

Change Objective: Will be defined after the first meeting.



Westlake Corp. (United States of America, 2020)

Focus on Emissions, Effluents and Waste

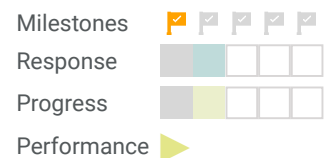
Change Objective: Disclosure that provides investors with a full overview of material ESG risks, main mitigation strategies and performance. This includes long-term reduction targets, hazardous waste management, and stakeholder relations, including grievance mechanism results and actions.



Whitecap Resources, Inc. (Canada, 2021)

Focus on Emissions, Effluents and Waste

Change Objective: Disclosure that provides investors with a full overview of material ESG risks, main mitigation strategies and performance. This includes demonstrating progress to emission reduction targets and developing longer-term emission targets and enhancing climate change strategy disclosure.



Wilmar International Ltd. (Singapore, 2020)

Focus on Land Use and Biodiversity Supply Chain

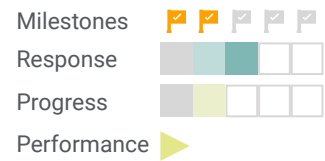
Change Objective: Wilmar International should develop an ESG disclosure that covers all business segments in the group and provides investors with consistent data on performance related to the material ESG issues.



Winbond Electronics Corp. (Taiwan, 2022)

Focus on Resource Use

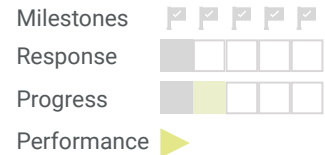
Change Objective: To transition ambitiously from coal and for ESG Governance to continue to be well represented in more forthtelling disclosures.



Woodward, Inc. (United States of America, 2021)

Focus on Risk Assessment and Corporate Governance

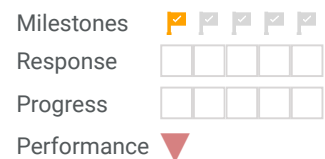
Change Objective: Strengthen sustainability management with materiality analysis and an integrated eco-design approach.



Yanbu National Petrochemical Co. (Saudi Arabia, 2022)

Focus on Emissions, Effluents and Waste and Community Relations

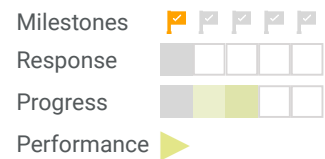
Change Objective: Yanbu (Yansab as they're branded) should focus on improving and increasing ESG disclosures in earnest, and show tangible targets and efforts to decarbonization per their 2025 goals.



Yuhan Corp. (South Korea, 2022)

Focus on ESG Disclosure

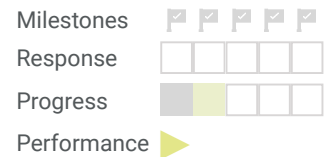
Change Objective: Yuhan Corporation should enhance disclosure towards material ESG risks.



Yunnan Baiyao Group Co., Ltd. (China, 2021)

Focus on Product Governance

Change Objective: Strengthens transparency of board-level governance of ESG and ensures proper management oversight and programmes are in place to mitigate product governance risks.



Zensho Holdings Co., Ltd. (Japan, 2020)

Focus on Product Governance

Change Objective: Will be defined after the first meeting.



Zhangzhou Pientzhuang Pharmaceutical Co., Ltd. (China, 2021)

Focus on Risk Assessment and Corporate Governance

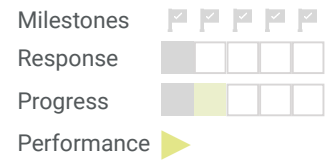
Change Objective: ZPZH should strengthen the board's governance of ESG and demonstrate strong product governance policy and programmes are in place.



Zhejiang Huayou Cobalt Co., Ltd. (China, 2021)

Focus on ESG Disclosure

Change Objective: Will be defined after the first meeting.



Zijin Mining Group Co., Ltd. (China, 2020)

Focus on Risk Assessment and ESG Disclosure

Change Objective: Zijin Mining should develop an ESG performance data system that will ensure more consistency and accountability in the global operations.



Zoomlion Heavy Industry Science & Technology Co., Ltd. (China, 2021)

Focus on Product Governance

Change Objective: Zoomlion should disclose a comprehensive product governance structure with clear performance metrics for product quality and safety.

