



# Annual Engagement Report

2021

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This report summarizes the engagement activities that Sustainalytics performed on behalf of investor clients in 2021. Use of and access to this information is limited to clients of Sustainalytics and is subject to Sustainalytics legal terms and conditions.

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## Executive Summary



*Segreto Paulina*

**Paulina Segreto**  
 Senior Product Manager  
 ESG Products

As the global pandemic continued to unfold in 2021, the world tried to learn how to deal with its mid- to long-term impacts. For businesses this included increased focus on supply chain resilience, strengthening health and safety processes, and improving the overall employee experience to tackle staff shortages. Various attempts to 'go back to normal' were undertaken despite new peaks in the spread of Covid-19. These included expecting employees to return to offices, and restricting access to workplaces for non-vaccinated people.

While comprehensive national vaccination programs have been rolled out, with the hope to keep the pandemic under control, several challenges remain and will continue in 2022. Among those are, severe supply chain disruptions and new labour market patterns in terms of distributions of labour supply and demand.

The pandemic aside, global stewardship efforts continued to gain momentum with historic AGM developments on ESG shareholder resolutions related to climate change, say on pay, and diversity & inclusion seeing strong investor support. We also saw increased investor pressure to demand companies align executive remuneration with the Covid-19 pandemic and market fallout.

During 2021, our team engaged with 186 companies found to be in violation, or at risk of violating international norms and standards. Throughout the year we successfully ended 16 engagements and archived 36 cases. As a result of closer collaboration with the Global Standards Screening team, we initiated 33 new engagements on 32 companies from across sectors and head-quarter domiciles. We reached 144 milestones of which 79 were significant ones, which is going beyond establishing dialogue with companies.

In total, 2924 contacts were made, where approximately one-third resulted in meaningful content exchange, and 168 engagement meetings were held. In June 2021, we hosted the Global Standards Engagement Corporate Culture Roundtable, where we invited several global banks we are engaging with, to share their corporate culture best practices.

We also closely monitored geo-political developments, in Myanmar as well as in relation to the broader human rights situation in China, particularly on ethnic minorities in the Xinjiang region including Uyghurs, Tibetans and Mongolians. Companies linked to the region, and by extension their shareholders, face additional reputational risks and need to ensure their operations comply with international standards. The Global Standards Screening team has carefully monitored the situation and has assessed allegations made in reports against several companies in our research and engagement universe. As a result, new engagements have commenced with the focus on corporate human rights policies and robust due diligence.

Over 90% of global GDP is now covered by net zero commitments and 153 countries put forward new 2030 emissions targets (NDCs). During the COP26 summit in Glasgow, countries agreed to return to the next COP summit with strengthened commitments and a new UN climate program on mitigation. To deliver on these targets, commitments have been made to move away from coal power, halt and reverse deforestation, reduce methane emissions and speed up the transition to electric vehicles.

Also, during the summit, the Paris Rulebook, a practical guide on the implementation of the 2015 Paris Agreement, was finally completed. In the area of finance, developed countries have progressed towards delivering the USD 100 billion climate finance goal and committed to reaching it by 2023 at the latest. Thirty-four countries and five public finance institutions stated that they will stop new direct public support for the global unabated fossil fuel energy sector by the end of 2022. Private financial institutions and central banks are also moving to realign trillions of dollars towards global net zero ambitions.

In terms of legislation, the European Commission adopted three new initiatives to make the European Green Deal a reality; a legislation proposal to tackle deforestation; new rules to facilitate intra-EU waste shipments to promote circular economy and tackle illegal waste exports, and a new soil strategy. At the end of the year, the EU Taxonomy Climate Delegated Act established technical criteria for the economic activities that contribute to the climate objectives as defined in the Act. This means that as of January 2022, companies should align their reporting, thus enabling financial institutions to disclose to what extent their financial products are aligned with SFDR and the EU Taxonomy.

Similar initiatives were undertaken by the UK government, which in October 2021, released the “Greening Finance: Roadmap to Sustainable Investing” report which disclosed sustainability disclosure requirements for UK companies and provided an overview of further developments in relation to a UK Green Taxonomy.

Also, in the US, the Securities and Exchange Commission is working on a rule to mandate that public companies disclose climate-related risk. In April 2021, the agency announced a creation of a “Climate and ESG Task Force” and repeatedly committed to issue climate change regulations.

Another important ESG development, was the OECD announcing it will ensure that multinational enterprises become subject to a minimum of 15% tax rate commencing in 2023. This was later clarified by the organization which developed a two-pillar model rule for domestic implementation of the global minimum tax.

Even though climate change encompasses mainly environmental issues, there are no doubts that it is also interlinked with human rights, as people have seen their homes washed away in floods, harvests drying out as rainy season patterns change, resulting in people not being able to enjoy their basic human rights. The UN Human Rights Council, also formally recognized in October 2021 the “right to a safe, clean, healthy and sustainable environment” as a human rights issue.

Mandatory corporate human rights legislations have also increased in recent years, with a number of European countries adopting legislations prescribing mandatory corporate human rights and environmental due diligence (HREDD). In 2021, Germany was added to that list when the German parliament adopted the “Act on Corporate Due Diligence in Supply Chains”, which enters into force in 2023 and will initially cover companies with 3,000 or more employees, and from 2024 onwards, companies with 1,000 or more employees will need to adhere to the legislation. Companies must identify risks of human rights violations and environmental destruction at direct suppliers and, if they gain “substantiated knowledge” of a potential abuse, also at indirect suppliers. Also, Norway adopted a similar law and other European countries, such as Austria, Belgium and Switzerland are working on similar pieces. Furthermore, in December 2021, the Netherlands announced that it would introduce its own national HREDD law.

All together, the legislations constitute a significant legal requirement for a large number of companies, not only those head-quartered in Europe, but more generally companies with operations in Europe. We expect legislations will help raise the bar on corporate respect for human rights and consequently, add to our dialogues prompting companies to develop human rights due diligence processes.

Sustainalytics recognizes the importance of such legislations, among other things by signing the “Investor Statement in Support of Mandated Human Rights and Environmental Due Diligence in the European Union”, a statement supported by 94 investors representing over USD 6.3 trillion in assets under management and advisement, in relation to the European Parliament’s March 2021 proposal to introduce an EU level mandatory corporate HREDD legislation. However, while getting substantial traction both from politicians, companies and civil society during several years, the EU-level legislation has currently been postponed without a set timeline.

Sustainalytics was delighted to become the engagement partner of the first global coalition for a Just Transition “Investors for a Just transition” announced in June and launched at COP26. Our role is to provide the insights required for investors and companies to make more informed decisions that lead to a more just and sustainable global economy. The Coalition for a Just Transition came together to lead a global, socially-conscious transition to a low-carbon economy, bringing together European and international players. The Coalition is focused on making sure stakeholders across sectors are included in this critical transition process.

In addition, Sustainalytics was one of the first signatories of the UK Stewardship Code 2020. The code sets high stewardship standards for those investing money on behalf of UK savers and pensioners, and those that support them.

We trust you will find the summaries shared in this Annual Engagement report insightful and look forward to continuing our work together in 2022.

## Annual Statistics January – December 2021

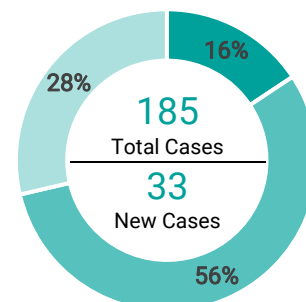
In 2021, Sustainalytics has continued our dialogue to track specified engagement goals and to seek measurable results of business conduct changes in relation to **185** Engage and Resolved cases.

As of 31 December 2021, we have **169** ongoing Engage cases and **16** Resolved cases throughout 2021.

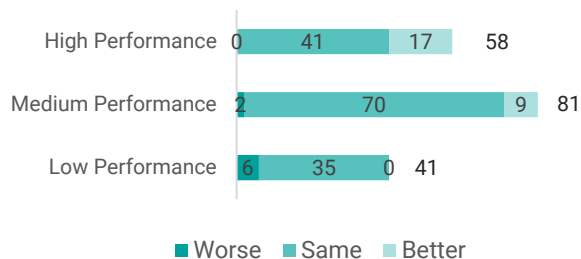


### Cases by Theme

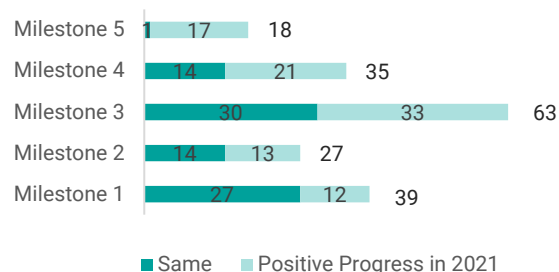
Environmental	29
Social	103
Governance	53



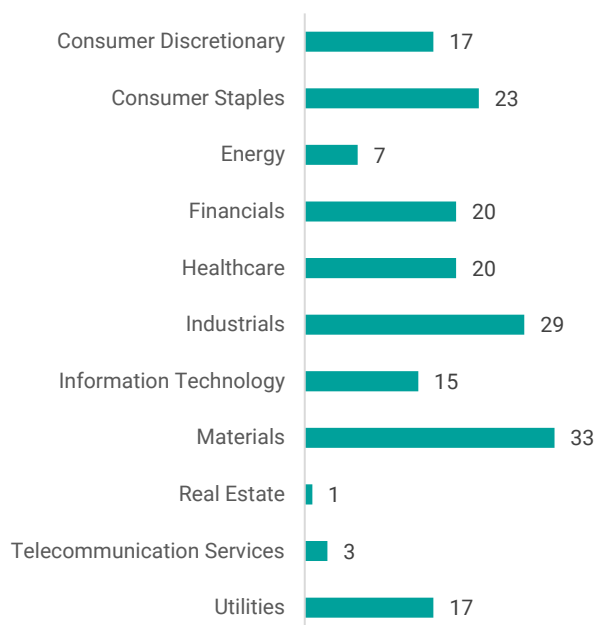
### Engagement Performance Overview



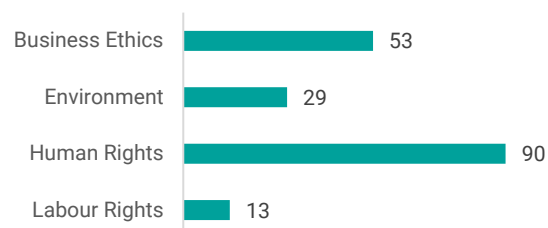
### Milestone Overview



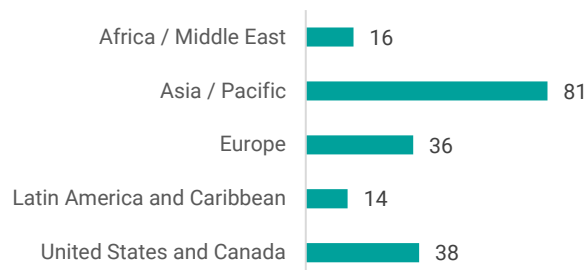
### Cases by Sector



### Cases by Norm



### Cases by Headquarters





## Engage Cases

Engage cases as of 31 December 2021

**169 cases / 159 companies**

Engage cases worked on during the year

**199 cases / 186 companies**

New Engage cases during the year

**33 cases / 32 companies**

Number of Engage cases with Medium and High development

**123 cases / 72.8 % of all Engage cases**



## Resolved Cases

Resolved cases as of 31 December 2021

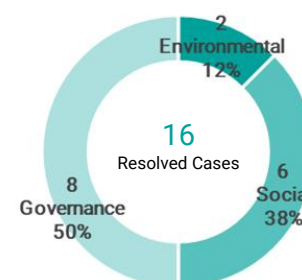
**16 cases / 15 companies**

Dialogue statistics on the Resolved cases

- Meeting
- Email/Telephone/Postal Mail/Fax

**74 meetings / 4.63 meetings per case**

**799 contacts / 49.94 contacts per case**



## Disengage Cases

Disengage cases as of 31 December 2020

**52 cases / 46 companies**

New Disengage cases during the year

**3 cases / 2 cases due to Low Performance**

## Archived Cases

Total number of Archived cases during the year

**37 cases / 35 companies**


## Associated Cases

Total number of Associated cases during the year

**118 cases / 110 companies**

## Activities

Number of contacts with companies on ESG issues

 **2924 contacts / including 1727 outgoing contacts and 1029 incoming contacts**

- Number of content-related communications

 **940 contacts / including 504 outgoing contacts and 268 incoming contacts**

Number of meetings held with companies on ESG issues

 **1 Meetings In-Person** /  **167 Conference Calls**

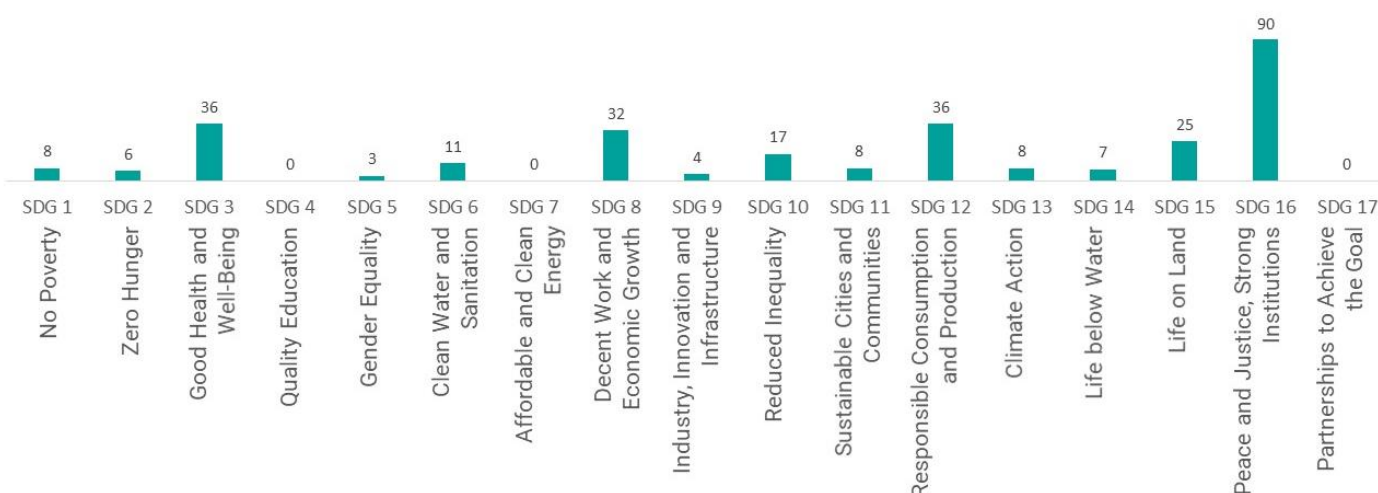
- Number of meetings quarterly breakdown

Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec
<b>41</b>	<b>39</b>	<b>23</b>	<b>65</b>

Total impact related milestones achieved (milestones 3-5)





 **79 milestones / 68 companies**

## UN Sustainable Development Goals (SDGs) Distribution of All Engage Cases as of 31 December 2021



## Company Dialogue & Progress Summary

### Legend

<b>Country</b>	The country in the list indicates where the business conduct issue occurred. The breakdown into the regions: Africa/ Middle East, Asia/ Pacific, Europe, Latin America and Caribbean and United States and Canada is based on where the company headquarter is.
<b>Year</b>	The year shows when the case was downgraded to Engage status.
<b>Response</b>	<p>The indicator describes how the company responds to Sustainalytics' inquiries.</p> 
<b>Progress</b>	<p>The indicator describes whether or not the violation continues, or how the company's work to prevent future violations is developing.</p> 
<b>Performance</b>	<p>The indicator describes the combined company progress and response performance.</p> <p>▲ <b>High Performance</b> - good or excellent Response in combination with good or excellent Progress.</p> <p>▶ <b>Medium Performance</b> - standard level of Response and Progress.</p> <p>▼ <b>Low Performance</b> - poor or no Response in combination with poor or no Progress.</p> <p><b>New, Same, Better</b> or <b>Worse Performance</b> - indicates the change in either Response or Progress since the last quarterly report.</p>
<b>Low Performance Tracker (Tracker)</b>	<p>The indicator describes the time elapsed with Low Performance. One piece equals three months.</p>  <p>After two years, the case will be reviewed by Sustainalytics and a Disengage status can be selected if all other engagement options are ineffective.</p>
<b>Milestones</b>	<p>The indicator describes the milestone achieved from 1 to 5.</p>  3/5 Achieve

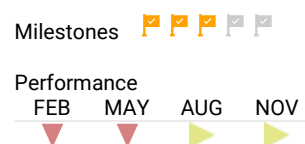
# Engage

## AFRICA / MIDDLE EAST

### Bezeq The Israeli Telecommunication Corp. Ltd. (Israel, 2019)

#### ► Bribery and Corruption

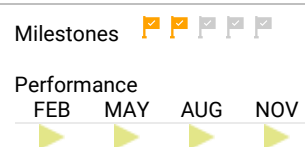
**Engagement Commentary:** Two calls were held with Bezeq during 2021. After previous challenges to engage with the company, Bezeq has become open and keen to develop its disclosure. It has done work to address the business ethics and corruption concerns that triggered the case and the engagement is trending positively. The focus on detail in disclosure will continue in 2022, alongside confirming the strength of its programmatic response.



### El Sewedy Electric Co (Tanzania, 2020)

#### ► Controversial Project(s) - Environmental Impacts

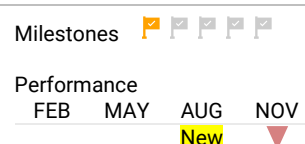
**Engagement Commentary:** Sustainalytics held two engagement meetings with El Sewedy in 2021. Construction of the Julius Nyerere Dam is proceeding. No disclosures have been made on the impact on the Selous Game Reserve World Heritage site. In 2022, Sustainalytics will focus the engagement on reviewing disclosures of the dam environmental impact monitoring data.



### Empresa Moçambicana de Atum S.A (Mozambique, 2019)

#### ► Business Ethics

**Engagement Commentary:** We opened this case in August 2021; however, our research has shown that the company has limited publicly traded securities. Hence, we will review the relevance of continued engagement efforts in 2022.

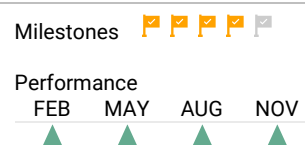


Tracker 

### Eskom Holdings SOC Limited (South Africa, 2019)

#### ► Air Pollutant Emissions

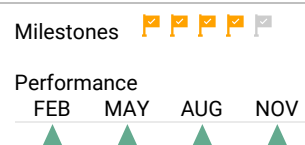
**Engagement Commentary:** Our dialogue with Eskom continued throughout 2021. The company plans to publish a new report as well as air emissions data at the beginning of 2022. Sustainalytics will analyze the new information and discuss it with the company during a conference call scheduled in the first half of 2022.



### Harmony Gold Mining Co. Ltd. (South Africa, 2015)

#### ► Occupational Health and Safety

**Engagement Commentary:** Sustainalytics held two conference calls with Harmony Gold in 2021. The health and safety improvement plan is at an advanced stage of implementation. In July 2021, Harmony recorded 121 fatality-free days; however, by November 2021, there had been 10 fatalities. In 2022, Sustainalytics will focus the engagement on reviewing the implementation progress with the safety cultural transformation programme.

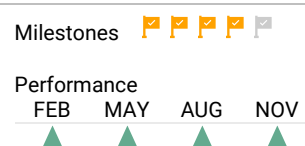


### MTN Group Limited (South Africa, 2019)

#### ► Involvement With Entities Violating Human Rights

**Engagement Commentary:** Two calls were held with MTN in 2021. The company remains open to the engagement and continues to show growth in its human rights due diligence practice. In 2021, topics addressed included the company's use of human rights due diligence on exit from or entry to regions, its approach to network shutdown requests, and stakeholder engagement as a practice in responding to shutdown requests.

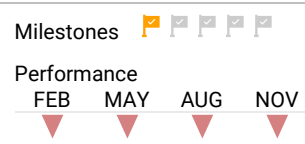
\*Associated companies: **MTN Nigeria Communications Ltd.** and **Scancom Plc** (**New**)




### Mumias Sugar Company Limited (Kenya, 2019)

#### ► Accounting and Taxation

**Engagement Commentary:** Sustainalytics continued its efforts to establish a dialogue with Mumias Sugar throughout 2021. Due to the fact that the company is now in receivership and its stock has been delisted, we will review the relevance of continued engagement efforts in 2022.



Tracker 







**OCP S.A. (Western Sahara, 2016)**

## ► Involvement With Entities Violating Human Rights

**Engagement Commentary:** Engagement with OCP in 2021 focused on the agenda from a conference call in March, during which the company was asked to present its position on human rights. The company disclosed that it has policies and procedures for correctly and appropriately addressing the issues raised and it felt that it was not in contravention of any laws. A second call is planned for February 2022 to focus on the issue of consent as it relates to activities in Western Sahara.

Milestones 

Performance

FEB	MAY	AUG	NOV
			

**Orascom Investment Holding SAE (North Korea, 2020)**

## ► Involvement With Entities Violating Human Rights

**Engagement Commentary:** Sustainalytics' attempts to contact Orascom throughout 2021 were not returned. We will continue to contact the company in the hope of establishing a dialogue in 2022. There remains no evidence that the company is considering human rights risks in its business practices.

Milestones 

Performance

FEB	MAY	AUG	NOV
			

Tracker



**Sibanye Stillwater Ltd. (South Africa, 2018)**

## ► Occupational Health and Safety

**Engagement Commentary:** Sibanye Stillwater responded to communication and we held one conference call in 2021. The company demonstrated a continued effort to tackling its safety issues. It has demonstrated a clear strategy to address behavior and improve technical systems to minimize the risk of health and safety incidents, and it has protocols to share lessons learned across the organization. In 2022, we will review the effectiveness of these improvements.

Milestones 

Performance

FEB	MAY	AUG	NOV
			

**Steinhoff International Holdings N.V. (South Africa, 2019)**

## ► Accounting and Taxation

**Engagement Commentary:** Sustainalytics held a conference call with Steinhoff in April 2021. The company declined to hold a second conference call, citing corporate activity. During 2021, it disclosed limited details related to its remedial plan to address fraud. We will continue to contact the company in the hope of holding another conference call in 2022, with a focus on its disclosure on the implementation of its business ethics programme.

Milestones 

Performance

FEB	MAY	AUG	NOV
			





\*Associated companies: **Pepkor Holdings Ltd. and Mattress Firm, Inc. (New)****Teva Pharmaceutical Industries Limited (United States, 2019)**

## ► Price-Fixing Violations

**Engagement Commentary:** During a conference call in January 2021, the company explained that a new material risk analysis was underway, as well as strengthening the focus on material ESG topics, which it would present in its upcoming ESG report. Follow-up engagements to discuss business ethics (price fixing) were planned for October and November, but were cancelled by the company. A new meeting has been planned for February 2022.

Milestones 

Performance

FEB	MAY	AUG	NOV
			

**The Okomu Oil Palm Co PLC (Nigeria, 2019)**

## ► Activities Resulting in Adverse Human Rights Impacts

**Engagement Commentary:** The company responded to our questions sent in March 2021 and declared that that would be its last response, arguing it does not see areas for improvement. In September 2021, we coordinated an investor letter that was sent to the Chairman of the Board of Okomu. We will continue to contact the company in the hope of establishing a dialogue in 2022.

Milestones 

Performance

FEB	MAY	AUG	NOV
			

Tracker


**Tiger Brands Limited (South Africa, 2019)**

## ► Quality and Safety - Human Rights

**Engagement Commentary:** Sustainalytics continued engagement with Tiger Brands in 2021. A conference call scheduled for December 2021 was postponed to January 2022 to allow time to review the newest sustainability report and for the Food Safety and Quality Director to be present. The discussion will focus on Tiger Brands' Quality Strategy 2022, human rights policy and its grievance mechanisms.

Milestones 

Performance

FEB	MAY	AUG	NOV
			

**Tongaat Hulett Limited (South Africa, 2020)**

## ► Accounting and Taxation

**Engagement Commentary:** There has not been any significant dialogue with Tongaat Hulett yet, though the company has responded to communications. Tongaat Hulett has received questions from Sustainalytics on the case, but generally refers to its disclosure instead of proceeding with scheduling a call. Sustainalytics will continue to review its disclosure and work to establish an active dialogue.

Milestones 

Performance

FEB	MAY	AUG	NOV
			

Tracker



**Turkiye Halk Bankasi AS (Turkey, 2021)**

## ► Fraud

**Engagement Commentary:** Sustainalytics attempted to contact Türkiye Halk Bankası in 2021. So far, though, the company has been unresponsive to our enquiries. We will make further attempts to initiate a dialogue in 2022.

Milestones 

Performance

FEB	MAY	AUG	NOV
	<b>New</b>		

Tracker

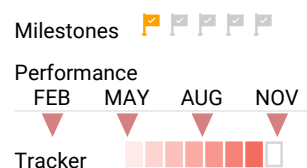
\*Associated company: **Halk Gayrimenkul Yatırım Ortaklığı AS (New)**

## ASIA / PACIFIC

### 63 Moons Technologies Ltd (India, 2019)

► Fraud

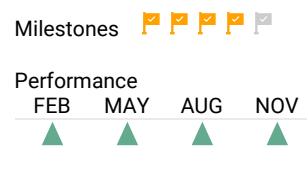
**Engagement Commentary:** Sustainalytics tried to contact 63 Moons throughout 2021. Attempts at communication were not returned. We will continue to contact the company in the hope of establishing a dialogue in 2022.



### Adani Enterprises Limited (Australia, 2016)

► Controversial Project(s) - Environmental and Human Rights Impacts

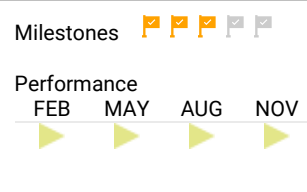
**Engagement Commentary:** Sustainalytics held call with Adani Enterprises in October 2021 to re-establish contact with the company. The call was constructive; however, no response has been received in regard to requests for clarification on the issue of water permits and stakeholder engagement. We are trying to reach the company through engagement with APSEZ, with the hope of having another conference call at the beginning of 2022.



### Adani Ports & Special Economic Zone Ltd (India, 2020)

► Controversial Project(s) - Environmental and Human Rights Impacts

**Engagement Commentary:** Sustainalytics held two conference calls with the company in April and November 2021 in regard to its operation in Myanmar and controversies over the Kattapulli Port. APSEZ reported that the company has confirmed to exit its investment in Myanmar by June 2022. Regarding the Kattapulli Port, we raised a number of queries about the impact assessment and stakeholder engagement plan.

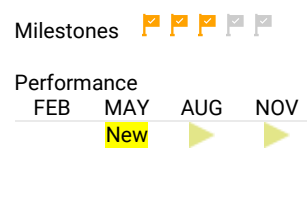


\*Associated company: **North Queensland Export Terminal Pty Ltd. (New)**

### Adani Ports & Special Economic Zone Ltd (Myanmar, 2021)

► Involvement With Entities Violating Human Rights

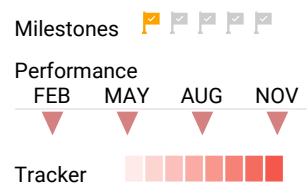
**Engagement Commentary:** Sustainalytics held two conference calls with the company in April and November 2021 in regard to its operation in Myanmar and controversies over the Kattapulli Port. APSEZ reported that the company has confirmed exiting Myanmar. Regarding the Kattapulli Port, we raised a number of queries about the impact assessment and stakeholder engagement plan. A follow-up call is planned in Q1 2022 to review the company's exit strategy for Myanmar.



### Aekyung Industrial Co., Ltd. (South Korea, 2019)

► Quality and Safety - Human Rights

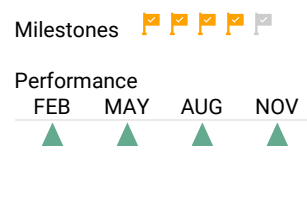
**Engagement Commentary:** The investor letter, sent in 2021, finally prompted a response confirming Aekyung's willingness to engage on issues relating to product and management and the ongoing trial. The company stated in its response that the trial is at appeal and that the company has been working to ensure it has a robust quality system. Further information is needed on the company's management system.



### AMP Limited (Australia, 2019)

► Consumer Interests - Business Ethics

**Engagement Commentary:** Sustainalytics held three conference calls with AMP in 2021, during which AMPs provided evidence that it has made significant progress on corporate culture, governance of culture, ethics and compliance, accountability and consumer financial protection. AMP is on track to complete all the recommendations from the prudential authority. In 2022, we will focus the engagement on progress with AMP's three-year cultural transformation programme.

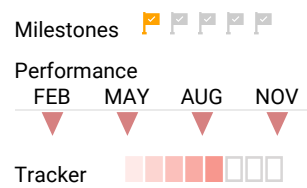


\*Associated company: **AMP Capital Investors Ltd. (New)**

### Aviation Industry Corporation of China, Ltd. (China, 2020)

► Involvement With Entities Violating Human Rights

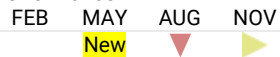
**Engagement Commentary:** Sustainalytics continued to contact Aviation Industry throughout 2021 by sending an email in Mandarin as well as a letter to the company's Chairman, signed by the Director of Stewardship Services. Our attempts at communication were not returned. We will continue to contact the company in the hope of establishing a dialogue in 2022.



**Baidu, Inc.** (China, 2021)


► Involvement With Entities Violating Human Rights

**Engagement Commentary:** After initial challenges in establishing contact during 2021, Baidu replied to some of Sustainalytics' questions and a conference call is planned in 2022. Considering the case focus – freedom of expression in a country where national requirements create a challenging position for issuers with respect to managing human rights risk exposure to users – Baidu's willingness to engage in dialogue is already considered positive.

\*Associated company: **iQiyi, Inc.** (New)Milestones 
 Performance  
 FEB MAY AUG NOV  

**China Energy Engineering Corporation Ltd** (China, 2019)

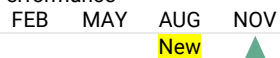
► Occupational Health and Safety

**Engagement Commentary:** Sustainalytics attempted to contact China Energy Engineering throughout 2021, but no reply was received. Sustainalytics will continue to attempt to contact the company to discuss labour health and safety incidents.

Milestones 
 Performance  
 FEB MAY AUG NOV  

**China Gas Holdings Ltd** (China, 2021)

► Quality and Safety - Human Rights

**Engagement Commentary:** China Gas was very willing to engage in dialogue during 2021 and we held a conference call with the company in October. The company has provided compensation for victims of the incident, and it has made significant efforts to address the safety concerns. Sustainalytics will monitor progress made on these improvements and plans to hold a second conference call with the company in 2022.

Milestones 
 Performance  
 FEB MAY AUG NOV  

**China Huarong Asset Management Co Ltd** (China, 2019)

► Bribery and Corruption

**Engagement Commentary:** Sustainalytics tried to contact Huarong throughout 2021. Attempts at communication were not returned. An investor letter is being prepared to send to the company as part of an attempt to establish substantive contact with the company in 2022.

Milestones 
 Performance  
 FEB MAY AUG NOV  

Tracker \*Associated companies: **Huarong International Financial Holdings Ltd.**, **Huarong Investment Stock Corp Ltd** and **Huarong Real Estate Co., Ltd.****China National Petroleum Corp.** (China, 2020)

► Involvement With Entities Violating Human Rights


**Engagement Commentary:** Sustainalytics continued to contact China National Petroleum throughout 2021. Despite having sent a letter to the company's Chairman, signed by the Director of Stewardship Services, as well as attempts to contact the company through WeChat and LinkedIn, there has been no response from the company. We will continue to contact the company in the hope of establishing a dialogue in 2022, including sending a second investor letter.

Milestones 
 Performance  
 FEB MAY AUG NOV  

Tracker \*Associated companies: **CNPC Global Capital Ltd.** (New) and **PetroChina Co Ltd** (New)**China North Industries Corp.** (China, 2019)

► Involvement With Entities Violating Human Rights

**Engagement Commentary:** China North Industries Corp. has not responded to Sustainalytics attempts to contact the company, including an email sent in Mandarin in April 2021. Our research shows that the company has limited publicly traded securities; therefore, we will review the relevance of continued engagement efforts in 2022.

Milestones 
 Performance  
 FEB MAY AUG NOV  

Tracker **China Northern Rare Earth (Group) High-Tech Co Ltd** (China, 2019)

► Activities Resulting in Adverse Environmental and Human Rights Impacts


**Engagement Commentary:** Sustainalytics continued attempts to establish a dialogue with China Northern Rare Earth throughout 2021, but did not have any success. Apart from regular email correspondence, we sent an email in Mandarin in April and an investor letter, signed by six institutional investors, to the company's chairman in September. Due to the company's prolonged lack of response, we are going to review the status of the case in 2022.

Milestones 
 Performance  
 FEB MAY AUG NOV  

Tracker **China Petroleum & Chemical Corp.** (China, 2019)

► Involvement With Entities Violating Human Rights

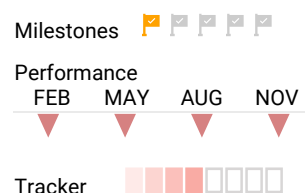
**Engagement Commentary:** Sustainalytics held two conference calls with CPCC in 2021 regarding human rights. The company has committed to developing a policy, which it has yet to deliver. The second call explored the context around the policy in order to provide additional support to secure its finalization. A follow-up conference calls planned for 2022 will seek to secure the policy and start developing a due diligence process.

Milestones 
 Performance  
 FEB MAY AUG NOV  

\*Associated company: **Sinopec Kantons Holdings Ltd**

**Chongqing Energy Investment Group Co. Ltd.** (China, 2020)

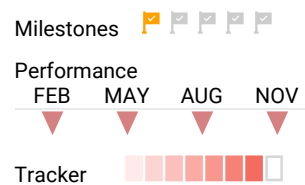
## ► Occupational Health and Safety

**Engagement Commentary:** Sustainalytics attempted to contact Chongqing Energy in 2021, but received no response. The company is a state-owned Chinese company and there is no information on whether it is listed. The company had issued bonds; however, they have been suspended since March 2021. Due to the company's financial situation, we will review the relevance of continued engagement efforts in 2022.

**CK Power Public Co. Ltd.** (Laos, 2020)

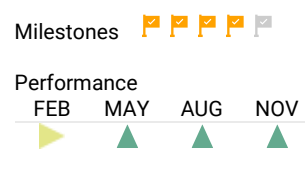
## ► Controversial Project(s) - Environmental and Human Rights Impacts

**Engagement Commentary:** Sustainalytics made several attempts to contact CK Power in 2021, including coordinating an investor letter to the company's chairman. So far, it has been unresponsive to our enquiries. Sustainalytics will make further attempts to establish dialogue in 2022.

**Commonwealth Bank of Australia** (Australia, 2019)

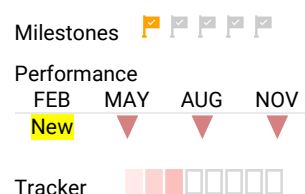
## ► Money Laundering

**Engagement Commentary:** Sustainalytics held three conference calls with CBA in 2021. The final Promontory independent review report, submitted to the Australian Prudential Regulatory Authority in September 2021, confirmed that CBA had executed all the actions from the Prudential Inquiry. In 2022, Sustainalytics will review the actions taken by CBA to sustainably embed reforms in its governance, risk and accountability processes.

**Cox & Kings (India) Ltd.** (India, 2021)

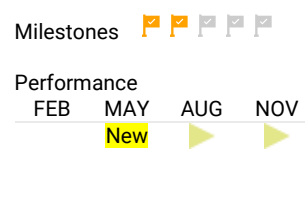
## ► Fraud

**Engagement Commentary:** Sustainalytics made several attempts to reach out to the company in 2021, but received no response. In its financial reporting from September 2021, the company noted that it is under a Corporate Insolvency Resolution Process. Due to the company's significant financial distress, we will review the relevance of continued engagement efforts in 2022.

**Crown Resorts Ltd** (Australia, 2021)

## ► Money Laundering

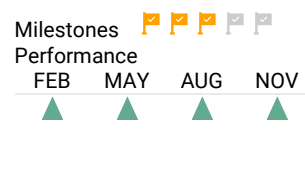
**Engagement Commentary:** Sustainalytics had its initial conference call with Crown Resorts in 2021. A remediation plan has been developed to improve governance, anti-money laundering, culture and risk management. A new board and executive team have been appointed, with a substantial increase in specialist financial crime staff. In 2022, Sustainalytics will focus the engagement on progress with the implementation of the remediation plan.

**FGV Holdings Bhd.** (Malaysia, 2017)

## ► Forced Labour

**Engagement Commentary:** Sustainalytics held two calls with FGV in 2021. The company continues to strengthen labour practices. However, its palm oil is still banned by the US Customs and Border Protection and its RSPO certification is still suspended. External assessments and audits are underway and the company is awaiting a decision from the RSPO about lifting the suspension.

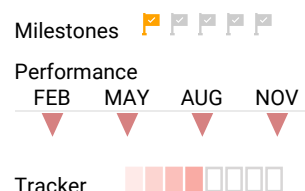
\*Associated company: **MSM Malaysia Holdings Bhd**

**Formosa Taffeta Co., Ltd.** (Vietnam, 2020)

## ► Labour Rights - Operations

**Engagement Commentary:** Formosa Taffeta had been unresponsive since the engagement started in 2020, but towards the end of 2021 it began replying to emails. The company has questions about the engagement process and has shown a willingness to participate in an engagement, though it has cited resource constraints in requesting to proceed via email. Nevertheless, a low level of dialogue has been established and will be built on during 2022.

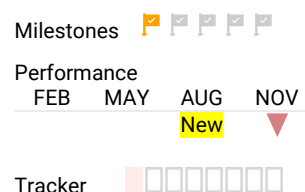
\*Associated company: **Formosa Chemicals & Fibre Corp**

**GCL-Poly Energy Holdings Ltd.** (China, 2021)

## ► Forced Labour

**Engagement Commentary:** Engagement with GCL-Poly was initiated in August 2021. Despite various attempts to contact the company since September, we have received no response. We will continue to contact the company in the hope of establishing a dialogue in 2022.

\*Associated company: **GCL New Energy Holdings Ltd.** (New)



**Golden Agri-Resources Ltd** (Indonesia, 2020)

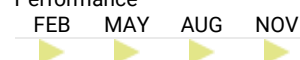
► Land Use and Biodiversity

**Engagement Commentary:** Sustainalytics held two conference calls with the company in 2021, in which it became clear that the resolution of grievances with communities in Liberia is a top priority for the company. The company also confirmed that it had provided necessary documents to the Roundtable on Sustainable Palm Oil (RSPO) in relation to open RSPO grievances.

\*Associated companies: **PT Sinar Mas Agro Resources & Technology Tbk** and **PT Sinar Mas Group**

Milestones     

Performance

**Hanergy Mobile Energy Holding Group Co., Ltd.** (Hong Kong, 2020)

► Accounting and Taxation

**Engagement Commentary:** Hanergy has not responded to any of Sustainalytics requests to establish a dialogue. Hanergy is a private company and, hence, does not have any publicly traded securities. Therefore, we will review the relevance of continued engagement efforts in 2022.

Milestones     

Performance



Tracker

**Hangzhou Hikvision Digital Technology Co., Ltd.** (China, 2019)

► Involvement With Entities Violating Human Rights

**Engagement Commentary:** In 2021, Hikvision remained willing to engage with Sustainalytics. Its work on human rights due diligence continued, though its disclosure was still less than desired. During our dialogue, Hikvision expressed concern over external messaging of its involvement in Xinjiang and human rights management. This concern appears to have made the company somewhat reluctant to disclose details on policies and programmes.

Milestones     

Performance

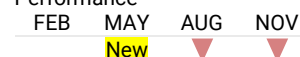
**Imperial Pacific International Holdings Ltd.** (United States, 2021)

► Labour Rights

**Engagement Commentary:** Sustainalytics made several attempts to contact Imperial Pacific International (IPI) throughout 2021. Despite our efforts, the company has yet to respond. The US Department of Labor has taken enforcement actions against IPI. Our focus in 2022 will be to establish a dialogue with the company about improving worker safety for both the company's employees and that of its subcontractors.

Milestones     

Performance



Tracker

**Indofood Agri Resources Ltd** (Indonesia, 2018)

► Labour Rights - Operations

**Engagement Commentary:** After a period of several months of little dialogue, two meetings were held in December 2021, including one in person in Utrecht. The company is demonstrating a willingness to perform better and has requested Sustainalytics' recommendations to align with global standards.

\*Associated companies: **PT Indofood Sukses Makmur Tbk**, **PT Perusahaan Perkebunan London Sumatra Indonesia Tbk**, **PT Salim Ivomas Pratama Tbk** and **First Pacific Company Limited** (**New**)

Milestones     

Performance



Tracker

**Inner Mongolia Baotou Steel Union Co. Ltd.** (China, 2019)

► Emissions, Effluents and Waste

**Engagement Commentary:** Sustainalytics continued attempts to establish a dialogue with Inner Mongolia Baotou Steel throughout 2021, but did not have any success. Apart from regular email correspondence, we sent an email in Mandarin in April 2021 and an investor letter, signed by six institutional investors, to the company's chairman in September 2021. Due to the company's prolonged lack of response, we are going to review the status of the case in 2022.

Milestones     

Performance



Tracker

**Kangde Xin Composite Material Group Co., Ltd.** (China, 2020)

► Accounting and Taxation

**Engagement Commentary:** Kangde Xin has been delisted from the Shenzhen Stock Exchange. The company reported on its website that in May 2021, it received notification from the stock exchange of its decision to terminate Kangde Xin's listing. Since the company's stock has been suspended from trading for a prolonged period of time, we will review the relevance of continued engagement efforts in 2022.

Milestones     

Performance



Tracker

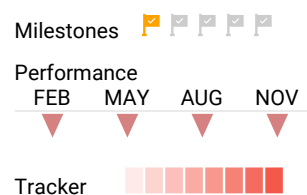




**Kangmei Pharmaceutical Co Ltd** (China, 2019)

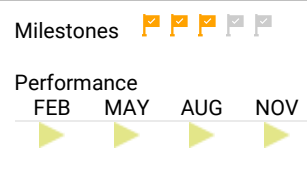
► Accounting and Taxation

**Engagement Commentary:** Sustainalytics continued its efforts to establish a dialogue with Kangmei throughout 2021. Despite multiple calls, a letter from the Director of Stewardship Services, which we translated into Mandarin, the company remained unresponsive. In November 2021, the company's market value was less than 10% of its high. Due to the company's apparent financial distress, we will review the relevance of continued engagement efforts in 2022.

**Korea Electric Power Corporation** (Laos, 2019)

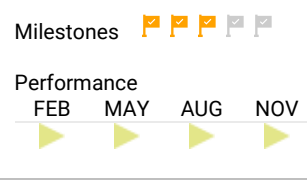
► Incident(s) Resulting in Negative Human Rights Impacts

**Engagement Commentary:** Sustainalytics held two conference calls with KEPCO in 2021. The company established a board ESG committee after the Laos dam incident. Governance improvements include project reviews by a selection committee, risk deliberation and investment committee. In 2022, Sustainalytics will focus the engagement on further reviews of ESG disclosures from the Laos dam and implementation progress with KEPCO's Human Rights Management system.

**Korea Western Power Co., Ltd.** (Laos, 2019)

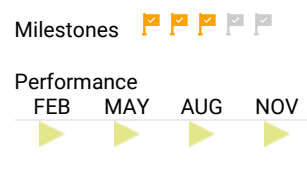
► Incident(s) Resulting in Negative Human Rights Impacts

**Engagement Commentary:** Sustainalytics made several attempts to contact KOWEPO in 2021, but the company has been unresponsive to our enquiries. We will make further attempts to initiate a dialogue in 2022. Information on the Laos dam is being indirectly sourced from KEPCO, the holding company.

**Lotte Corp** (South Korea, 2019)

► Business Ethics

**Engagement Commentary:** Dialogue with Lotte continued in 2021 via email. The company refused to have a conference call, even with an interpreter that Sustainalytics had arranged, and requested written communication only. In a response to our questions, the company clarified that its main policy is the code of conduct and that it will consider whether it can publish its anti-corruption/bribery guidelines on its website. Clarification on the company's progress of its governance reforms is required which will be the focus in 2022.

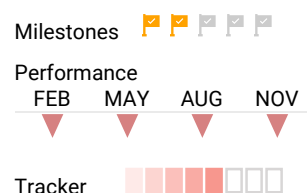


*\*Associated companies: Lotte Chemical Corp, Lotte Chilsung Beverage Co Ltd, Lotte Confectionery (New), Lotte Data Communication Co., Lotte Fine Chemical Co., Ltd., Lotte Food Co., Ltd., LOTTE Himart Co. Ltd., Lotte Non-Life Insurance Co., Ltd., Lotte Shopping Co., Ltd., and Lotte Chemical Pakistan Ltd. (New)*

**Lu Thai Textile Co., Ltd.** (Myanmar, 2019)

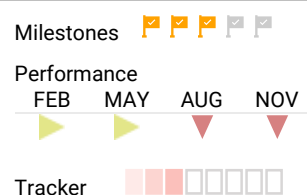
► Labour Rights

**Engagement Commentary:** Lu Thai did not respond to communications for most of 2021. We sent a formal letter, from the Director of Stewardship Services in mid-November, and received a response from the company at the end of November. Sustainalytics is continuing to use this response to organize a conference call at the beginning of 2022 to discuss labour rights and harassment allegations.

**Luckin Coffee, Inc.** (China, 2020)

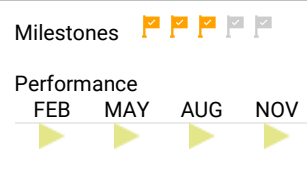
► Accounting and Taxation

**Engagement Commentary:** Sustainalytics made several attempts to initiate a dialogue with Luckin Coffee in 2021. The company has been unresponsive so far, and Sustainalytics will make new attempts to contact the company in 2022.

**Mitsubishi Materials Corporation** (Japan, 2019)

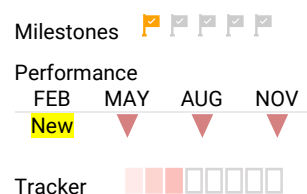
► Consumer Interests - Business Ethics

**Engagement Commentary:** Through several email correspondences in 2021, the company provided information on its expansion of quality training, implementation of a "front loading system" for processing orders and enhancement of the quality control audit. We have recommended a closer link between quality assurance and remuneration and await a response.

**NLC India Ltd.** (India, 2021)

► Occupational Health and Safety

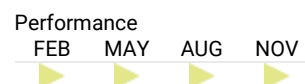
**Engagement Commentary:** We made attempts to contact the company throughout 2021, but no reply has been received. Sustainalytics will continue to attempt to establish dialogue with the company in 2022.



**NTPC Limited** (Bangladesh, 2017)

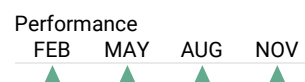
► Controversial Project(s) - Environmental and Human Rights Impacts

**Engagement Commentary:** In 2021, NTPC continued its dialogue with Sustainalytics and we held two conference calls. The company has made some material improvements to its environmental risks, but it continues to rely too heavily on only meeting local, often minimal, laws, rather than industry best standards. The focus in 2022 will be to encourage NTPC to implement international environmental standards.

Milestones **NTPC Limited** (India, 2018)

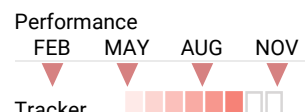
► Occupational Health and Safety

**Engagement Commentary:** In 2021, NTPC continued its dialogue with Sustainalytics and held two conference calls. Following the collapse of a glacier and subsequent flooding in February 2021, NTPC responded with emergency relief to injured workers and to families of those killed, and it established monitoring and safety systems to improve working conditions. In 2022, our engagement will focus on longer-term solutions to labour safety by meeting international standards.

Milestones **OFILM Group Co., Ltd.** (China, 2020)

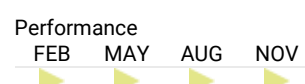
► Forced Labour

**Engagement Commentary:** Sustainalytics sent several emails and one postal letter to OFILM throughout 2021. Despite ongoing attempts to contact the company, we have received no response. We will continue to contact the company in the hope of establishing a dialogue in 2022.

Milestones **Oil and Natural Gas Corporation Limited** (India, 2019)

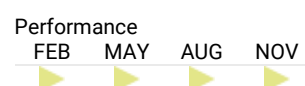
► Involvement With Entities Violating Human Rights

**Engagement Commentary:** We continued our dialogue with ONGC 2021, with the first meeting held in May 2021. During the meeting, we discussed the company's approach to human rights and how it was responding to issues potentially affecting its operations in Myanmar. Requests for a follow-up meeting were delayed in the latter half of the year, although we reached an agreement to hold another conference call at the beginning of 2022.

Milestones \*Associated company: **ONGC Videsh Ltd.** (New)**Olympus Corporation** (United States, 2019)

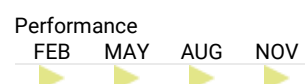
► Quality and Safety - Human Rights

**Engagement Commentary:** In 2021, Olympus was responsive and, among other types of communication, we held two conference calls with the company. Olympus has largely taken the necessary steps to address product safety concerns and it has reduced deaths and complications associated with its duodenoscopes.

Milestones **Page Industries Ltd.** (India, 2020)

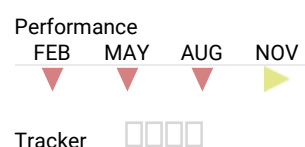
► Labour Rights

**Engagement Commentary:** Sustainalytics' attempts to organize a conference call with Page Industries were ignored during 2021. However, the company provided Sustainalytics with the results of its Worldwide Responsible Accredited Production (WRAP) Gold certification for its Unit 3 manufacturing facility. We will continue our efforts to organize a conference call with the company at the beginning of 2022.

Milestones **Petroleum Nasional Berhad** (Malaysia, 2019)

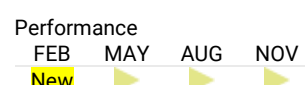
► Involvement With Entities Violating Human Rights

**Engagement Commentary:** Sustainalytics held two conference calls with Petroleum Nasional in 2021. The company recognizes human rights as fundamental and the importance of alignment with international standards. It acknowledges that there is a need to improve in this area, as part of the pursuit of energy transition. Engagement in 2022 will focus on the further integration of human rights in the business and on human rights due diligence.

Milestones \*Associated companies: **Petronas Global Sukuk Ltd.** and **PETRONAS Energy Canada Ltd.** (New)**POSCO Coated & Color Steel Co., Ltd.** (Myanmar, 2021)

► Involvement With Entities Violating Human Rights

**Engagement Commentary:** POSCO Coated & Color Steel engaged constructively through 2021. During a conference call in September 2021, the company confirmed that it has ceased dividend payments to the Myanmar partner and was reviewing its operations in line with further understanding the human rights issues. The focus for 2022 will be to seek disclosure of the implementation of human rights due diligence for the operations in Myanmar.

Milestones \*Associated company: **POSCO** (New)

**PT FKS Food Sejahtera Tbk** (Indonesia, 2019)

► Consumer Interests - Business Ethics

**Engagement Commentary:** Sustainalytics tried to contact PT FKS Food Sejahtera throughout 2021, but our attempts at communication were not returned. We will continue to contact the company in the hope of establishing a dialogue in 2022.

Milestones

 Performance  

FEB	MAY	AUG	NOV

**PT Indah Kiat Pulp & Paper Tbk** (Indonesia, 2021)

► Land Use and Biodiversity

**Engagement Commentary:** In 2021, Sustainalytics held an introductory call with the company, as well as a follow-up call. During the latter call, the company presented its Sustainability strategy as well as substantial comments on Greenpeace's allegations.

\*Associated company: **PT Sinar Mas Group** (New)

Milestones

 Performance  

FEB	MAY	AUG	NOV
	New		

**PT Indonesia Asahan Aluminium (Persero)** (Indonesia, 2020)

► Emissions, Effluents and Waste

**Engagement Commentary:** Sustainalytics held one call with the company in 2021. Legislation around tailings management in Indonesia were discussed, as were implications for the company's Grasberg mine.

Milestones

 Performance  

FEB	MAY	AUG	NOV

**PT Pabrik Kertas Tjiwi Kimia Tbk** (Indonesia, 2021)

► Land Use and Biodiversity

**Engagement Commentary:** In 2021, Sustainalytics held an introductory call with the company, as well as a follow-up call. During the latter call, the company presented its Sustainability strategy as well as substantial comments on Greenpeace's allegations.

\*Associated company: **PT Sinar Mas Group** (New)

Milestones

 Performance  

FEB	MAY	AUG	NOV
	New		

**Punjab National Bank** (India, 2019)

► Fraud

**Engagement Commentary:** Sustainalytics made several attempts to contact Punjab National Bank in 2021, including a letter to the company's chairman. So far, the company has been unresponsive to our enquiries. We will make further attempts to initiate a dialogue in 2022.

Milestones

 Performance  

FEB	MAY	AUG	NOV

Tracker

**Ratch Group Public Co. Ltd.** (Laos, 2019)

► Incident(s) Resulting in Negative Human Rights Impacts

**Engagement Commentary:** Sustainalytics attempted to contact Ratch Group in 2021. So far, the company has been unresponsive to our enquiries. We will make further attempts to initiate a dialogue in 2022.

\*Associated company: **RH International (Singapore) Corp. Pte Ltd.** (New)

Milestones

 Performance  

FEB	MAY	AUG	NOV

**Rio Tinto Ltd.** (Australia, 2020)

► Community Relations - Indigenous Peoples

**Engagement Commentary:** Sustainalytics held two conference calls with Rio Tinto in 2021. Significant progress has been made on improving cultural heritage management, remediation of the Juukan Gorge rock shelters and improving agreements with the Traditional Owners in Western Australia. In 2022, Sustainalytics will focus the engagement on issues of heritage management leadership, culture and integrated decision-making.

\*Associated company: **Energy Resources of Australia Ltd.**

Milestones

 Performance  

FEB	MAY	AUG	NOV

**Samling Global Limited** (Malaysia, 2019)

► Land Use and Biodiversity

**Engagement Commentary:** Sustainalytics continued the dialogue with Samling via email, reaching out to the company several times in 2021. We continue to engage on how the company will bring a halt to alleged illegal logging practices, strengthen related policies, mitigate impacts on affected communities and promote significant reforestation of affected areas.

Milestones

 Performance  

FEB	MAY	AUG	NOV

**SAMSUNG BIOLOGICS Co., Ltd.** (South Korea, 2020)

► Accounting and Taxation

**Engagement Commentary:** During 2021, dialogue with Samsung Biologics was limited; it responded in writing rather than via conference calls. It provided disclosure on its response to accounting fraud allegations. The accounting trial is ongoing and the company denies all charges and will continue to defend itself. Despite this, it has acted to improve its accounting and auditing. The company's practical actions to prevent accounting fraud will be our focus in 2022.

Milestones

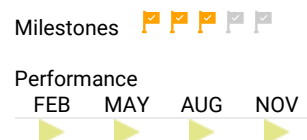
 Performance  

FEB	MAY	AUG	NOV

**Samsung C&T Corp.** (South Korea, 2020)

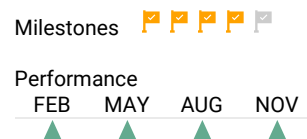
► Accounting and Taxation

**Engagement Commentary:** In 2021, Samsung C&T was not forthcoming during dialogue and its correspondence was very intermittent. Sustainalytics will continue to contact the company in the hope of improving the dialogue in 2022.

**Samsung Electronics Co., Ltd.** (South Korea, 2017)

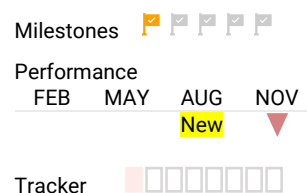
► Bribery and Corruption

**Engagement Commentary:** Samsung Electronics has continued to strengthen its compliance programme management system in response to the corruption allegations. Sustainalytics will ask Samsung to hold a conference call in early 2022 to provide an update on the company's progress.

**Shezan International Ltd.** (Bangladesh, 2021)

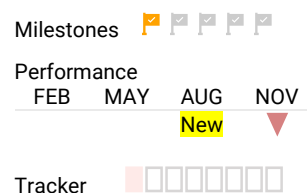
► Child Labour

**Engagement Commentary:** Engagement with Shezan International was initiated in August 2021. Despite various attempts to contact the company and a letter signed by the Director of Stewardship Services, sent in November 2021, we have received no response. We will continue to contact the company in the hope of establishing a dialogue in 2022.

**Shezan International Ltd.** (Bangladesh, 2021)

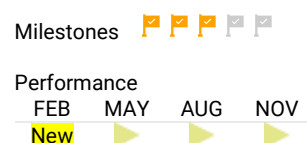
► Occupational Health and Safety

**Engagement Commentary:** Engagement with Shezan International was initiated in August 2021. Despite various attempts to contact the company and a letter signed by the Director of Stewardship Services, sent in November 2021, we have received no response. We will continue to contact the company in the hope of establishing a dialogue in 2022.

**Sime Darby Plantation Sdn Bhd** (Malaysia, 2021)

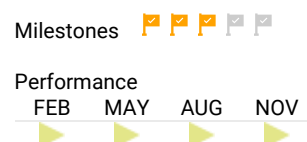
► Forced Labour

**Engagement Commentary:** Sustainalytics held two conference calls with Sime Darby Plantation (SDP) in May and November 2021. During our last call, SDP reported that its biggest achievement is the tremendous increase in awareness of the expectations and challenges around forced labour. While it is encouraging that SDP has enhanced its governance and grievance mechanisms, clarification on the company's remediation plans will remain a focus of engagement in 2022.

**SK Discovery Co. Ltd.** (South Korea, 2019)

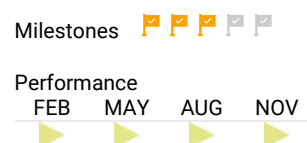
► Quality and Safety - Human Rights

**Engagement Commentary:** Engagement has been reliant on very brief email responses to our queries. That said, the company responded in December 2021 to queries raised regarding quality and product management confirming that it is strengthening its existing product management frameworks.

\*Associated company: **SK Chemicals Co. Ltd.****SK Inc.** (Laos, 2019)

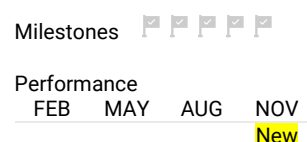
► Incident(s) Resulting in Negative Human Rights Impacts

**Engagement Commentary:** Sustainalytics held two conference calls with SK Inc. in 2021. SK Inc. made updates to its Human Rights Management System. It also worked through its subsidiaries (SKeP and SKEC) to influence the Laos Dam project company in the remediation, compensation and livelihoods programme in response to the Laos saddle dam collapse. In 2022, Sustainalytics will focus the engagement on dam safety issues and reviewing surveillance monitoring plans.

**Supermax Corp. Bhd.** (Malaysia, 2021)

► Forced Labour

**Engagement Commentary:** We initiated engagement with Supermax in November 2021. The case is in early stages of engagement, with the change objective identified and initial contacts with the company conducted.



**Suruga Bank Ltd.** (Japan, 2019)

## ► Business Ethics

**Engagement Commentary:** Sustainalytics' engagement with Suruga Bank has been via email due to the company's lack of capacity to engage in English. We sent an email, translated into Japanese, which included a list of questions to Suruga Bank at the end of 2021. So far, the company has been unresponsive to our enquiries. We will make further attempts to initiate a dialogue in 2022.

Milestones

 Performance  

FEB	MAY	AUG	NOV

**Tencent Holdings Ltd** (China, 2021)

## ► Involvement With Entities Violating Human Rights

**Engagement Commentary:** As of December 2021, Tencent has been responsive to Sustainalytics and shown a willingness to engage, though it has also expressed a preference to speak directly with Sustainalytics and to keep its engagement with investors separate. Sustainalytics will clarify the benefits of including investors in the dialogue during engagement calls.

Milestones

 Performance  

FEB	MAY	AUG	NOV
	New		

\*Associated companies: **Tencent Music Entertainment Group** (New) and **Sogou, Inc.** (New)

**Tokyo Electric Power Company Holdings, Incorporated** (Japan, 2011)

## ► Incident(s) Resulting in Negative Environmental and Human Rights Impacts

**Engagement Commentary:** During 2021, our dialogue with TEPCO was held in Japanese, as requested by the company. The company continues to present safety concerns, but it has taken some steps to place safety practices at a higher level of priority. Sustainalytics will continue to monitor and engage with the company during 2022, and will try to understand the effectiveness of the actions TEPCO has taken.

Milestones

 Performance  

FEB	MAY	AUG	NOV

**Top Glove Corp Bhd** (Malaysia, 2021)

## ► Labour Rights - Operations

**Engagement Commentary:** Sustainalytics held two conference calls with Top Glove in April and October 2021. The company has resolved 10 out of 11 indicators that triggered the US CBP detention order (which is now lifted). The company attention to further bolster its social compliance performance is encouraging and it has set targets to drive continuous improvement. Our engagement in 2022 will focus on helping the company maintain its course and improve where there is space to do so.

Milestones

 Performance  

FEB	MAY	AUG	NOV
New			

\*Associated company: **Top Glove Labuan Ltd.** (New)

**Toshiba Corp.** (Japan, 2020)

## ► Accounting and Taxation

**Engagement Commentary:** Sustainalytics held one conference call with Toshiba Corp. in 2021. The company made improvements to compliance and risk management, with the establishment of the Risk Management & Compliance Office. Implementation of the risk management system was enhanced to improve compliance and risk controls. In 2022, Sustainalytics will focus the engagement on improvements to corporate culture, governance of culture, ethics and compliance.

Milestones

 Performance  

FEB	MAY	AUG	NOV

**Unitech Limited** (India, 2019)

## ► Consumer Interests - Business Ethics

**Engagement Commentary:** Sustainalytics tried to contact Unitech throughout 2021, but our attempts at communication were not returned. We will continue to contact the company in the hope of establishing a dialogue in 2022.

Milestones

 Performance  

FEB	MAY	AUG	NOV

Tracker

**UPL Ltd** (South Africa, 2021)

## ► Emissions, Effluents and Waste

**Engagement Commentary:** Engagement with UPL was initiated in November 2021 and the case is in the early stages of engagement, with the change objective identified and initial contacts with the company conducted. We are planning a conference call at the beginning of 2022.

Milestones

 Performance  

FEB	MAY	AUG	NOV
			New

**Vedanta Limited** (India, 2019)

## ► Community Relations

**Engagement Commentary:** There was limited dialogue with Vedanta in 2021, however in general the company has been responsive to Sustainalytics' enquiries concerning the protest in Tuticorin and how it is addressing the identified issues in cooperation with the local communities. There has been a lot of positive developments in Vedanta within last two years. Nevertheless, the real test for the measures in place will come when/if the plant in Tuticorin reopens.

Milestones

 Performance  

FEB	MAY	AUG	NOV

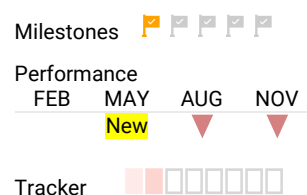
\*Associated company: **Hindustan Zinc Limited**



**Weibo Corp** (China, 2021)

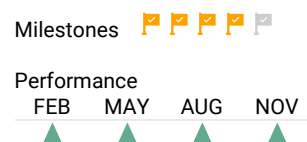
► Involvement With Entities Violating Human Rights

**Engagement Commentary:** Sustainalytics tried to contact Weibo throughout 2021, but our attempts at communication were not returned. We will continue to contact the company in the hope of establishing a dialogue in 2022.

\*Associated company: **SINA Corp.** (New)**Westpac Banking Corporation** (Australia, 2020)

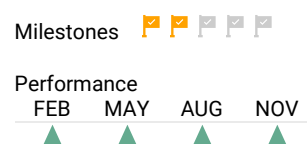
► Money Laundering

**Engagement Commentary:** Sustainalytics held one engagement meeting with Westpac in 2021. The company completed the design phase of the remediation plan. The independent reviewer, Promontory, submitted its third review of Westpac's Plan to Remediate Risk Governance Deficiencies to the Australian Prudential Regulatory Authority. In 2022, Sustainalytics will focus the engagement on progress with improvements to the organizational culture, accountability and risk management.

\*Associated company: **Westpac New Zealand Ltd.** (New)**Wilmar International Limited** (Indonesia, 2019)

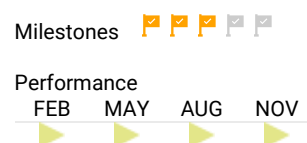
► Community Relations - Indigenous Peoples

**Engagement Commentary:** Sustainalytics continued engagement with Wilmar in 2021, requesting an update on progress made on the company's community relations in Liberia, Nigeria and Uganda, and its improvements to internal processes and due diligence. We plan to request a conference call at the beginning of 2022 to discuss these matters further.

\*Associated companies: **Shree Renuka Sugars Ltd, Yihai Kerry Arawana Holdings Co., Ltd.** (New) and **Benso Oil Palm Plantation Ltd** (New)**Wockhardt Limited** (India, 2019)

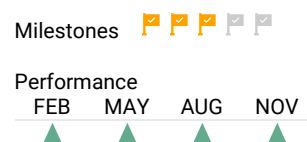
► Quality and Safety - Human Rights

**Engagement Commentary:** After a long period of unresponsiveness, a reintroduction to the company in November 2021 proved successful. Initial queries exploring the company's approach to product quality management and governance were responded to and we have set a conference call at the beginning of 2022.

**Yes Bank Ltd** (India, 2020)

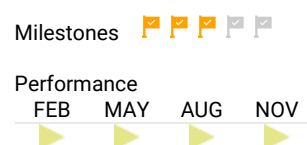
► Business Ethics

**Engagement Commentary:** Sustainalytics held two conference calls with Yes Bank in 2021, including one with its CFO. The company is starting to create relevant policies, programmes and specialized committees to address business ethics. We will continue to discuss a strategy on fraud prevention and audit, improve identification and prevention of non-performing assets, and discuss details of plans to create a "culture of compliance".

**Zhejiang Huahai Pharmaceutical Co., Ltd.** (China, 2019)

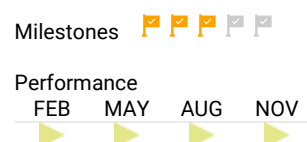
► Consumer Interests - Human Rights

**Engagement Commentary:** Zhejiang responded to our queries on the FDA investigation in June 2021. We sent a follow-up set of queries, asking for additional information on risk management implementation and training. No response has been received yet, but we will continue to try to contact the company.

**Zijin Mining Group Company Limited** (Papua New Guinea, 2015)

► Activities Resulting in Adverse Environmental Impacts

**Engagement Commentary:** Two conference calls were held with Zijin Mining in 2021. The company is open to dialogue and we provided recommendations to help the company strengthen its approach to mining waste. The Papua New Guinea site, although not currently operating, continues to use riverine tailings disposal.

\*Associated company: **Guyana Goldfields Inc** (New)


**Zijin Mining Group Company Limited** (Papua New Guinea, 2015)

► Activities Resulting in Adverse Human Rights Impacts

**Engagement Commentary:** We held two conference calls with Zijin Mining in 2021. These calls focused on labour rights issues at the Bor mine in Serbia and community relations at Rio Blanco site in Peru. The company has been open to dialogue and we provided recommendations to help the company strengthen its approach.

\*Associated company: *Guyana Goldfields Inc* (New)

 Milestones 

Performance			
FEB	MAY	AUG	NOV
			

**ZTE Corporation** (Iran, 2019)

► Involvement With Entities Violating Human Rights

**Engagement Commentary:** During 2021, ZTE responded sporadically to Sustainalytics and only via email. Based on its responses, it is challenging to understand if the company takes into consideration human rights impacts, though ZTE has taken steps to address the sanctions compliance issues. These efforts deserve acknowledgement, as there is at least an indirect consideration of human rights in that compliance. Human rights due diligence will be in focus in 2022.

 Milestones 

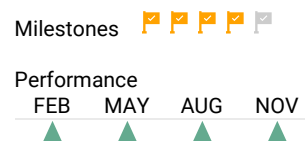
Performance			
FEB	MAY	AUG	NOV
			

## EUROPE

### Barclays PLC (United Kingdom, 2019)

#### ► Business Ethics

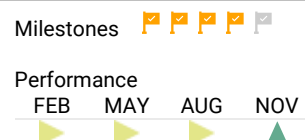
**Engagement Commentary:** In 2021, we held four conference calls with Barclays discussing, among other things, the company's corporate culture and regulatory updates. Barclays has a strategy in place to address historical whistleblower issues and implementation is underway. We will follow up on the latter in 2022.



### Bayer AG (United States, 2018)

#### ► Quality and Safety - Human Rights

**Engagement Commentary:** Sustainalytics held two calls with Bayer in 2021. The issues related to its Monsanto acquisition and the Roundup product are gradually receding. We continue monitor the progress of various litigation, but overall Bayer has taken many steps to address the source of much of the litigation it faces and has resolved the majority of them. In 2022, we will focus primarily on improved public disclosure.

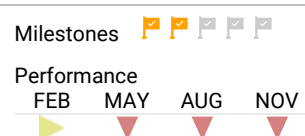


\*Associated companies: **Bayer CropScience Limited** and **Monsanto Finance Canada Co** (New)

### Bolloré SA (Cameroon, 2019)

#### ► Activities Resulting in Adverse Human Rights Impacts

**Engagement Commentary:** Bolloré did not respond to the many emails sent by Sustainalytics in 2021. In September 2021, we coordinated an investor letter, which was sent to the chairman of the board of Socfin and also to our Bolloré contacts. We will continue to reach out to the company in order to establish a dialogue.



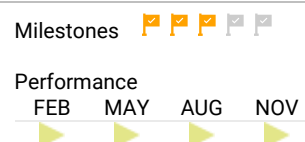
\*Associated companies: **La Forestière Équatoriale SA** (New), **Compagnie de l'Odé SE** (New) and **Compagnie du Cambodge** (New)



### boohoo group Plc (United Kingdom, 2020)

#### ► Labour Rights - Supply Chain

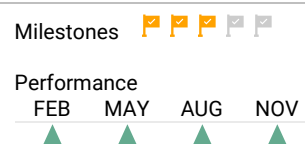
**Engagement Commentary:** Sustainalytics held a call with boohoo in June 2021, after the publication of Brian Leveson's third report to the board. While boohoo seems to have raced ahead with meeting the key recommendations that came out of the review, Sustainalytics believes it could strengthen its practices by aligning them to the UNGPs, especially regarding purchasing practices and audits. Another call, set for December 2021, was rescheduled to the beginning of 2022.



### Credit Suisse Group AG (Switzerland, 2019)

#### ► Business Ethics

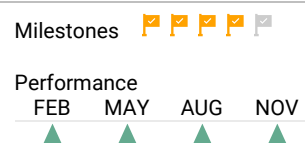
**Engagement Commentary:** During 2021, Credit Suisse continued to be responsive and had taken a number of steps to address business ethics issues. Nevertheless, the recent Greensill and Archegos controversies were troubling and the company is in the fray of making changes to management, corporate governance, risk management, elevating risk functions, and implementing fixes to findings from independent investigations.



### Danske Bank A/S (Estonia, 2018)

#### ► Money Laundering

**Engagement Commentary:** Danske Bank continued to be highly responsive in 2021 and participated in Sustainalytics' roundtable with banks regarding corporate culture. In H2 2021, three EU member states' regulators reported that Danske Bank continued to have challenges implementing nuanced requirements of individual countries related to anti-money-laundering, which we will continue to engage on.

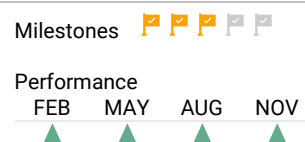


\*Associated Company: **Danica Pension Livsforsikrings A/S** (New)

### Deutsche Bank AG (Russia, 2019)

#### ► Money Laundering

**Engagement Commentary:** Sustainalytics held one conference call with Deutsche Bank (DB) in 2021 and continued correspondence via email. While its public disclosures state that it has anti-money-laundering (AML) policies, programmes, training and collaboration with AML industry groups, in 2021, regulators criticized DB for failing to improve its AML controls. In 2022, we aim to focus on implementation of its five-year plan to address AML, and its corporate culture.



\*Associated Company: **Deutsche Bank México SA, Institución de Banca Múltiple** (New)


**EDP - Energias de Portugal, S.A.** (Portugal, 2020)

► Bribery and Corruption

**Engagement Commentary:** Sustainalytics held two conference calls with EDP in 2021. EDP has Anti-Bribery and Corruption (ABC) controls in place to manage the risks associated with “politically exposed persons”. The company’s compliance management system was improved and the code of ethics reviewed in 2021. In 2022, Sustainalytics will focus the engagement on reviewing ABC governance and the implementation of risk management controls.

\*Associated Companies: **EDP - Energias do Brasil SA, EDP Renováveis, S.A. and Viesgo Infraestructuras Energéticas SL (New)**

Milestones 

Performance  
 FEB MAY AUG NOV  



**G4S PLC** (Qatar, 2020)

► Forced Labour

**Engagement Commentary:** G4S has been responsive and open to share detailed information on measures taken to improve its human rights management with regard to migrant workers following the allegations by the Council on Ethics for the Norwegian government pension fund. In April 2021, G4S was acquired by Alliance Universal and delisted from the Danish and London stock exchanges. Sustainalytics will proceed to engage with Allied in 2022.

\*Associated Company: **Allied Universal Manager LLC (New)**

Milestones 


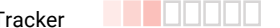
Performance  
 FEB MAY AUG NOV  


**GCM Resources Plc** (Bangladesh, 2021)

► Controversial Project(s) - Human Rights Impacts

**Engagement Commentary:** Sustainalytics made several attempts to contact GCM Resources in 2021, but the company has been unresponsive to our enquiries. We will make further attempts to initiate a dialogue with the company in 2022.

Milestones 

Performance  
 FEB MAY AUG NOV  
 New   
 Tracker 


**Glencore PLC** (Bolivia, 2021)

► Child Labour

**Engagement Commentary:** Engagement with the company was open and positive in 2021. Glencore has sold its assets in Bolivia and no longer sources from that area. Glencore is aware of the inherent risks of the mining industry and remains confident in its approach to managing its adverse human rights impacts.

\*Associated company: **Polymet Mining Corp (New)**

Milestones 


Performance  
 FEB MAY AUG NOV  


**Indivior PLC** (United States, 2019)

► Consumer Interests - Business Ethics

**Engagement Commentary:** Sustainalytics managed to re-establish a dialogue with Indivior at the end of 2021. We held a conference call in November, during which the company referred to the rollout of its response to the corporate integrity agreement. We will review the company’s disclosure in relation to this and its commitments to annual reporting.

Milestones 

Performance  
 FEB MAY AUG NOV  


**ING Groep N.V.** (Russia, 2019)

► Money Laundering

**Engagement Commentary:** During 2021, Sustainalytics was in frequent contact with ING, discussing final improvements to its global anti-money-laundering/know your customer (KYC) enhancement programme. ING also participated in our Corporate Culture Roundtable with banks, focusing on how corporate culture can be used to improve company performance on business ethics.

\*Associated companies: **ING Bank Śląski SA and ING Bank (Australia) Ltd. (New)**

Milestones 



Performance  
 FEB MAY AUG NOV  


**Irkut Corporation** (Russia, 2019)

► Involvement With Entities Violating Human Rights

**Engagement Commentary:** Sustainalytics continued attempts to establish a meaningful dialogue with Irkut Corporation throughout 2021, but did not have any success. Our correspondence included an email sent in Russian and a call to the Company Secretariat. Since our research shows that the company has limited publicly traded securities, we will review the relevance of continued engagement efforts in 2022.

Milestones 


Performance  
 FEB MAY AUG NOV  
  
 Tracker 

**Mallinckrodt PLC** (United States, 2020)

► Quality and Safety - Human Rights

**Engagement Commentary:** In 2021, we held a conference call with Mallinckrodt and exchanged a number of e-mails. It continued to work through Chapter 11 bankruptcy and is clearly working to addressing its opioid issues. Going forward, we will monitor the Chapter 11 proceedings and will focus on better understanding its pharmacovigilance processes and stakeholder interactions.

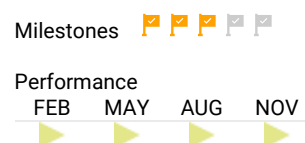
Milestones 

Performance  
 FEB MAY AUG NOV  


**MMC Norilsk Nickel PJSC** (Russia, 2020)

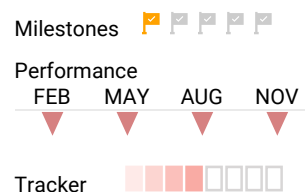
► Leaks, Spills and Pollution - Environmental and Human Rights Impacts

**Engagement Commentary:** During 2021, Norilsk Nickel continued to communicate with Sustainalytics. The company provided an update on the clean-up results and on its efforts to remediate the risks of other tanks leaking. The company has answered a number of questions on the tank safety satisfactorily. The company's progress in ensuring the tanks remain safe will be a focus of our engagement in 2022.

**NMC Health PLC** (United Arab Emirates, 2020)

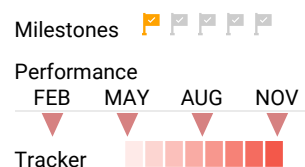
► Accounting and Taxation

**Engagement Commentary:** We made several attempts to contact and establish a dialogue with the company in 2021, but received no response. The company has gone into receivership and its stock was suspended from trading on the London Stock Exchange. Due to the company's financial distress, we will review the relevance of continued engagement efforts in 2022.

\*Associated company: **NMC Health (Jersey) Ltd.****Rostec Corporation** (Russia, 2019)

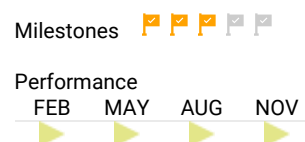
► Involvement With Entities Violating Human Rights

**Engagement Commentary:** Sustainalytics continued attempts to establish a dialogue with Rostec Corporation throughout 2021, but did not have any success. Our correspondence included an email sent in Russian and call. Since our research shows that the company has no publicly traded securities, as it is fully owned by Russian state, we will review the relevance of continued engagement efforts in 2022.

**Sanofi** (Philippines, 2020)

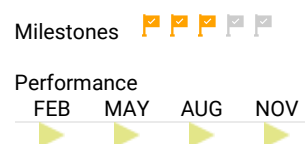
► Quality and Safety - Human Rights

**Engagement Commentary:** Sustainalytics held two conference calls with Sanofi in 2021. The engagement continued on issues specific to controversies related to the company's dengue fever vaccine and anti-epileptic drug, and also more broadly across all new vaccine developments. We will continue this focus in 2022 and will also discuss drug safety procedures, risk-benefit analysis, vaccine-specific governance, and corporate governance structure.

\*Associated companies: **Sanofi India Ltd.**, **Principia Biopharma, Inc. (New)**, **Kiadis Pharma N.V (New)**, and **Sanofi-Aventis Participations SAS (New)****Siemens Gamesa Renewable Energy, S.A.** (Western Sahara, 2018)

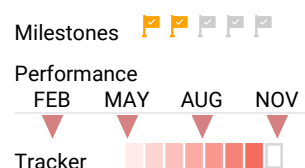
► Involvement With Entities Violating Human Rights

**Engagement Commentary:** Sustainalytics held two conference calls with Siemens Gamesa, one in February and another one in December 2021. We felt that the engagement was not as constructive as it could be around the issue of human rights due diligence and so the December 2021 engagement focused on mapping a way forward. This was constructive and it was agreed that a follow-up conference call would be beneficial.

\*Associated company: **Siemens Energy AG****Société Financière des Caoutchoucs SA** (Cameroon, 2019)

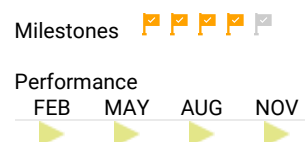
► Activities Resulting in Adverse Human Rights Impacts

**Engagement Commentary:** Socfin was unresponsive to our many emails and calls in 2021. In September 2021, we coordinated an investor letter, which was sent to the chairman of the board of Socfin. Due to the company's prolonged lack of response, we are going to review the status of the case in 2022.

\*Associated companies: **Société de Caoutchoucs de Grand-Bereby**, **Socfin SA** and **Socfinasia S.A.****Swedbank AB** (Sweden, 2019)

► Money Laundering

**Engagement Commentary:** In 2021, Swedbank was challenging to engage with, refraining from discussing anti-money-laundering (AML) issues. However, in public disclosures, Swedbank appears to have made significant progress improving AML measures, as evidenced by EFSA regulatory clearance, and it claims to have executed the majority of its AML plan. Some risk remains, particularly related to US regulators, which may result in fines and incremental required AML improvements.









**Syngenta AG** (Thailand, 2019)

## ► Quality and Safety

**Engagement Commentary:** Engagement has been relying on email correspondence, although Syngenta has been responsive to issues regarding the use of Paraquat. We have set a meeting for early 2022 to explore in more detail how the company responds to the risks posed by the continued use of Paraquat in developing countries.

\*Associated companies: *China National Chemical Corp. and Sinochem Group Co., Ltd.*

Milestones 
 Performance  





FEB	MAY	AUG	NOV
			

**Telefonaktiebolaget LM Ericsson** (Sweden, 2020)

## ► Bribery and Corruption

**Engagement Commentary:** Ericsson has been open to dialogue and shown good progress on its anti-corruption programme. In late 2021, the US Department of Justice notified Ericsson of a breach of the deferred prosecution agreement between the parties. While details were scarce, Ericsson did discuss the issue as openly as it could. In 2022, we will look to see how the company adapts its compliance strategy in case of new penalties.

Milestones 
 Performance  


FEB	MAY	AUG	NOV
			

**Teleperformance SA** (France, 2021)

## ► Freedom of Association

**Engagement Commentary:** Teleperformance was very open to dialogue during our initial call at the end of 2021. It clarified its position on the allegations and reported on work it has been doing to address the claims around employee representation and freedom of association. Teleperformance indicated that additional employee representatives had been put in place in certain key markets and that, in December 2021, it had agreed to its first collective agreement in Albania.

Milestones 
 Performance  

FEB	MAY	AUG	NOV
			 <b>New</b>

**United Aircraft Corp. PJSC** (Russia, 2019)

## ► Involvement With Entities Violating Human Rights

**Engagement Commentary:** Sustainalytics continued attempts to establish a dialogue with United Aircraft throughout 2021, but did not have any success. Our correspondence included an email sent in Russian and a call. Since our research shows that the company has limited to no publicly traded securities, we will review the relevance of continued engagement efforts in 2022.

Milestones 
 Performance  

FEB	MAY	AUG	NOV
			

**Vedanta Resources Ltd.** (India, 2019)

## ► Community Relations

**Engagement Commentary:** There was limited dialogue with Vedanta in 2021, however in general the company has been responsive to Sustainalytics' enquiries concerning the protest in Tuticorin and how it is addressing the identified issues in cooperation with the local communities. There has been a lot of positive developments in Vedanta within last two years. Nevertheless, the real test for the measures in place will come when/if the plant in Tuticorin reopens.

Milestones 
 Performance  





FEB	MAY	AUG	NOV
			

**Volvo AB** (Israel, 2019)

## ► Involvement With Entities Violating Human Rights

**Engagement Commentary:** Sustainalytics held two conference calls with Volvo. During our call in May 2021, we maintained the focus on the company's work with business partners to assess and manage human rights risks. The company stated it was developing a standalone human rights policy, which was subsequently published in July 2021. We are seeking to understand how the new policy might facilitate human rights due diligence in collaboration with importers or distributors.

Milestones 
 Performance  





FEB	MAY	AUG	NOV
			


**Wirecard AG** (Germany, 2020)

## ► Fraud

**Engagement Commentary:** There are ongoing insolvency proceedings and Wirecard continued to sell off assets throughout 2020 and 2021. In November 2021, the company was delisted from the Deutsche Börse. Due to the company's significant financial distress, we will review the relevance of continued engagement efforts in 2022.

Milestones 
 Performance  

FEB	MAY	AUG	NOV
			

 Tracker 

## LATIN AMERICA AND CARRIBEAN


### BRF S.A. (Brazil, 2019)

#### ► Consumer Interests - Human Rights

**Engagement Commentary:** BRF has been responsive and open in dialogue. We held two conference calls with the company in 2021, during which BRF provided updates on its food safety culture efforts. The focus in 2022 will be on encouraging BRF's progress and enhancing its disclosure and targets.

\*Associated company: **BFF International Ltd.**

Milestones 


Performance  
 FEB MAY AUG NOV  


### Centrais Elétricas Brasileiras SA (Brazil, 2020)

#### ► Controversial Project(s) - Human Rights Impacts

**Engagement Commentary:** Sustainalytics held three conference calls with Eletrobras in 2021. Eletrobras completed Human Rights Due Diligence (HRDD) on all of its Special Purpose Companies (SPCs). Human rights training started in 2021. In 2022, Sustainalytics will focus the engagement on progress with implementing remedial actions, following the HRDD remedial actions review of Eletrobras' SPCs.

Milestones 

Performance  
 FEB MAY AUG NOV  


### Empresas Publicas de Medellin E.S.P. (Colombia, 2019)

#### ► Controversial Project(s) - Environmental and Human Rights Impacts

**Engagement Commentary:** Our communication with Empresas Publicas de Medellin continued in 2021. The independent assessment of the dam's stability has not been finalized due to the COVID-19 pandemic and the fact that Chilean experts are not able to visit the project. Engagement in 2022 will focus on the independent report and the company's progress in helping the evacuated families.

Milestones 


Performance  
 FEB MAY AUG NOV  


### Grupo México, S.A.B. de C.V. (Mexico, 2020)

#### ► Freedom of Association

**Engagement Commentary:** Our communication with Grupo Mexico in 2021 was via email, as requested by the company. In its November 2021 disclosure, the company addressed a number of labour rights concerns. The company has implemented appropriate policies and is aligning itself with some key ILO standards. Engagement efforts in 2022 will determine how effectively these policies are implemented.

Milestones 

Performance  
 FEB MAY AUG NOV  


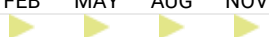
\*Associated companies: **GMéxico Transportes SAB de CV** and **Mexico Generadora de Energia S de RI (New)**

### Grupo México, S.A.B. de C.V. (Mexico, 2020)

#### ► Leaks, Spills and Pollution - Environmental and Human Rights Impacts

**Engagement Commentary:** Our communication with Grupo Mexico in 2021 continued via email, as requested by the company. In its November 2021 disclosure, the company demonstrated an acknowledgement of its environmental impact and made efforts to remediate impacts of the spill. The improvements are good, and the company has put policies in place to improve its ongoing environmental standards. Ensuring the new policies are effective will be the engagement goal of 2022.

Milestones 

Performance  
 FEB MAY AUG NOV  


\*Associated companies: **GMéxico Transportes SAB de CV** and **Mexico Generadora de Energia S de RI (New)**

### JBS S.A. (Brazil, 2017)

#### ► Bribery and Corruption

**Engagement Commentary:** In 2021, Sustainalytics held several calls with JBS to jointly discuss bribery and corruption and anti-trust issues. The company has taken a number of steps to address bribery and corruption, while anti-trust measures are less developed. We continue to engage on implementation of related policies, programmes, training, corporate governance and reporting structure and push for more disclosure.

Milestones 

Performance  
 FEB MAY AUG NOV  

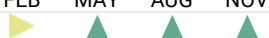

\*Associated company: **Independencia International**

### JBS S.A. (United States, 2020)

#### ► Business Ethics

**Engagement Commentary:** In 2021, Sustainalytics held several calls with JBS to jointly discuss bribery and corruption and anti-trust issues. The company has taken a number of steps to address bribery and corruption, while anti-trust measures are less developed. We continue to engage on implementation of related policies, programmes, training, corporate governance and reporting structure and push for more disclosure.

Milestones 

Performance  
 FEB MAY AUG NOV  


\*Associated companies: **JBS USA Food Co**, **Pilgrim's Pride Corp.** and **Independencia International**

**JBS S.A.** (Brazil, 2021)

## ► Land Use and Biodiversity

**Engagement Commentary:** Sustainalytics held a call on deforestation in late 2021 to check progress against JBS's 2025 commitment. In 2021, JBS started rolling out its Transparent Livestock Farming Platform, with its suppliers starting to sign up. Its purpose is to extend supplier monitoring and deforestation enforcement by 2025. This is a move in the right direction but much remains to be implemented in tracing and monitoring. The latter will be followed up on in 2022.

\* Associated companies: **JBS USA Food Co** (New) and **Independencia Internacional** (New)

Milestones 

Performance

FEB	MAY	AUG	NOV
New			

**Petroleos Mexicanos S.A. de C.V.** (Mexico, 2015)

## ► Incident(s) Resulting in Negative Human Rights and Environmental Impacts

**Engagement Commentary:** Sustainalytics held two engagement meetings with PEMEX in 2021. The company's Fatal Accident Rate is at its lowest in 12 years and the Lost Time Injury Frequency Rate has stabilized since 2010. There has been a 92% decrease in pipeline fuel theft since 2018. In 2022, Sustainalytics will focus the engagement on issues of safety leadership, safety culture and safety behaviour.

Milestones 

Performance

FEB	MAY	AUG	NOV
			



**SLC Agricola SA** (Brazil, 2021)

## ► Land Use and Biodiversity

**Engagement Commentary:** During an initial call with SLC in October 2021, the company referred to its commitment to halt deforestation in the Cerrado and move production to previously cleared land by August 2021. The engagement will continue on the implementation of traceability and monitoring initiatives, corporate governance, and seeking to find constructive ways the industry can address deforestation.

Milestones 

Performance

FEB	MAY	AUG	NOV
	New		

**Vale S.A.** (Brazil, 2019)

## ► Incident(s) Resulting in Negative Human Rights Impacts

**Engagement Commentary:** Sustainalytics held two conference calls with Vale in 2021. Vale has made significant improvements to the technical assurance, governance, surveillance and independent monitoring of its tailings dams. Vale is on track to achieve full compliance to the Global Industry Standard for Tailings Management. In 2022, Sustainalytics will focus the engagement on safety processes and emergency planning for tailings facilities.

Milestones 

Performance

FEB	MAY	AUG	NOV
			

## UNITED STATES AND CANADA


### 3M Co (United States, 2019)

#### ► Activities Resulting in Adverse Environmental and Human Rights Impacts

**Engagement Commentary:** Sustainalytics continued engagement with 3M throughout 2021. The company continues to offer substantive input into the queries raised in relation to the legacy PFAS contamination in both the US and Europe as well as the public disclosure of PFAS related hazards and risks. In Europe, it is actively engaging with regulators and the public to ensure a comprehensive response to allegations of harm arising from historical PFAS contamination.

\*Associated Company: **3M India Ltd.**

Milestones 

Performance  
 FEB MAY AUG NOV  



### Activision Blizzard, Inc. (United States, 2021)

#### ► Discrimination and Harassment

**Engagement Commentary:** Sustainalytics held one conference call with Activision Blizzard in November 2021, during which the company presented its efforts to cooperate with ongoing investigations, improve health and safety in its operations and strengthen grievance mechanisms.

\*Associated Company: **King Digital Entertainment Plc (New)**

Milestones 

Performance  
 FEB MAY AUG NOV  


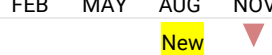
### Amazon.com Inc (United States, 2021)

#### ► Freedom of Association

**Engagement Commentary:** Engagement results in 2021 were limited. Dialogue in 2020 on a separate GSE case was considered productive and open; however, Amazon was hesitant to re-establish the dialogue during 2021 and the case concerning freedom of association has not been discussed with the company.

\*Associated Company: **Whole Foods Market, Inc. (New)**

Milestones 

Performance  
 FEB MAY AUG NOV  


Tracker 


### Amazon.com Inc (United States, 2020)

#### ► Occupational Health and Safety

**Engagement Commentary:** Engagement results in 2021 were limited, whereas dialogue in 2020 was considered productive and open. Amazon was encouraged to continue the steps it had taken to improve its social disclosure and include more insight into relevant workforce targets and performance statistics; however, it was hesitant to continue the dialogue during 2021. The focus in 2022 will be on bringing Amazon back to the engagement.

\*Associated Company: **Whole Foods Market, Inc. (New)**

Milestones 

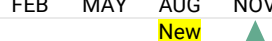
Performance  
 FEB MAY AUG NOV  


### Bunge Ltd. (Brazil, 2021)

#### ► Land Use and Biodiversity

**Engagement Commentary:** Following NGO reports, we re-opened our engagement in August 2021 and held a second call in late 2021. Bunge has strong reporting and disputes the NGO allegations. The company has made progress, achieving 100% monitoring of direct suppliers and 50% of indirect suppliers. We will engage on the company's plans for monitoring indirect suppliers, and how it is advancing financial incentives in its supply chain to encourage solutions to deforestation.

Milestones 


Performance  
 FEB MAY AUG NOV  


### Cargill, Inc. (Brazil, 2020)

#### ► Land Use and Biodiversity

**Engagement Commentary:** Sustainalytics held three conference calls with Cargill in 2021 discussing, among other things, its commitment to deforestation- and conversion-free supply chains by 2030, and to that end to the roll-out of traceability of direct and indirect suppliers. Much remains to be done, and in 2022 we will engage on implementation of traceability and mapping initiatives and innovative solutions to tackle deforestation.

Milestones 

Performance  
 FEB MAY AUG NOV  



### Caterpillar Inc (Myanmar, 2020)

#### ► Involvement With Entities Violating Human Rights

**Engagement Commentary:** Sustainalytics held a conference call with Caterpillar in November 2021. The company was not open to dialogue on the controversies and rejected any responsibility for the end use of its products. Sustainalytics provided examples of leading practices and case studies to inspire Caterpillar to nuance its position. Its response to the material will guide the engagement focus for 2022.

\*Associated company: **Caterpillar Financial Services Corp. (New)**

Milestones 

Performance  
 FEB MAY AUG NOV  






**Citigroup, Inc.** (United States, 2019)

## ► Business Ethics

**Engagement Commentary:** Sustainalytics held two engagement meetings with Citigroup in 2021. Citigroup has fully complied with federal regulatory requirements and implemented action plans in response to the 2020 consent orders. Citigroup's board has been the key driver in the governance processes to improve the anti-money laundering and risk management deficiencies. In 2022, Sustainalytics will focus the engagement on Citigroup's risk control environment.

\*Associated companies: **Associates First Capital Corporation**, **Citigroup Global Markets Holdings Inc.** (New) and **Banco Nacional de México SA** (New)

Milestones 
 Performance  

FEB	MAY	AUG	NOV
			

**CoreCivic Inc** (United States, 2019)

## ► Incident(s) Resulting in Negative Human Rights Impacts

**Engagement Commentary:** A call with CoreCivic did not materialize during 2021, but the company remained generally interested in participating in the engagement. In 2022, Sustainalytics will focus on getting an update from CoreCivic on developments and discuss the company's annual ESG report, which contains further disclosure on relevant matters.

Milestones 
 Performance  

FEB	MAY	AUG	NOV
			





**Dow, Inc.** (United States, 2019)

## ► Quality and Safety - Human Rights

**Engagement Commentary:** Dow constructively engaged with Sustainalytics in 2021. In a conference call in December, the company confirmed the phase-out of Chlorpyrifos and TCP and disclosed robust processes for ensuring that end users are not put at risk from exposure. It also agreed to provide evidence to support its statement of effective implementation of its processes.

\*Associated company: **Union Carbide Corp.**

Milestones 
 Performance  





FEB	MAY	AUG	NOV
			

**DuPont de Nemours, Inc.** (United States, 2018)

## ► Activities Resulting in Adverse Environmental and Human Rights Impacts

**Engagement Commentary:** Sustainalytics held two conference calls with DuPont in 2021. The company has confirmed that it no longer produces PFAS and any historical liability for PFAS contamination now sits with Chemours (a company formed specifically to take the risks arising from the DowDuPont de-merger). Based on this information, we aim to conclude the DuPont engagement in 2022.

Milestones 
 Performance  

FEB	MAY	AUG	NOV
			





**Energy Transfer LP** (United States, 2016)

## ► Community Relations - Indigenous Peoples

**Engagement Commentary:** Apart from dialogue, Sustainalytics provided two human rights focused training sessions to the company in 2021 – the first one on foundational business and human rights principles and the second one on good practices in relation to community engagements. They were both well received by the company, which also promised further reporting on stakeholder engagement.

\*Associated companies: **Penntex Midstream Partners LP** (New) and **ETC Sunoco Holdings LLC** (New)

Milestones 
 Performance  


FEB	MAY	AUG	NOV
			

**FirstEnergy Corp.** (United States, 2021)

## ► Bribery and Corruption

**Engagement Commentary:** FirstEnergy responded quickly to Sustainalytics' communication and we held one call in 2021. The company is well aware of the trust issues the public and investors may have with it and acknowledges that rectifying this will take time. It is investing in anti-bribery practices, training and corporate transparency to rebuild trust. The effectiveness of these practices will be Sustainalytics' focus in 2022.

Milestones 
 Performance  

FEB	MAY	AUG	NOV
			 New

**GEO Group, Inc.** (United States, 2019)

## ► Incident(s) Resulting in Negative Human Rights Impacts

**Engagement Commentary:** We held one call with Geo Group in 2021. Due to changes in US policy, the company experienced material changes to its operations and revenue, leading it to pause its ESG work pending new scoping. Dialogue in 2022 will focus on understanding the company's altered strategy and rationale.

Milestones 
 Performance  





FEB	MAY	AUG	NOV
			

**Johnson & Johnson** (United States, 2018)

## ► Quality and Safety - Human Rights

**Engagement Commentary:** During 2021, a number of emails were exchanged confirming the nature of the testing Johnson & Johnson conducts related to alleged asbestos in its talc products. The company also provided details of the governance structures for product quality and preventing potential reoccurrences. Going forward, we will continue to push for greater disclosure on quality and safety processes broadly across many products.

Milestones 
 Performance  

FEB	MAY	AUG	NOV
			

\*Associated companies: **Actelion Ltd** (New), **Momenta Pharmaceuticals, Inc.** (New) and **Hansen Medical, Inc.** (New)







**Lockheed Martin Corp** (Saudi Arabia, 2020)

► Involvement With Entities Violating Human Rights

**Engagement Commentary:** Lockheed Martin continues to prefer to respond in writing and issued a set of responses to our queries in October 2021. The company's most recent disclosures confirmed levels of governance and oversight on sales of weapons and repeated commitments to comply with international law. Future engagement will focus on the company's values as they relate to sales of weapons.

Milestones 

Performance

FEB	MAY	AUG	NOV
			


**Mattel, Inc.** (United States, 2021)

► Quality and Safety - Human Rights

**Engagement Commentary:** We initiated engagement with Mattel in November 2021 and the case is in early stages of engagement, with the change objective identified and initial contacts with the company conducted.

Milestones 

Performance

FEB	MAY	AUG	NOV
			 <b>New</b>





**Meta Platform Inc.** (United States, 2018)

► Data Privacy and Security

**Engagement Commentary:** In 2021, Meta (previously as Facebook) did not participate in dialogue and Sustainalytics is aware that it has not been responsive to other investor initiatives. That said, its preparedness to manage its privacy risks and adverse impacts has improved, though Meta seems to take a compliance mindset on privacy even in light of the constant controversy it experiences on the issue. Focus in 2022 is to again open communication with Meta.

Milestones 

Performance

FEB	MAY	AUG	NOV
			


**Meta Platform Inc.** (United States, 2021)

► Social Impact - Products

**Engagement Commentary:** In 2021, leaked documents increased focus on Meta's content moderation practices and the negative impact of the company's products, and the content shared via them, alongside corporate decisions to disregard potential solutions so as to maximize user engagement and profit. Sustainalytics has taken steps to establish communication with the company, but it has shown broad reticence to engagement.

Milestones 

Performance

FEB	MAY	AUG	NOV
			 <b>New</b>





**McDonald's Corp** (United States, 2015)

► Labour Rights

**Engagement Commentary:** The engagement remains challenging. Despite a call in March 2021, it is clear that McDonald's has not changed its position on franchisees. McDonald's has solid policies addressing labour and human rights in place for its own operations. However, throughout the dialogue with Sustainalytics, it has continuously indicated that it does not have any intentions to expand this to also be applied to franchised operations.

Milestones 

Performance

FEB	MAY	AUG	NOV
			





**McKesson Corp** (United States, 2019)

► Consumer Interests - Human Rights

**Engagement Commentary:** In 2021, McKesson corresponded with Sustainalytics; however, our call focused only on the engagement process. The company confirmed that it wanted to proceed but requested a follow-up call waits until new staff are in place, which is planned for January 2022. Original queries regarding the company's response to the compliance action plan were re-issued.

Milestones 

Performance

FEB	MAY	AUG	NOV
			





\*Associated company: **McKesson Europe AG****Pan American Silver Corp.** (Guatemala, 2019)

► Community Relations - Indigenous Peoples

**Engagement Commentary:** Sustainalytics held two conference calls with Pan American Silver (PAS) in 2021. PAS's Escobal Mine is in care and maintenance mode, while the Guatemalan Ministry of Energy and Mines (MEM) is consulting with the Xinka Indigenous people. In 2022, Sustainalytics will focus the engagement on measures to obtain a social licence to operate.

Milestones 

Performance

FEB	MAY	AUG	NOV
			





**PG&E Corp** (United States, 2019)

► Quality and Safety - Human Rights

**Engagement Commentary:** Sustainalytics held a conference call and substantial e-mail exchanges with PG&E in 2021. We focused on deficiencies in its Wildfire mitigation plan. In 2021, it reported on several short-term solutions that were well underway, and implemented a lean management system. In 2022, we will continue to focus on the implementation of short-term solutions and discuss more permanent, long-term solutions.

Milestones 

Performance

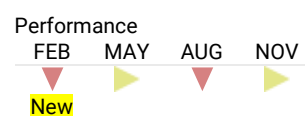
FEB	MAY	AUG	NOV
			

**Raytheon Technologies Corp.** (Saudi Arabia, 2020)

## ► Involvement With Entities Violating Human Rights

**Engagement Commentary:** Our first material engagement with Raytheon was in December 2021, during which issues of human rights responsibilities were discussed. The engagement was constructive and Raytheon disclosed a significant amount of details about its plans to strengthen the human rights aspect of its operation. A second engagement call is planned for Q2 2022.

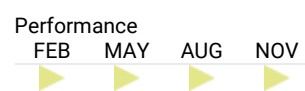
\* Associated companies: **Raytheon Co** and **Raytheon Missiles & Defense** (New)

Milestones **Southern Copper Corporation** (Mexico, 2020)

## ► Freedom of Association

**Engagement Commentary:** Our communication with Southern Copper in 2021 was via email, as requested by the company. In its November 2021 disclosure, the company addressed a number of labour rights concerns. The company has implemented appropriate policies and is aligning itself with some key ILO standards. Engagement efforts in 2022 will determine how effectively these policies are implemented.

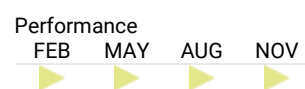
\* Associated company: **Minera Mexico SA de CV** (New)

Milestones **Southern Copper Corporation** (Mexico, 2020)

## ► Leaks, Spills and Pollution - Environmental and Human Rights Impacts

**Engagement Commentary:** Our communication with Southern Copper in 2021 was via email, as requested by the company. In its November 2021 disclosure, the company demonstrated an acknowledgement of its environmental impact and made efforts to remediate impacts of the spill. The improvements are positive, and the company has put policies in place to improve its ongoing environmental standards. Ensuring the effectiveness of the new policies is the engagement goal of 2022.

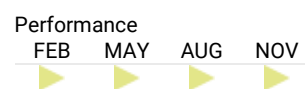
\* Associated company: **Minera Mexico SA de CV** (New)

Milestones **Stryker Corporation** (United States, 2019)

## ► Quality and Safety - Human Rights

**Engagement Commentary:** A conference call was held with Stryker in December 2021. The call focused on further disclosure around the issue of quality management, particularly that relating to customer products. The company disclosed significant progress in the strengthening of its quality management systems and quality accreditations.

\* Associated companies: **Wright Medical Group N.V.** (New) and **Invtuity, Inc.** (New)

Milestones **The Boeing Company** (United States, 2019)

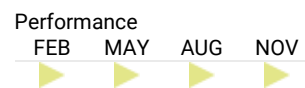
## ► Quality and Safety - Human Rights

**Engagement Commentary:** Sustainalytics held two conference calls with Boeing in 2021. The MAX aircraft was recertified in the US, EU, China and other markets. The company has substantially expanded its efforts to enforce and promote quality and safety, and the case is progressing well. In 2022, we will continue to engage with a focus on corporate culture, emphasizing safety.

Milestones **The Chemours Co** (United States, 2018)

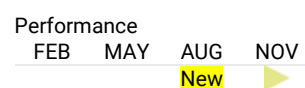
## ► Activities Resulting in Adverse Environmental and Human Rights Impacts

**Engagement Commentary:** Chemours has not responded to engagement activities and, in order to move forward, a conference call was held in November 2021 to better understand the issues preventing movement on the case. The call was constructive and allowed a new meeting to be timetabled for Q1 2022, although the company has yet to confirm this.

Milestones **Thermo Fisher Scientific Inc.** (China, 2021)

## ► Involvement With Entities Violating Human Rights

**Engagement Commentary:** Dialogue with Thermo Fisher in 2021 was productive and open. The company indicated that it was taking steps to address the concerns raised. It noted that, financially speaking, sales for the product in question in China were not material, but it did see itself as a responsible actor with respect to making sure the business was ethical. Thermo Fisher also indicated that disclosure of its human rights position was underway.

Milestones 

**Uber Technologies, Inc.** (United States, 2019)

## ► Data Privacy and Security

**Engagement Commentary:** A call with Uber did not materialize during 2021, but the company remained responsive and interested in participating in the engagement. Uber has shown overall good progress on its privacy practices. A call has been scheduled for early in 2022 for the company to provide an update on its work on privacy matters.

Milestones 

Performance

FEB	MAY	AUG	NOV
			

**Walmart Inc.** (United States, 2006)

## ► Labour Rights

**Engagement Commentary:** We held one conference call with Walmart in 2021. Overall, Sustainalytics believes that Walmart is serious about improving its practices and reputation, with many concrete changes already made and, hence, there is currently good engagement potential for investors to encourage further progress. Sustainalytics will continue to arrange regular conference calls with the company during 2022.

Milestones 

Performance

FEB	MAY	AUG	NOV
			

**Wells Fargo & Company** (United States, 2019)

## ► Business Ethics

**Engagement Commentary:** We held two conference calls with Wells Fargo in 2021. The company has been open to dialogue and we provided recommendations to help it strengthen its approach. There continues to be interest in understanding the bank's management of its corporate culture and obtaining insight into the organizational structure around Sales Practise Oversight at Wells Fargo, which will be a focus in 2022.

Milestones 

Performance

FEB	MAY	AUG	NOV
			

## Disengage

### AFRICA / MIDDLE EAST

#### Elbit Systems Ltd.

- Operations in Occupied Territories

Palestinian Authority

*\*Associated company: Ashot Ashkelon Industries Ltd.*

#### Israel Aerospace Industries Ltd.

- Involvement in Cluster Munitions

Israel

#### Makina Ve Kimya Endustrisi Kurumu

- Involvement in Cluster Munitions

Turkey

#### Roketsan Roket Sanayii ve Ticaret AS

- Involvement in Cluster Munitions

Turkey

#### Saudi Arabian Oil Co.

- Operations in Territories with Elevated Human Rights Risks

*\*Associated companies: Saudi Basic Industries Corp and S-Oil Corp. (New)*

Saudi Arabia

### ASIA / PACIFIC

#### Abdul Qader Khan Research Laboratories (AQRL)

- Nuclear Weapons Development

Pakistan

#### Aerospace Long-March International Trade Co., Ltd.

- Involvement in Cluster Munitions

China

#### Air Weapons Complex

- Involvement in Cluster Munitions

Pakistan

#### Anhui GreatWall Military Industry Co., Ltd.

- Involvement in Cluster Munitions

China

#### AviChina Industry & Technology Company Limited (New)

- Involvement With Entities Violating Human Rights

China

#### Bharat Dynamics Limited

- Nuclear Weapons Development

India

#### CH. Karnchang Public Company Limited

- Project(s) with Environmental and Human Rights Risks

Laos

#### China Aerospace Science & Technology Corp.

- Involvement in Cluster Munitions

China

#### China North Industries Corp.

- Involvement in Cluster Munitions

China

#### China Spacesat Co Ltd

- Involvement in Cluster Munitions

China

#### Coal India Limited

- Recurring Workplace Accidents

India

#### Defense Research & Development Organization

- Inhumane Weapons

India

- Involvement in Cluster Munitions

India

#### Dewan Housing Finance Corp. Ltd. (New)

- Fraud

India

#### Export-Import Bank of India

- Project(s) With Environmental and Human Rights Risks

Bangladesh

#### Larsen & Toubro Limited

- Nuclear Weapons Development

India

*\*Associated companies: L&T Finance Holdings Ltd, L&T Technology Services Ltd. and Larsen & Toubro Infotech Limited*

#### LIG Corp.

- Involvement in Cluster Munitions

South Korea

#### LIG Nex1 Co Ltd

- Involvement in Cluster Munitions

South Korea

#### Metallurgical Corporation of China Ltd.

- Environmental Impacts from Waste Practices

Papua New Guinea

*\*Associated companies: China Metallurgical Group Corp and China Minmetals Group Co. Ltd.*

<b>MindTree Limited</b>	
▶ Nuclear Weapons Development	India
<b>National Development Complex</b>	
▶ Involvement in Cluster Munitions	Pakistan
<b>National Engineering &amp; Scientific Commission</b>	
▶ Involvement in Cluster Munitions	
▶ Nuclear Weapons Development	Pakistan
<b>Nityanand Udyog Pvt Ltd.</b>	
▶ Involvement in Land Mines	India
<b>Poongsan Corporation</b>	
▶ Involvement in Cluster Munitions	South Korea
<b>Poongsan Holdings Corporation</b>	
▶ Involvement in Cluster Munitions	South Korea
<b>S&amp;T Dynamics Co. Ltd.</b>	
▶ Involvement in Land Mines	South Korea
<b>S&amp;T Holdings Co., Ltd.</b>	
▶ Involvement in Land Mines	South Korea
<b>Steel Authority of India Limited (New)</b>	
▶ Fatal Workplace Accident(s)	India
<b>Synthetic Moulders Ltd.</b>	
▶ Involvement in Land Mines	India
<b>TATA Advanced Systems Ltd.</b>	
▶ Nuclear Weapons Development	India
<b>Tata Sons Private Limited.</b>	
▶ Nuclear Weapons Development	
<i>*Associated companies: Tata Consultancy Services Ltd. and Tata Investment Corp. Ltd.</i>	India
<b>Walchandnagar Industries Ltd.</b>	
▶ Nuclear Weapons Development	India

## EUROPE

<b>Aeroteh SA</b>	
▶ Involvement in Cluster Munitions	Romania
<b>Cia Nationala ROMARM SA</b>	
▶ Involvement in Cluster Munitions	Romania
<b>Rostec Corporation</b>	
▶ Involvement in Cluster Munitions	Russia
<b>Splav State Research &amp; Production Association Fsue</b>	
▶ Involvement in Cluster Munitions	Russia
<b>Tactical Missiles Corp. JSC</b>	
▶ Involvement in Cluster Munitions	Russia

## LATIN AMERICA AND CARIBBEAN

<b>Avibras Industria Aeroespacial S/A.</b>	
▶ Involvement in Cluster Munitions	Brazil
<b>Petróleos de Venezuela S.A.</b>	
▶ Corrupt Practices	
▶ Oil Spill(s)	
▶ Recurring Workplace Accidents	
▶ Operations in Territories with Elevated Human Rights Risks	Venezuela

## UNITED STATES AND CANADA

<b>Mil-spec Industries Corp</b>	
▶ Involvement in Cluster Munitions	
▶ Involvement in Land Mines	United States
<b>Motorola Solutions, Inc.</b>	
▶ Operations in Occupied Territories	Palestinian Authorities
<b>The Day &amp; Zimmermann Group, Inc.</b>	
▶ Involvement in Cluster Munitions	United States

# Resolved

## ASIA / PACIFIC

### Habib Bank Limited (Pakistan, 201)

Habib Bank has demonstrated robust controls to manage anti-money laundering (AML), anti-bribery and corruption (ABC), and anti-financial crime (AFC) issues. In September 2020, the bank reported that it had completed the closure and liquidation of its New York Branch, which effectively minimizes the risk of further AML violations by Habib in this jurisdiction. The company has also published a global manual to standardize oversight mechanisms and controls in satellite offices. Additionally, Habib Bank has created new control standards, including revamping customer onboarding and risk management processes to safeguard it from money laundering, terrorist financing and KYC related risks. A separate board Compliance & Conduct Committee was established in 2018 to oversee compliance related risks and controls, and subject matter experts have been introduced in new areas, such as trade-based money laundering (TBML), compliance training and project management. Based on the above measures, Sustainalytics has decided to resolve the case.

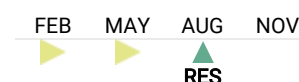
#### ISSUE

► Money Laundering

#### MILESTONES

5/5 Achieved

#### PERFORMANCE



## EUROPE

### Andritz AG (Turkey, 2018)

Andritz has taken relevant efforts that are in line with the change objective and has demonstrated that it has corporate policies addressing environmental and social risks in infrastructure projects. The policies advocate a precautionary approach and require projects to comply with internationally recognized environmental and social standards. Andritz has a project pre-screening questionnaire with 25 parameters (including ESG elements) that is implemented before deciding whether to become involved in a project; an ESIA is mandatory for the company to even consider involvement. This development, together with the lack of new incidents, has led Sustainalytics to resolve this case. Should new information arise, we would reassess our conclusion.

#### ISSUE

► Controversial Project(s) - Human Rights and Environmental Impacts

#### MILESTONES

5/5 Achieved

#### PERFORMANCE



### Atlantia S.p.A. (Italy, 2018)

Atlantia has committed to strengthening its quality and safety measures by increasing its monitoring of infrastructure projects and by making substantial investments in a new 2020-2023 strategic safety plan. The company has also provided satisfactory remediation to families of the victims of the bridge collapse, as well as financial contributions to commercial businesses affected. To reflect the strengthened focus on safety, Atlantia replaced its CEO and 80% of top management to ensure that its leadership is well positioned to manage any challenges. These positive developments, together with a lack of additional incidents since the bridge collapse, has led Sustainalytics to resolve the case.

\*Associated company: *Autostrade per l'Italia SpA*

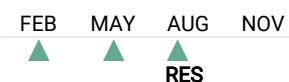
#### ISSUE

► Quality and Safety - Human Rights

#### MILESTONES

5/5 Achieved

#### PERFORMANCE



### Bayer AG (United States, 2019)

Bayer has addressed the vast majority of the litigation in regard to Essure, Xarelto and Yaz/Yasmin, and it withdrew its Essure contraceptive device in 2018. The company is a member of the EFPIA and PhRMA and complies with the joint principles on clinical trial data sharing. The company complies with the regulations from Phase I, II, III, and IV clinical trials and convenes safety management teams (SMT) to review all clinical data prior to product launch. The SMT has the authority to suspend or cancel a product launch if concerns are raised and cannot be adequately answered. There is also a global pharmacovigilance department, which is responsible for Post Authorisation Safety Studies. Based on the systems and structures the company has in place and the lack of any recent new litigation regarding its pharmaceutical products, we consider the case to be resolved.

\*Associated company: *Bayer CropScience Limited*

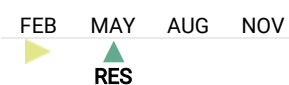
#### ISSUE

► Quality and Safety

#### MILESTONES

5/5 Achieved

#### PERFORMANCE





**BMW Group** (Germany, 2019)

BMW cooperated with authorities in their investigation of antitrust violations. Given the controversial nature of the EC's decision, the company's defensive position was legitimate. Even though BMW agreed to settle, the company still believes it has not breached the competition regulation. Nevertheless, the company has upgraded its compliance systems to recognize potential similar risks in the future. Sustainalytics notes that the company did not review the incident from a company cultural perspective and a general attitude to ignore the broader interests of society might persist, which may leave the company exposed to a variety of business ethics risks. Sustainalytics will resume dialogue with BMW on corporate culture if new business ethics incidents arise.

**ISSUE**

► Business Ethics

**MILESTONES**
 5/5 Achieved
**PERFORMANCE**

FEB	MAY	AUG	NOV
▲	▲	▲	▲
<b>RES</b>			

**Daimler AG** (Germany, 2019)

Daimler blew the whistle for the European Commission to investigate the antitrust violations, which in itself implies that the company has strong antitrust controls in place. The company closely cooperated with the authorities and improved and adapted its compliance systems during discussions with the EU Commission in the capacity of a leniency applicant. Based on this, Sustainalytics decides to resolve case.

**ISSUE**

► Business Ethics

**MILESTONES**
 5/5 Achieved
**PERFORMANCE**

FEB	MAY	AUG	NOV
▶	▶	▶	▲
<b>RES</b>			

**MMC Norilsk Nickel PJSC** (Russia, 2010)

In the last few years, there has been significant progress on its sulphur emissions. As part of Nor Nickel's remediation of the issue, it has put in place an expansive plan to reduce sulphur emissions across its operations. This began in 2014 with an initial upgrade of the Talnakh Concentrator, and the refurbishment of one plant and the decommission of another as part of the first phase of the project. While initially beset with some delays, as the company grappled with its scope, the project has now shifted to the larger second phase, which is well underway. The company continues to move ahead on target with its plans and has USD 3.6 billion earmarked to target a 95% reduction in sulphur dioxide emissions by 2030. Given the strength of the strategy in place, we expect the company to meet its targets. With such improved measures, Sustainalytics considers the case resolved.

**ISSUE**

► Activities Resulting in Adverse Environmental and Human Rights Impacts

**MILESTONES**
 5/5 Achieved
**PERFORMANCE**

FEB	MAY	AUG	NOV
▲	▲		
<b>RES</b>			

**Volkswagen AG** (Germany, 2015)

The Dieselgate scandal induced Volkswagen to reform its corporate culture through a comprehensive range of measures, including the involvement of an external compliance auditor and more dedicated attention to ESG performance tied to the remuneration of both top and middle management. Supervisory board independence has remained a serious concern and, despite indications of internal efforts, it has not yet been possible to elevate shareholder concerns. Furthermore, the closure of this engagement was held back by the European Commission's anti-trust proceedings against Volkswagen and its German peers, BMW and Daimler. In July 2021, Volkswagen received a EUR 0.5 billion fine. Based on the company's willingness to cooperate with the authorities, strong responsiveness to the engagement, and its significant progress in improving its internal compliance organization and reforming its corporate culture, Sustainalytics has concluded the engagement. Dialogue with Volkswagen would be resumed, though, if any new serious business ethics incidents occur.

**ISSUE**

► Activities Resulting in Adverse Environmental and Human Rights Impacts

**MILESTONES**
 5/5 Achieved
**PERFORMANCE**

FEB	MAY	AUG	NOV
▲	▲	▲	▲
<b>RES</b>			

\*Associated company: **Porsche Automobil Holding SE**

**LATIN AMERICA AND CARIBBEAN****Andrade Gutierrez SA** (Brazil, 2019)

Andrade Gutierrez (AG) has improved its ethics and compliance programme and signed a leniency agreement with Brazilian authorities. As part of this agreement, AG must report on progress in its compliance programme to an external compliance monitoring system until April 2022. Furthermore, the company received ISO 37001 certification in December 2020. Lastly, the Operation Car Wash investigation was closed in February 2021, and the company has not been involved in new corruption controversies since 2014. Considering these developments, Sustainalytics has decided to resolve the case.

**ISSUE**

► Bribery and Corruption

**MILESTONES**
 5/5 Achieved
**PERFORMANCE**

FEB	MAY	AUG	NOV
▲	▲	▲	
<b>RES</b>			

**Eldorado Brasil Celulose S.A.** (Brazil, 2019)

Eldorado Brasil Celulose SA carried out an internal investigation of the reported incidents and continues to collaborate with authorities within the framework of the leniency agreement. Its anti-corruption programme was strengthened by the creation of a new compliance team and by considering the company's risk exposure. Eldorado shared information on resources, implementation, corrective actions and external verification in relation to the programme. Given the productive engagement dialogue and substantial changes that the company has introduced to strengthen its compliance system, Sustainalytics decided to resolve the case.

**ISSUE**

► Bribery and Corruption

**MILESTONES**
 5/5 Achieved
**PERFORMANCE**

FEB	MAY	AUG	NOV

**RES**
**Novonor SA** (Brazil, 2020)

With the approval from the regulator (DoJ) in November 2020, Novonor has fulfilled the change objective of resolving outstanding requirements from the external monitor in relation to policies and procedures to detect potential violations to anti-corruption laws. Sustainalytics therefore considers the engagement to be resolved.

\* Associated companies: **Construtora Norberto Odebrecht SA** and **Ocyan Participacoes SA**

**ISSUE**

► Business Ethics

**MILESTONES**
 5/5 Achieved
**PERFORMANCE**

FEB	MAY	AUG	NOV

**RES**
**UNITED STATES AND CANADA****Bausch Health Companies Inc** (United States, 2019)

Bausch has, since 2015, actively cooperated with the many investigations into accounting malpractice and has accepted any penalties awarded against the company. The company has under its current CEO and board addressed the issues with a number of initiatives detailed in the commentary, details of which the company discloses on its website and in its annual reporting. There have been no further allegations of accounting malpractice reported in the last five years from 2016 to 2020 inclusive. Sustainalytics therefore considers the engagement to be resolved.

**ISSUE**

► Access to Basic Services

**MILESTONES**
 5/5 Achieved
**PERFORMANCE**

FEB	MAY	AUG	NOV

**RES**
**Bausch Health Companies Inc** (United States, 2019)

Bausch has, since 2015, actively cooperated with the many investigations into pricing irregularities malpractice and has accepted any penalties awarded against the company. The company has under its current CEO and board addressed these issues with a number of initiatives detailed in the commentary, details of which the company discloses on its website and in its annual reporting. There have been no further allegations of pricing malpractice reported in the last five years from 2016 to 2020 inclusive. Sustainalytics therefore considers the engagement to be resolved.

**ISSUE**

► Accounting and Taxation

**MILESTONES**
 5/5 Achieved
**PERFORMANCE**

FEB	MAY	AUG	NOV

**RES**
**Corteva, Inc.** (United States, 2015)

In February 2020, Corteva announced that it was ceasing the production of chlorpyrifos by the end of 2020. Corteva has introduced a "sustainability filter" includes factors addressing habitat health, water, air and soil stewardship and sustainable production (including persistence and bioaccumulation) and land-use. Any new or existing product that fails to meet any of the filter's requirements is discontinued. This might explain the cessation of production of some chemicals, including chlorpyrifos. The sustainability filter is an integral part of Corteva's product stewardship program which includes risk assessments and monitoring from product development to product launch, use and including registration renewal. Based upon these developments, Sustainalytics therefore considers the engagement to be resolved.

**ISSUE**

► Social Impact - Products

**MILESTONES**
 5/5 Achieved
**PERFORMANCE**

FEB	MAY	AUG	NOV

**RES**

**Edison International** (United States, 2019)

Edison has demonstrated a clear commitment to mitigate the impacts of wildfires and to implement robust preventative measures in line with the regulatory requirements. As reported, the company met or exceeded nearly all the goals in its 2020 Wildfire Mitigation Plan. Edison's equipment has not been implicated in any wildfires with fatalities or severe impacts on properties in the 2020 wildfire season, which was exceptionally long and intense. Due to the above, Sustainalytics decided to resolve the case.

**ISSUE**

► Quality and Safety - Human Rights

**MILESTONES**

5/5 Achieved

**PERFORMANCE**

FEB	MAY	AUG	NOV
▲	▲	▲	RES

**The Goldman Sachs Group, Inc.** (Malaysia, 2019)

Goldman Sachs settled with US and other regulators in late 2020. GS disclosed a wide range of measures covering compliance, anti-bribery and AML controls. It has developed a firmwide "Insider Threat" programme aimed at malicious insiders who can harm the company, developed a variety of frameworks to review suspicious transactions, increased review of senior employees engaged in high-risk areas, made significant structural changes to elevate the "clout" of compliance teams, enhanced metrics and measurement of AML and reporting to the board, enhanced training for senior employees to drive home the point of personal responsibility to identify and escalate a response to suspicious activity, increased the use of new technology (e.g., natural language processing, AI, machine learning) to provide greater transparency and speed around e-communication surveillance, strengthened compliance AML controls, relaunched its Business Integrity Program, and reviewed and enhanced its various committee structures. We believe the company has significantly enhanced its ability to mitigate the risk of related compliance and AML issues. Therefore, Sustainalytics has decided to resolve the case.

**ISSUE**

► Bribery and Corruption

**MILESTONES**

5/5 Achieved

**PERFORMANCE**

FEB	MAY	AUG	NOV
▲	▲	▲	RES

\*Associated companies: **CMC Markets PLC** and **GS Finance Corp.**

# Archived

## ASIA / PACIFIC

### **Bharat Heavy Electricals Limited** (Bangladesh, 2017)

The Rampal Power Plant is a joint venture between the Bangladeshi and Indian governments. It faces controversy as it is located near the Sundarbans mangrove swamp, which is on the UNESCO World Heritage List. BHEL is the contractor hired to build the Rampal plant, and it is majority-owned by the Indian government. The World Heritage Convention recommendations are aimed primarily at the Bangladeshi government; it's challenging to engage with BHEL on these recommendations as most of the necessary actions needed to address the WHC recommendations are not within its control. The Rampal Power Plant is by now mostly built, so BHEL's involvement is ending soon. Based on the above reasons, the engagement potential is limited and therefore, we decided to archive this case.

#### ISSUE

► Controversial Project(s) - Environmental and Human Rights Impacts

### **China Railway Group Ltd** (Democratic Republic of the Congo, 2019)

China Railway Group Ltd (CREC) has not been linked to any new breaches of human rights in the last four years. In the past, subsidiaries of CREC were accused of forced evictions in the Democratic Republic of the Congo (2011) and sexual misconduct towards minor girls and female colleagues in Uganda (2013-2017). In 2020, CREC informed Sustainalytics that it was not involved in any ongoing conflicts with local communities in its domestic or international projects. Moreover, the company stated that it has in place a whistle-blower system that is open to all stakeholders, including local communities, and which ensures privacy protection. The World Bank, which provided funding to a project in Uganda, where the alleged sexual misconduct towards minor girls took place, stated that its partners on the ground had offered affected women and girls medical, financial and psychosocial support. CREC's public disclosure on human rights preparedness is very limited, as a result, meeting the merits of the change objective has not been possible. Nevertheless, CREC and its subsidiaries have not faced serious human rights related allegations since January 2017 which may suggest improved management. Due to the absence of new incidents in recent years, Sustainalytics decided to archive the case.

#### ISSUE

► Land Rights

*\*Associated companies: China Railway Engineering Corp. and China Railway Resources Huitung Ltd.*

### **Convoy Global Holdings Ltd** (Hong Kong, 2019)

There is insufficient evidence available that Convoy met the change objective. The company was expected to implement the remediation programme to eliminate irregularities. The legal proceedings against the former executives should have been pursued to recover the losses and provide necessary compensation to the investors. Furthermore, the company should have ensured adequate risk management and internal controls. Convoy published limited disclosure of the irregularities' causes and improvements in the control framework and did not respond to Sustainalytics' enquiry to provide additional information. After the delisting, the company became private, therefore leaves no mandate for Sustainalytics to pursue engagement with the entity. Based on this, Sustainalytics decided to archive the case.

#### ISSUE

► Fraud

### **Dajia Insurance Group Co., Ltd.** (China, 2019)

Dajia Insurance Group Co., Ltd (Dajia, previously Anbang Insurance Group) has not been associated with any new business ethics incidents in recent years. Following the ex-chairman's admission of guilt and his imprisonment, in 2019, a new company, Dajia, was established to take over Anbang's main insurance operations, with a new senior management team running the company. As a non-public company, Dajia does not disclose detailed information about its board structure, shareholders, or other corporate governance aspects. However, the company has informed its stakeholders that its organizational structure has been rebuilt, its management systems have been improved and internal rules standardized. Dajia also provides a whistleblowing tool and compliance training for its staff. According to the authorities, the short- and medium-term financial insurance issued by Anbang has been fully paid, which considerably reduces the risk of negative impacts on customers. Dajia's public disclosure on business ethics preparedness is very limited, as a result, meeting the merits of the change objective has not been possible. Based on the above-mentioned, Sustainalytics decided to archive the case.

#### ISSUE

► Fraud

*\*Associated company: TongYang Life Insurance Co Ltd and Dajia Life Insurance Co. Ltd.*

**Hanwha Corp** (South Korea, 2008)

Hanwha Corp. (Hanwha) is no longer considered involved in cluster munitions. Hanwha was previously involved in the production of the multi-purpose high explosive warhead K224 (MPSM), which contains nine M73 submunitions. The submunitions weigh roughly 0.5kg each, thus qualifying the weapon system as a cluster munition according to the Convention on Cluster Munitions. In December 2020, the spin-off of its submunitions business into a new independent company called Korea Defense Industry (KDI) was finalized, and Hanwha publicly stated that it will neither conduct any business related to submunitions, nor hold any shares in KDI in the future.

**ISSUE**

► Cluster Weapons

**Narendra & Co.** (India, 2020)

Narendra & Co. is no longer considered to be involved in anti-personnel mines. Narendra previously produced empty M-16 anti-personnel mines; however, it has recently confirmed in its dialogue with Sustainalytics that it is not currently engaged in any activities related to anti-personnel mines and that it does not intend to resume this type of activity in the future. Moreover, no evidence of involvement in anti-personnel mines can be found on the company's website. Therefore, Sustainalytics has decided to archive the case.

**ISSUE**

► Anti Personnel Mines

**POSCO** (South Korea, 2012)**POSCO INTERNATIONAL Corp.** (South Korea, 2012)

The change objective for the two cases has partially been met. POSCO International engaged with the Uzbek government over the issue and participated in meetings, roundtables and conferences organized by the authorities on regular basis. It also sent regular letters to the government pushing for changes in the way that cotton supply chain is managed. Even though it is hard to objectively assess the effectiveness of those measures, it has been confirmed by independent sources that the situation in Uzbekistan continues to improve. According to ILO, no child labor or forced labor took place in Uzbekistan's cotton business. Still yet, the organization points out that compulsory labor exists partially at the regional level. Therefore, even though the situation continues to improve, the risk that the company uses cotton coming from forced labour persists. Sustainalytics acknowledges the ongoing progress of the forced labour elimination in Uzbekistan and the fact that withdrawing business from the country at this point would not be beneficial for the country, its community, nor POSCO International. Based on this, Sustainalytics decided to archive the case.

**ISSUE**

► Labour Rights - Supply Chain

**PT Vale Indonesia Tbk** (Brazil, 2020)

Sustainalytics has an ongoing Engage case with Vale due to severe environmental and human rights impacts of the Fundão (2015) and Brumadinho (2019) dam collapses in Brazil. Sustainalytics had an Associated case with PT Vale Indonesia Tbk (Vale Indonesia) as the company operated as a subsidiary of Vale S.A. (Vale). In October 2020, PT Indonesia Asahan Aluminium acquired a 14.9% stake in Vale Indonesia from Vale. As a result, Vale's share in Vale Indonesia decreased from 59% to 44%. As Vale does not currently exercise control over Vale Indonesia, Vale Indonesia is no longer considered to be at a significant risk of environmental and human rights violations.

**ISSUE**

► Incident(s) Resulting in Negative Human Rights Impacts

**State Oil Company of Azerbaijan Republic** (Azerbaijan, 2019)

SOCAR has slowly improved the level of its health and safety disclosure and its health and safety procedures and training. Although there is little indication of long-term improvement targets being publicly reported, it has recently signed a deal with Equinor to explore a new offshore and a prospect part of the deal is to share best practice in health and safety. Although dialogue has been minimal, reporting levels have slowly improved and a review of third-party data tends to confirm the data reported by the company. Based on this, Sustainalytics decided to archive the case.

**ISSUE**

► Occupational Health and Safety

**EUROPE****DNO ASA** (Norway, 2019)

DNO applies some international best practices such as the Voluntary Principles (VP) and Free, Prior and Informed Consent (FPIC), the latter being mandatory under Norwegian law. DNO states that although it does not have a specific human rights audit program, human rights are encapsulated in overall compliance risks associated with DNO's Code of Conduct. The company's annual reports also provide country-by-country reporting on revenues. It states it complies with the national laws of the countries in which it operates. Based on this, Sustainalytics decided to archive the case.

**ISSUE**

► Involvement With Entities Violating Human Rights

**Genel Energy plc** (Somalia, 2019)

Genel Energy has mitigation measures that are developed to reflect the requirements of the regions in which it works, although it does not publicly align these to international best practice for respecting human rights. It is disputable whether the two area Kurdistan and Somaliland should now be considered conflict-affected countries. Somaliland had peaceful government elections in 2019 which were considered free and fair by international observers and Somalia has not tried to extend its authority in any way over Somaliland. The company's operations in Kurdistan are not within any defined conflict zone. The company has also had continuous engagement with local stakeholders in both jurisdictions although it does not disclose all of these efforts. Genel Energy has utilized local resources and outreach programmes to mitigate the risk of tribal difficulties arising from their operations. Based on the above mentioned, Sustainalytics decided to archive the case.

**ISSUE**

► Involvement With Entities  
Violating Human Rights

**San Leon Energy Plc** (Western Sahara, 2012)

Sustainalytics does not regard further engagement to be warranted on the matter. It is concluded that San Leon Energy has withdrawn from Western Sahara. The company does not report any assets nor operations in Western Sahara since 2018. Furthermore, no recent allegations are linking the company's operations to violating human rights in Western Sahara. However, even though we conclude to archive the case, it is important to highlight that the company does not disclose any information on its human rights approach, and it is not responsive to investors' enquiries. Therefore, San Leon Energy appears to have a low preparedness to address human rights risks and impacts in future operations.

**ISSUE**

► Involvement With Entities  
Violating Human Rights

**Siemens AG** (Western Sahara, 2017)

Since the spin-off of Siemens Energy has become effective in September 2020, consisting of the Gas and Power (100%) business together with the 67% stake in Siemens Gamesa Renewable Energy, Siemens AG has no influence on the operating business activities of Siemens Gamesa anymore. Based on this, Sustainalytics decided to archive the case. Meanwhile, Sustainalytics will continue our engagement dialogue with Siemens Gamesa.

**ISSUE**

► Involvement With Entities  
Violating Human Rights

\*Associated company: **Sivantos GmbH**

For more detailed information, please see the full case profiles on Global Access.



## Global Standards Engagement Overview

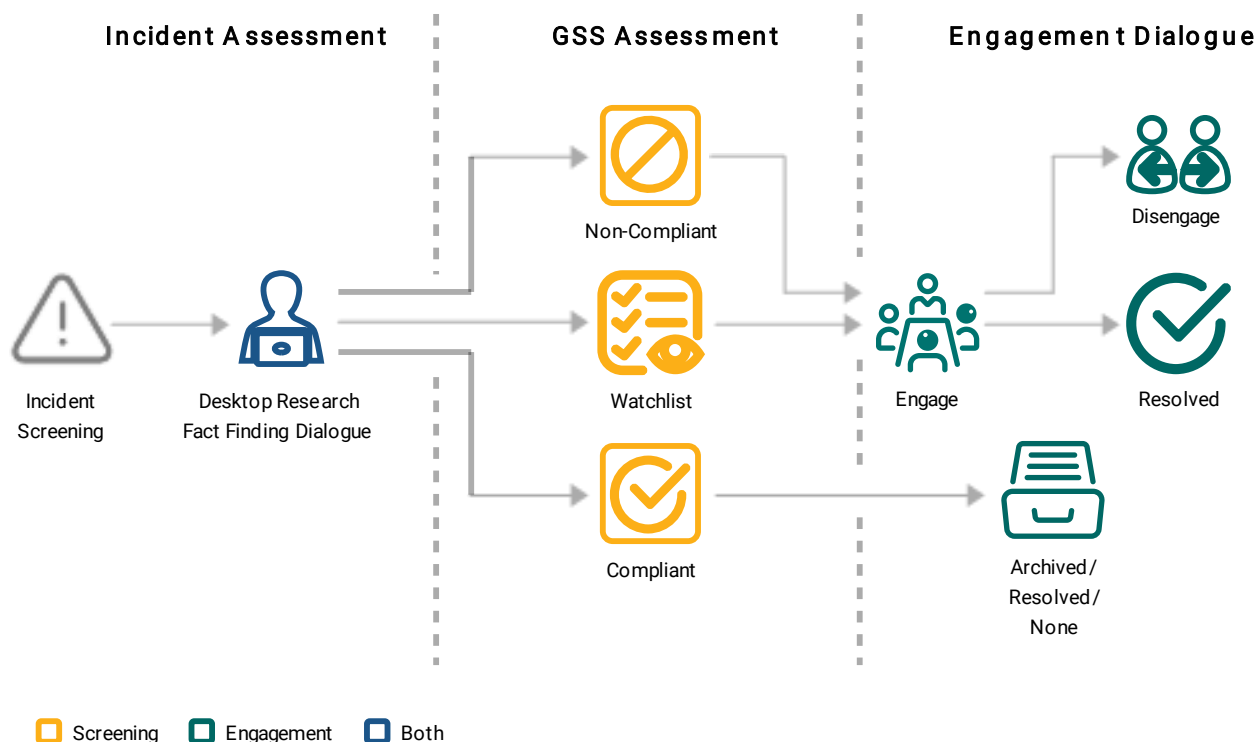
Global Standards Engagement (GSE) is an incident-driven engagement with focus on companies that severely and systematically violate international standards, such as the UN Global Compact Principles and the OECD Guidelines for Multinationals. The engagement is based on a thorough and continuous assessment of the incident as well as the company's role in mitigating the related repercussions and recurrence. The aim of Global Standards Engagement is not only to verify how a company addresses the incident, but also to effectuate change in the company's policies and/or processes, in order to ensure that it has proper policies and programmes in place to avoid future reoccurrences as well as improve its ESG disclosure.

The Global Standards Engagement is based on our Global Standards Screening (GSS) analysis of more than 20,000 companies. The engagement scope is global and spread across all sectors. Company size ranges from small to large cap.

GSS provides an assessment of a company's impact on stakeholders and the extent to which a company causes, contributes to or is linked to violations of international norms and standards. The basis of the GSS' assessments are the United Nations (UN) Global Compact Principles. GSS company assessments reflect several dimensions, including:

- Severity of Impacts on Stakeholders and/or Environment – scale, scope and irremediability.
- Company Responsibility – accountability, exceptionality and systematic nature.
- Company Management – response, management systems and implementation.

We start engaging with the companies that are assessed as **Watchlist** or **Non-Compliant** in the Global Standards Screening.



## Global Standards Engagement Status

### Evaluate

- Cases with potential systematic incidents or an isolated incident that has severe consequences in relation to the environment or humans.
- Verification of the severity and company's responsibility takes between three-six months.
- The fact-finding dialogue and desktop research aims to assess companies' responses to the incident and preparedness to address the problem.

### Engage

- Issue identified by Global Standards Screening (assessed as Watchlist or Non-Compliant) such as cases with systematic incidents or an isolated incident that has severe consequences in relation to the environment or society.
- Companies with clear gaps in their policies and management systems.
- Using a variety of engagement activities, the dialogue aims to effect change at the company, to be evidenced by it making a commitment and developing a strategy to address the identified shortcomings.

### Associated

- This status flags to clients when the company or case is related to another company or case (for instance a non-autonomous subsidiary), where engagement will take place at the parent company and/or the company involved in the issue. We might engage with other companies in the corporate group if the engagement dialogue with the company closest to the incident is not willing to engage. This also means that some of the companies that are Watchlist/Non-Compliant will receive the engagement status "Associated".

### Disengage

- Poor or no progress and/or poor or no response from the company within a period of two years after the start of engagement.
- Companies whose business models rely on activities where engagement would likely be not fruitful (such as involvement in controversial weapons or State-Owned Enterprises complicit in human rights abuses).

### Resolved

- The change objective has successfully been met, and the engagement has been concluded.

### Archived

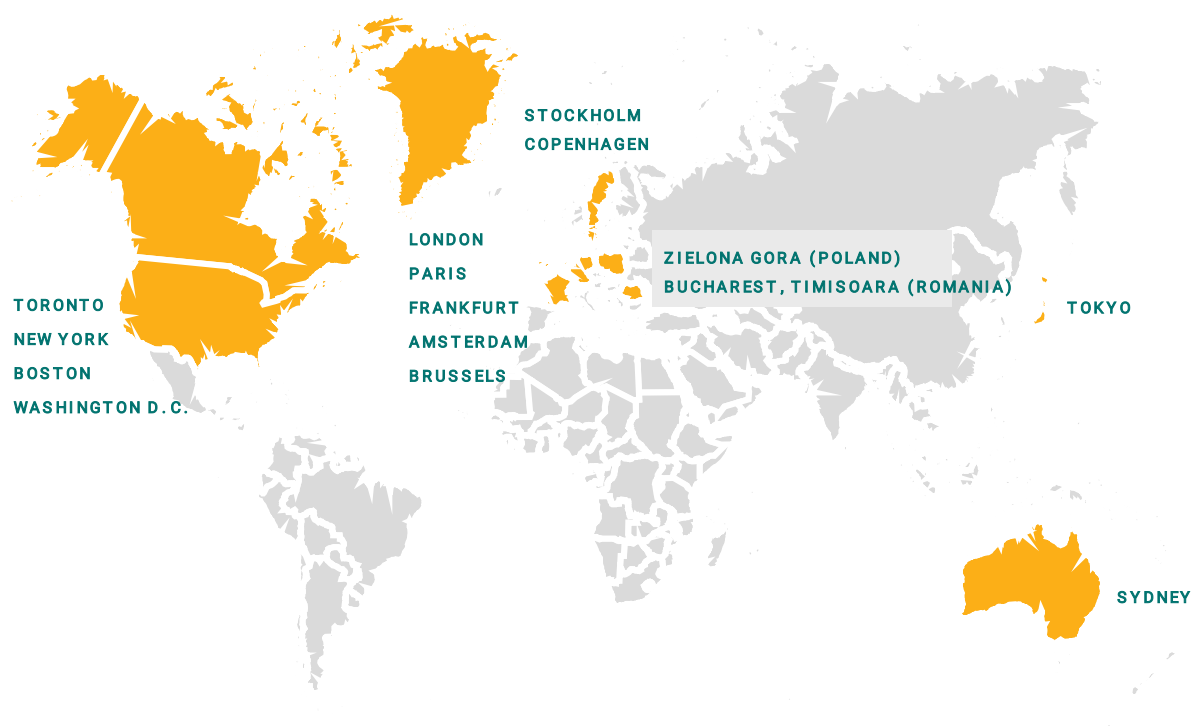
- Engagement is currently not warranted, and the case will be continuously assessed for any future changes.

# About Sustainalytics

## About Sustainalytics, a Morningstar Company

Sustainalytics, a Morningstar Company, is a leading ESG research, ratings and data firm that supports investors around the world with the development and implementation of responsible investment strategies. For nearly 30 years, the firm has been at the forefront of developing high-quality, innovative solutions to meet the evolving needs of global investors. Today, Sustainalytics works with hundreds of the world's leading asset managers and pension funds who incorporate ESG and corporate governance information and assessments into their investment processes. Sustainalytics also works with hundreds of companies and their financial intermediaries to help them consider sustainability in policies, practices and capital projects. With 17 offices globally, Sustainalytics has more than 1,200 staff members, including more than 500 analysts with varied multidisciplinary expertise across more than 40 industry groups.

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