



Annual Engagement Report

2020

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This report summarizes the shareholder engagement activities that Sustainalytics performed on behalf of investor clients in 2020. 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



Hanna Roberts
 Executive Director
 Engagement Services

Without question 2020 presented some of the biggest global challenges seen in more than a generation. A global pandemic, social unrest, economic instability, and millions of people re-locating to kitchen's, bedrooms and living rooms for months of zoom meetings paint the highlight reel of 2020. Supply chains were stretched and pushed bringing their resilience into focus; human capital, occupational health and safety; and diversity and inclusion shot up the investor agenda; and the necessitated global slowdown revealed the impact of how industry and society operates on climate change.

While many events of 2020 are not directly linked to the UN Global Compact, OECD or ILO many of these topics were addressed in our engagement dialogue. In some cases, the knock-on effects uncovered incidents that initiated engagement. For some companies, incidents and violations were illuminated by COVID-19, when outbreaks demanded inquiry and ongoing labour rights violations were uncovered; in ongoing dialogues policy and procedural implementation plans were delayed as management teams grappled with re-adjusting to a COVID-19 world.

During 2020, our team engaged with 226 companies within the Global Standards Engagement service. We reached 198 milestones; resolved 21 cases; and 108 cases were archived. Engagement activity and success increased across the Global Standards Engagement programme, most notable during 2020 was our increased contact and interactions with companies where meaningful content exchanges and meetings more than doubled in 2020. In total, there were 3,477 contacts, where approximately one-third of them were meaningful content exchanges, 213 meetings were held and 91 significant milestones (beyond establishing dialogue) with 73 companies were achieved.

Attributable to several factors, three key drivers that positioned Global Standards Engagement for success in 2020 included: leveraging the Global Standards Screening research to set the foundation of engagement; the willingness of companies to dialogue due to a well-defined business case and approach to engagement; and the growth of our team in number and in depth and breadth of specialization.

Legislation and policy making continued to expand throughout 2020 which further highlights that the incorporation of ESG and active ownership are a part of investors' fiduciary duties to their clients and beneficiaries. Globally the bar continues to rise with the expansion with both regulatory and voluntary reporting frameworks including EU Action Plan on Sustainable Finance, Shareholder Rights Directive II, TCFD, TNFD, Stewardship codes, and the PRI's expressed commitment to Active Ownership 2.0 to gradually strengthen the minimum requirements for signatories over time.

In mid-2020, the PRI released a five-part framework for investors: Investing with SDG Outcomes which called out and defined the significant role of investors to achieve the SDGs. An excerpt from the executive summary stated:

With a combined US \$ 89 trillion in assets under management, PRI signatories can play a unique role in helping the world to meet the SDGs – individually, and in collaboration with fellow investors and broader stakeholders. A focus on shaping SDG outcomes involves broadening the analysis of individual investees' financially material ESG issues, to also include a parallel analysis of the most important outcomes to society and the environment at a systemic level. These material issues and real-world outcomes overlap to some extent, but not fully, and this is part of the gap that needs to close to achieve the SDGs by 2030.

Bringing the voice and influence of 60 global investors, each Global Standards Engagement case is mapped to the 17 UN Sustainable Development Goals (SDGs). For each engagement, we highlight the SDGs most closely related to the case objective(s). In 2020, engagements in the programme mapped proportionately higher to SDGs 3, 8, 12 and 16 indicating a strong focus on Community Relations; Human Capital Management and Corporate Governance. Given the nature of Global Standards Screening and Engagement focused on breaches of international norms and standards related to human rights; labour rights; the environment; and business ethics it is not out of the realm of possibility that this engagement programme will continue to support these SDGs going forward.

We trust you will find the insights and summaries shared in this Annual Engagement report interesting and look forward to continuing our work together in 2021.

Highlights from 2020 - COVID-19

The global coronavirus pandemic has had a profound effect on many countries since the initial outbreak in the early 2020. Governments unprecedented restrictions on populations in order to limit the spread of the disease, meant serious implications for companies' ability to function and trade. This of course translated into uncertainty and negative pressure on capital markets.

In view of the clear materiality of this rapidly escalating situation for investors, in March 2020, Sustainalytics integrated questions into our engagement dialogues regarding the impact of COVID-19 on companies and their response. We assembled company responses to these questions and found a number of themes emerging.

We observed a range of answers to the question of how significantly the virus impacted a company's operations. Canadian mining enterprise **Pan American Silver Corp** (PAS) advised that national governments had mandated shutdowns in all locations except Canada, where it continued to operate at 90% capacity. However, at the time of our call in July, PAS had resumed operations in all sites except Peru, where it had voluntarily closed two mines due to COVID-19.

Other companies reported relatively little disruption, protected by various factors. US agribusiness and food company **Bunge Ltd** informed us during a conversation in April that because their industry was on a list of essential businesses, it continued to get its products across the regions, working with the transport sector to keep supply chains going. Italian defense firm **Leonardo Spa** signed a corporate agreement with the union in March which outlined the suspension of all activities for two days to clean and sanitize the work environment alongside a wide scale increase of the number of employees working from home (16,000 employees, up from 2,000 pre-pandemic) prior to the return to its ongoing business activities.

The most prominent theme in our dialogues has been companies are keen to demonstrate they are taking steps to safeguard the health of their employees against the threat posed by the virus. For example, during a call in May, multinational conglomerate **3M Co** stated that it took action as early as January, when its Chinese operations were first affected. Many measures rolled out across global operations were developed as a result of this experience, including physical distancing protocols, use of barriers, personal protective equipment where necessary, temperature monitoring and staggered shifts.

Companies also demonstrated measures to protect other stakeholders. US entity **Geo Group Inc**, which manages detention facilities, has implemented dedicated guidelines related to coronavirus at all sites. The numbers of visitors have been restricted to comply with social distancing guidelines, all non-essential visits have been cancelled, with only visits linked, for example, to health screening permitted. Such limits in turn raise challenging questions about the tension between protecting the physical health of individuals and supporting their mental health in the context of reduced social contact.

One of the most encouraging aspects of companies' response to coronavirus has been their continued commitment to the sustainability agenda, even if this picture is not simple or uniform. Since March 2019, Sustainalytics has been in dialogue with Dutch bank **ING Groep NV** about its involvement in a Russian money laundering network. During a call in November 2020, the company maintained that addressing anti-money laundering and 'Know Your Client' (KYC) deficiencies remained its number one priority, in spite of COVID-19. On the other hand, the company noted that their global KYC enhancement programme had been slowed somewhat due to COVID-19, as some compliance activities had been hindered, for instance, by the inability of employees to go to locations to audit. Furthermore, we have seen a number of enterprises adapting their activities in order to meet the new challenge of the pandemic. For example, during a June 2020 call with American retail giant **Walmart Inc**, the company informed us that it had made its in-store pharmacies and parking lots in the US available for the authorities to carry out testing.

As we enter 2021, the approval of vaccines gives cause for hope that the pandemic will eventually be brought under control and some semblance of normality restored, but, in the meantime, the appearance new variants of the virus is linked to continued government restrictions around the world. In this context, Sustainalytics will continue to integrate questions on coronavirus resilience into our dialogues with companies to understand how they are adapting their business, protecting their staff and supporting the wider societal effort.

Highlights from 2020 - Updates to UNGP Performance

A major improvement within the Global Standards Engagement was concluded during 2020. In all human rights and labour rights engage cases, approximately 90 in total, we conducted assessments based on the UN Guiding Principles on Business and Human Rights. The purpose is to assist clients to focus efforts on the most salient human rights cases and companies with the poorest human rights preparedness. In practice it meant we assessed the level of salience of each human rights and labour rights incidents, based on six sub-indicators, such as number of people effected, re-occurrence in more than one location, duration and extent of harm etc. We also assessed the level of preparedness by the company to manage adverse human rights impacts. This part of the assessment is based on 19 sub-indicators on human rights policy commitment, human rights due diligence and remediation of adverse human rights impact.

It is not surprising that the majority of the cases (57 %) were assessed to have the highest level of salience, and almost all remaining ones a medium level of salience. In other words, these are the incidents found within the Global Standards Screening with an elevated level of severity. Similarly, 56 % of the companies are assessed as having a low level of preparedness to manage adverse human rights impacts and 41 % have a medium level of preparedness. Only four of the companies assessed have a high level of human rights preparedness. This of course speaks to the need for further engagement, not only to address the actual human rights incident, but also in improving company preparedness to manage similar incidents going forward, and ultimately avoid contributing or being linked to adverse human rights impacts.

Looking at human rights more broadly in 2020, they have likely deteriorated due to the pandemic. As an example, the International Labor Organization (ILO) and UNICEF estimate that, compared to before the pandemic and economic crisis, the number of people in extreme poverty could have increased by between 40 to 60 million in 2020 alone. A knock-on effect of that reality, based on historical data, is a correlated increase in child labour where 1 percentage point rise in poverty leads to at least a 0.7 percentage point increase in child labour.¹ In other words, it would mean an estimated increase in child labour globally of 28-42 million children. We are yet to see if this means more companies are involved in adverse human rights impacts such as child labour, but clearly the risk is higher than pre-pandemic.

More positive news is the rapidly evolving legal landscape on human rights due diligence. A growing number of countries, e.g. the UK, the Netherlands, France, and Australia, already have legal requirements on corporate human rights due diligence of some kind, most of them focused on reporting requirements. Similar legislations are also underway in Germany. Since the end of 2019, the odds for EU-level human rights due diligence legislation has substantially increased. A draft report with recommendations to the Commission issued in September 2020 by the Committee on Legal Affairs suggested that the legislation should be aligned with the UN Guiding Principles on Business and Human Rights, with a broader scope to also cover environmental and governance issues. A round of public consultations is scheduled for Q1 2021 and in Q2 2021 the European Commission is expected to prepare a text of the proposed legislation. Given other EU institutions would not object the legislation, it may be finalized as early as in Q3 2021.²

There seems to be a good level of support also from businesses. Companies we are in dialogue with point to how the legislation would level the playing field. Support is also evident from 26 companies, which in 2020 issued a public statement in support of such EU wide legislation. This was followed by a similar statement by a large group of investors and advisors, including Sustainalytics.³

¹ https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---ipec/documents/publication/wcms_747421.pdf

² https://www.europarl.europa.eu/doceo/document/JURI-PR-657191_EN.pdf; <https://shiftproject.org/resource/mhrdd-europe-map/>

³ <https://shiftproject.org/resource/mhrdd-europe-map/>

Annual Statistics January – December 2020

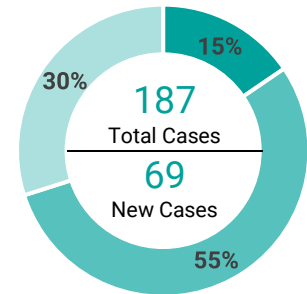
In 2020, Sustainalytics has continued our dialogue to track specified engagement goals and to seek measurable results of business conduct changes in relation to **187** Engage and Resolved cases.

As of 31 December 2020, we have **166** ongoing Engage cases and **21** Resolved cases throughout 2020.

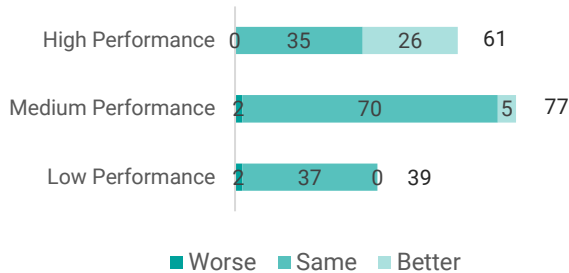


Cases by Theme

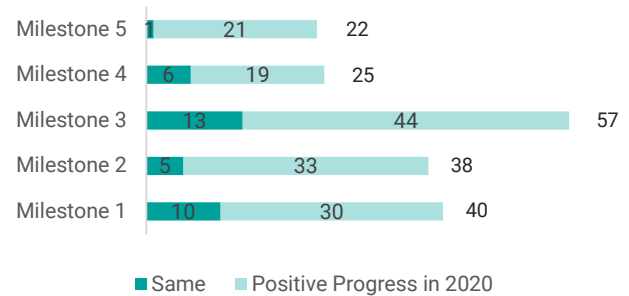
Environmental	29
Social	102
Governance	56



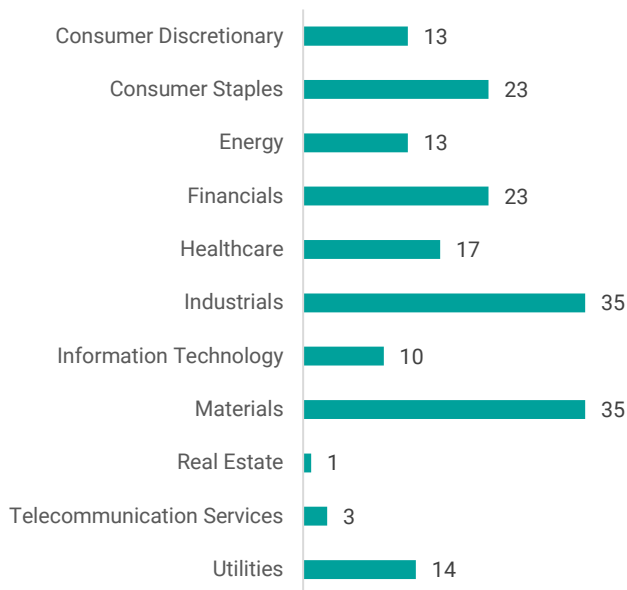
Engagement Performance Overview



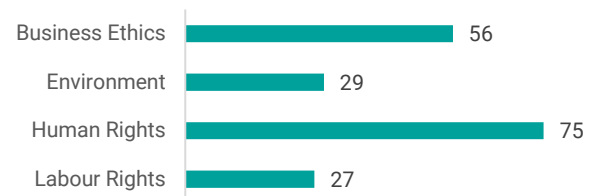
Milestone Overview



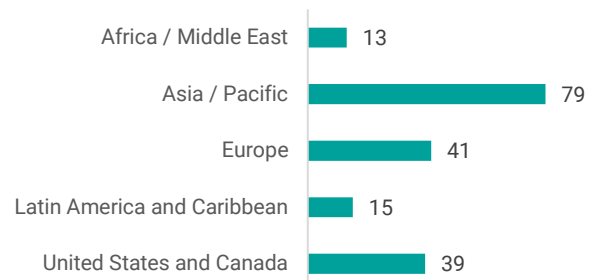
Cases by Sector



Cases by Norm

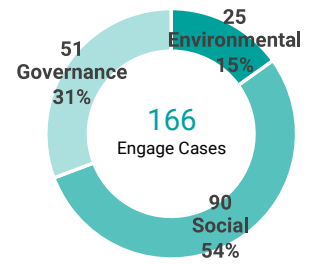


Cases by Headquarters



Engage Cases

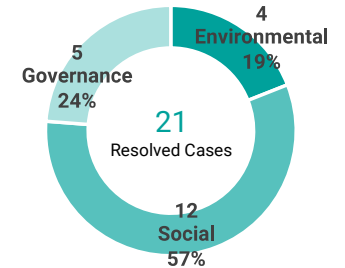
Engage cases as of 31 December 2020 **166 cases / 158 companies**
 Engage cases worked on during the year **251 cases / 226 companies**
 New Engage cases during the year **69 cases / 67 companies**
 Number of Engage cases with Medium and High development **117 cases / 70.5% of all Engage cases**



Resolved Cases

Resolved cases as of 31 December 2020 **21 cases / 21 companies**
 Dialogue statistics on the Resolved cases

- Meeting **100 meetings / 4.76 meetings per case**
- Email/Telephone/Postal Mail/Fax **1340 contacts / 63.81 contacts per case**



Disengage Cases

Disengage cases as of 31 December 2020 **54 cases / 48 companies**
 New Disengage cases during the year **13 cases / 2 cases due to Low Performance**

Archived Cases

Total number of Archived cases during the year **108 cases / 97 companies**

Associated Cases

Total number of Associated cases during the year **73 cases / 70 companies**

Activities

Number of contacts with companies on ESG issues **3477 contacts / including 2060 outgoing contacts and 1204 incoming contacts**

- Number of content-related communications **1143 contacts / including 616 outgoing contacts and 314 incoming contacts**

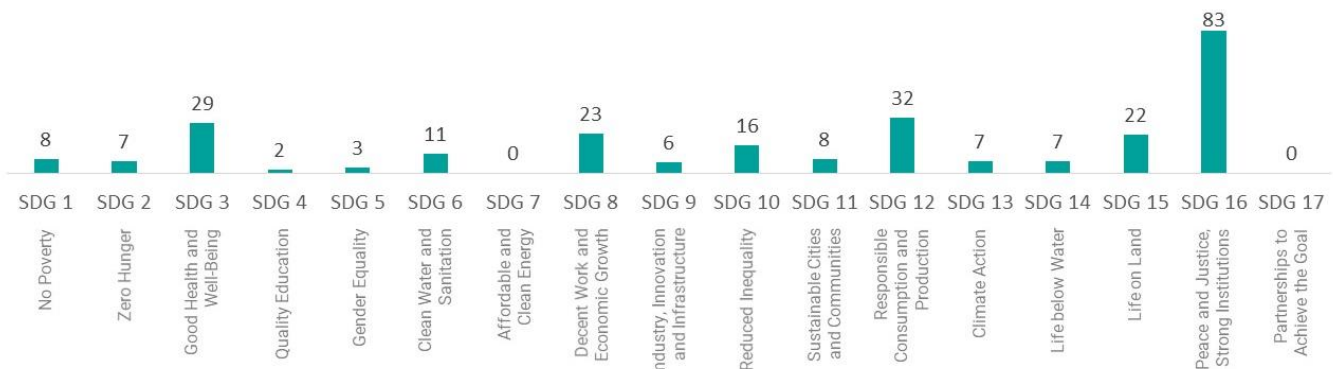
Number of meetings held with companies on ESG issues

- Number of meetings quarterly breakdown **19 Meetings In-Person / 194 Conference Calls**

Quarter	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec
Contacts	38	53	65	57
Total	91 milestones / 73 companies			

Total impact related milestones achieved (milestones 3-5)

UN Sustainable Development Goals (SDGs) Distribution of All Engage Cases as of 31 December 2020



Company Dialogue & Progress Summary

Legend

Country 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.

Year The year shows when the case was downgraded to Engage status.

Response The indicator describes how the company responds to Sustainalytics' inquiries.

None	Poor	Standard	Good	Excellent
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Progress The indicator describes whether or not the violation continues, or how the company's work to prevent future violations is developing.

None	Poor	Standard	Good	Excellent
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Performance The indicator describes the combined company progress and response performance.

- ▲ **High Performance** - good or excellent Response in combination with good or excellent Progress.
- ▶ **Medium Performance** - standard level of Response and Progress.
- ▼ **Low Performance** - poor or no Response in combination with poor or no Progress.

New, Same, Better or Worse Performance - indicates the change in either Response or Progress since the last quarterly report.

Low Performance Tracker (Tracker) The indicator describes the time elapsed with Low Performance. One piece equals three months.

0-3	3-6	6-9	9-12	12-15	15-18	18-21	21-24
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After two years, the case will be reviewed by Sustainalytics and a Disengage status can be selected if all other engagement options are ineffective.

Milestones The indicator describes the milestone achieved from 1 to 5.

☑ ☑ ☑ ☐ ☐ 3/5 Achieve

Resolved

ASIA / PACIFIC

Hyundai Motor Co., Ltd. (South Korea, 2018)

Hyundai Motor has an internal anti-corruption policy and business conducts guidelines for all employees, it carries out online and offline compliance training, conducts compliance self-assessments in each business unit, and it has in place a whistleblower system (Cyber Audit Office) to collect reports from employees and third parties about compliance issues. The company is working to improve the external disclosure of its compliance work as part of the mid- to long-term ESG strategy.

ISSUE

▶ Corrupt Practices

MILESTONES

5/5 Achieved

PERFORMANCE



PetroChina Co Ltd. (China, 2018)

Sustainalytics decided to resolve this case based on the extensive information that PetroChina provided on its health and safety management systems and relevant improvements it introduced in this area, including enhanced training for suppliers and subcontractors, monitoring and audits and improved disclosure. The efficiency of listed improvements is reflected in a general decline in PetroChina's H&S statistics from the last few years.

ISSUE

▶ Fatal Accident (s)

MILESTONES

5/5 Achieved

PERFORMANCE



POSCO (South Korea, 2010)

Posco International, a subsidiary of POSCO, has performed all the procedures according to the Environmental Conservation Law and Guidelines of Myanmar and the Environmental Compliance Certificate. Posco International has committed itself to minimizing the influence on the natural environment and indigenous people of the project area, and continuous monitoring on the progress of the development project. Since 2017, a grievance mechanism in project operated areas has been established and stakeholders' engagement meetings have been organized with all relevant stakeholders. Thus, Sustainalytics evaluated the progress made as positive and decided to resolve the case.

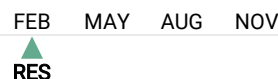
ISSUE

▶ Pipeline Project(s) Resulting in Negative Environmental and Human Rights Impacts

MILESTONES

5/5 Achieved

PERFORMANCE



POSCO INTERNATIONAL Corp. (South Korea, 2010)

Posco International has performed all the procedures according to the Environmental Conservation Law and Guidelines of Myanmar and the Environmental Compliance Certificate. The company has committed itself to minimizing the influence on the natural environment and indigenous people of the project area, and continuous monitoring on the progress of the development project. Since 2017, a grievance mechanism in project operated areas has been established and stakeholders' engagement meetings have been organized with all relevant stakeholders. Thus, Sustainalytics evaluated the progress made as positive and decided to resolve the case.

ISSUE

▶ Pipeline Project(s) Resulting in Negative Environmental and Human Rights Impacts

MILESTONES

5/5 Achieved

PERFORMANCE



Singapore Technologies Engineering Ltd. (Singapore, 2017)

ST Engineering has implemented structure and processes relative to risks of bribery and corruption, that fulfil the engagement objective and are in the process of being expanded further. The company has rolled out a codes of conduct with zero tolerance and extensive anti-bribery and corruption (ABC) provisions. Special ABC training has been provided and has increased. A whistleblowing programme is in place in over twenty countries with an anonymous whistleblowing hotline hosted by a third-party vendor. Furthermore, there have been no reported incidents of subsequent occurrences of bribery and corruption. Therefore, Sustainalytics decided to resolve the case.

ISSUE

▶ Corrupt Practices

MILESTONES

5/5 Achieved

PERFORMANCE



Wilmar International Limited (Singapore, 2017)

Wilmar has actively addressing known issues and implemented policies and management systems to improve labour rights conditions in the supply chain. The company has a set of comprehensive policies and due diligence in place in relation to labour rights. There is a grievance mechanism in place which has been communicated and implemented across its operations. The company also engage with external stakeholders to provide feedback on the further development of the grievance system. Due to the measures taken by Wilmar to address labour issues, Sustainalytics regards the case as resolved.

ISSUE

► Labour Rights Violations at Plantations

MILESTONES

5/5 Achieved

PERFORMANCE

FEB MAY AUG NOV

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RES

Z Holdings Corp. (Japan, 2016)

Since engagement started in 2016, Sustainalytics has identified significant improvements made by the company both in reporting and monitoring of its online platforms. The company has showed it has guidelines in place to prohibit the sale of controversial items on its platforms, including a public ban of ivory products. Given the company’s guidelines for prohibited items and mechanisms to ensure compliance with the guidelines, Sustainalytics assesses that the company has proper processes in place to be applied to other potential similar situations and has decided to resolve the case.

ISSUE

► Illegal Trading

MILESTONES

5/5 Achieved

PERFORMANCE

FEB MAY AUG NOV

▲ ▲
RES

EUROPE

British American Tobacco p.l.c. (United Kingdom, 2017)

BAT has addressed known issues and implemented its Code of Business Conduct and management systems to improve labour rights conditions in the supply chain. The company has a human rights policy and due diligence in place in relation to labour and human rights. There is a grievance mechanism in place which has been communicated and implemented across its operations. The company also engages with external stakeholders to provide feedback on the further development of the existing reporting mechanisms. Due to the measures taken by BAT to address labour issues, Sustainalytics regards the case as resolved.

ISSUE

► Labour Rights Violations at Plantations

MILESTONES

5/5 Achieved

PERFORMANCE

FEB MAY AUG NOV

▲
RES

Leonardo S.p.a. (India, 2013)

Leonardo adopted an anti-corruption policy that includes a zero-tolerance approach to bribery and corruption and implemented the anti-corruption programme that is compliant and accredited with current best practice. The company reports transparently on the actions taken. There is a clear division of responsibilities in relation to compliance within the organization with the Board overseeing the control system. Also, since 2013, there have been no new corruption allegations related to the company. Considering these developments, Sustainalytics decided to resolve the case.

ISSUE

► Corrupt Practices

MILESTONES

5/5 Achieved

PERFORMANCE

FEB MAY AUG NOV

▲ ▲
RES

Nordea Bank Abp (Sweden, 2013)

Since 2016, Nordea has adopted a responsible course of action. The bank cooperated with the authorities and addressed all issues raised during the investigations. All identified deficiencies in the control framework were corrected. The code of conduct was updated, and all relevant policies were publicly disclosed. A committee chaired by the group CEO and taking the mandate from the board of directors was established to address ethical dilemmas. Due to the measures taken by the bank, Sustainalytics decided to resolve the case.

ISSUE

► Money Laundering

MILESTONES

5/5 Achieved

PERFORMANCE

FEB MAY AUG NOV

▶ ▶ ▲
RES

LATIN AMERICA AND CARIBBEAN

BRF S.A. (Brazil, 2018)

BRF has created a Transparency Committee to follow up on its internal investigations and it has implemented an Integrity System managed by a compliance team and the Chief Compliance Officer. This Integrity System includes risk assessment, monitoring, training, due diligence of business partners and a robust whistleblower system to detect, investigate and remediate compliance-related complaints. The company has also carried out an external assessment of its Integrity System to identify potential gaps. Based on these measures, Sustainalytics decided to resolve the case.

ISSUE

- ▶ Corrupt Practices

MILESTONES

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PERFORMANCE

FEB	MAY	AUG	NOV
▲			
RES			

Grupo México, S.A.B. de C.V. (Peru, 2013)

Grupo Mexico has aligned its corporate wide practices to the Voluntary Principles on Security and Human Rights, improved community relations and have water management system in place for the Tia Maria project aligned with international standards. Substantial focus has been given to the development of a comprehensive human rights framework across Grupo Mexico, which is also transparently reported in its 2019 Sustainability Report. With such improvements, Sustainalytics regards the case as resolved.

ISSUE

- ▶ Project(s) Resulting in Adverse Human Rights Impacts

MILESTONES

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PERFORMANCE

FEB	MAY	AUG	NOV
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RES			

JBS S.A. (United States, 2015)

JBS has taken responsibility for addressing the recurring occupational health and safety incidents at its subsidiaries. It is on track with implementing a company-wide occupational health and safety policy and enhanced performance metrics in Q1 2021. Due to the measures taken by the company as well as the fact the company's safety performance has been steady in Brazil and is improving in the US, with no major shortcomings identified recently, Sustainalytics has decided to resolve the case.

* Associated company: *Independencia Internacional Ltd.*

ISSUE

- ▶ Recurring Labour Rights Violations

MILESTONES

🟡 🟡 🟡 🟡 🟡 5/5 Achieved

PERFORMANCE

FEB	MAY	AUG	NOV
▲	▲	▲	▲
RES			

UNITED STATES AND CANADA

Bunge Ltd. (Brazil, 2017)

Whilst Sustainalytics has engaged with Bunge, the company has committed to achieving zero deforestation in its supply chain by 2025 and demonstrated ongoing progress towards that goal. The company has continued to increase traceability within its supply chain, engage with farmers and create technological solutions and other projects to promote forest conservation. Sustainalytics therefore considers that Bunge has sufficient measures in place for the case to be resolved.

ISSUE

- ▶ Deforestation

MILESTONES

🟡 🟡 🟡 🟡 🟡 5/5 Achieved

PERFORMANCE

FEB	MAY	AUG	NOV
▲	▲	▲	
RES			

Enbridge Inc (United States, 2016)

Enbridge is not the operator of the DAPL, but still met with representatives of the Standing Rock Sioux Tribe and also encouraged the pipeline operator to advance efforts to respects indigenous peoples' rights. The company has adopted a standalone indigenous rights policy, as well as a comprehensive framework on the rights of indigenous peoples', and security principles that include human rights provisions. Although the DAPL remains a controversial operation, Sustainalytics regards Enbridge, given the company's leverage, to have taken sufficient measures to improve its respect of indigenous peoples' rights. It has also progressed in the areas of security and human rights. Therefore, Sustainalytics regards the case as resolved.

ISSUE

- ▶ Violations of the Rights of Indigenous Peoples

MILESTONES

🟡 🟡 🟡 🟡 🟡 5/5 Achieved

PERFORMANCE

FEB	MAY	AUG	NOV
▲	▲	▲	▲
RES			

Equifax Inc (United States, 2018)

Equifax demonstrated a high level of commitment to reform the company after the incident. The company improved the quality of the board and the management by hiring experts who have a relevant background and refining the roles to reflect its increased focus on cybersecurity. Since 2018, Equifax has been successfully implementing a seven-pillar transformation strategy that includes its ambition to become a leader in security. Equifax has introduced additional measures to help consumers safeguard their credit and settled the majority of class actions and lawsuits filed after the data breach. In January 2020, a global settlement for a total of USD 425 million was approved to help US consumers affected by the data breach. Overall, the company took responsible actions to remediate the incident and responded positively to address it. Based on the company's actions, Sustainalytics has concluded the case.

ISSUE

► Data Breaches

MILESTONES

5/5 Achieved

PERFORMANCE



Patterson-UTI Energy, Inc. (United States, 2018)

The company has worked cooperatively with the US Chemical Safety Board (CSB) since the accident and before the investigation report was published, pre-emptively taking actions and improving working practices where it had independently identified causes of the accident. Although, all the company-specific actions, recommended by CSB, have been addressed, it will take time for the industry bodies to formulate responses and even longer for CSB to verify and confirm the implementation of its recommendations. Based on the actions of the company to address CSB's investigation report and the causes of the accidents, including the lack of further incidents since 2018, Sustainalytics considers the case resolved.

ISSUE

► Fatal Workplace Accident(s)

MILESTONES

5/5 Achieved

PERFORMANCE



Pilgrim's Pride Corp. (United States, 2015)

Pilgrim's Pride has addressed the identified occupational health and safety (H&S) shortcomings at its processing facilities. It continues to mitigate hazards and improve working conditions and maintains a high level of discipline with respect to incident reporting. Its parent company, JBS, is implementing a company-wide H&S policy, along with enhanced performance metrics. Due to the measures taken by the company as well as the fact the company's safety performance has improved, with no major shortcomings identified recently, Sustainalytics has decided to resolve the case.

ISSUE

► Recurring Labour Rights Violations

MILESTONES

5/5 Achieved

PERFORMANCE



Southern Copper Corporation (Peru, 2013)

Grupo Mexico, including its subsidiary Southern Copper, has aligned its corporate wide practices to the Voluntary Principles on Security and Human Rights, improved community relations and has a water management system in place for the Tia Maria project aligned with international standards. Substantial focus has been given to the development of a comprehensive human rights framework across Grupo Mexico, which is also transparently reported in its 2019 Sustainability Report. With such improvements, Sustainalytics regards the case as resolved.

ISSUE

► Project(s) Resulting in Adverse Human Rights Impacts

MILESTONES

5/5 Achieved

PERFORMANCE



TC Energy Corp. (United States, 2018)

TC Energy has followed regulatory guidelines, conducted multiple environmental impact studies, created an equity stake in the pipeline for Canadian indigenous groups and re-routed portions of the US pipeline based on feedback. The company has now industry standard leak detection methods, spill response plans are available to the public by request and a third-party auditing system in place to ensure the integrity of its stored pipe. Although the company lacks alignment with international standards for human rights, its principled approach to community consultation is structured and well documented internally. With such improvements, Sustainalytics regards the case as resolved.

ISSUE

► Pipeline Project(s) Resulting in Negative Environmental and Human Rights Impacts

MILESTONES

5/5 Achieved

PERFORMANCE



Wolverine World Wide, Inc. (United States, 2017)

The settlement of the community/state lawsuit against Wolverine in February 2020 combined with the Agreement over remediation with the US EPA in October 2019, which was completed in May 2020, means that Wolverine has addressed the legacy PFAS contamination from its sites. Compensation to residents and a new piped water supply are within the terms of the February 2020 settlement. Based on these measures, Sustainalytics has decided to resolve the case.

ISSUE

► Activities Resulting in Negative Health Impacts

MILESTONES

5/5 Achieved

PERFORMANCE



Archived

AFRICA / MIDDLE EAST

Bank Hapoalim B.M. (Palestinian Authority, 2009)

A dialogue with the Israeli banks has been in place for about a decade, with the most recent interaction as late as July 2020. Bank Hapoalim has, through The Association of Banks in Israel, discussed the issues raised by investors. While there was a shift in awareness among the stakeholders, the dialogue has not fully advanced on core objectives, and appears to have reached a stalemate due to the complexity of the issues. Therefore, despite our long-standing engagement efforts, we do not expect any further substantial progress on the case. As such, Sustainalytics has decided to archive the case.

ISSUE

- ▶ Financing of Illegal Settlements in Occupied Territories

Bank Leumi Le-Israel Ltd. (Palestinian Authority, 2009)

A dialogue with the Israeli banks has been in place for about a decade, with the most recent interaction as late as July 2020. Bank Leumi has, through The Association of Banks in Israel, discussed the issues raised by investors. While there was a shift in awareness among the stakeholders, the dialogue has not fully advanced on core objectives, and appears to have reached a stalemate due to the complexity of the issues. Therefore, despite our long-standing engagement efforts, we do not expect any further substantial progress on the case. As such, Sustainalytics has decided to archive the case.

ISSUE

- ▶ Financing of Illegal Settlements in Occupied Territories

Israel Discount Bank Ltd. (Palestinian Authority, 2009)

A dialogue with the Israeli banks has been in place for about a decade, with the most recent interaction as late as July 2020. Israel Discount Bank has, through The Association of Banks in Israel, discussed the issues raised by investors. While there was a shift in awareness among the stakeholders, the dialogue has not fully advanced on core objectives, and appears to have reached a stalemate due to the complexity of the issues. Therefore, despite our long-standing engagement efforts, we do not expect any further substantial progress on the case. As such, Sustainalytics has decided to archive the case.

ISSUE

- ▶ Financing of Illegal Settlements in Occupied Territories

Jerusalem Economy Ltd. (Palestinian Authority, 2010)

Jerusalem Economy merged with its parent company and now operates as Mivne Real Estate (K.D) Ltd.

ISSUE

- ▶ Operations in Occupied Territories

Mivne Real Estate (K.D) Ltd. (Palestinian Authority, 2010)

Sustainalytics has tried to engage with Mivne Real Estate (previously Industrial Buildings Corporation and Jerusalem Economy) since 2012, without success which is why the case was previously assessed as Disengage. However, under the Global Standards Screening (GSS) methodology, there is no evidence of Mivne Real Estate's involvement falling under the categories in scope. Therefore, the GSS threshold has not been met. As such, Sustainalytics has decided to archive the case.

ISSUE

- ▶ Operations in Occupied Territories

Mizrahi Tefahot Bank Ltd. (Palestinian Authority, 2010)

A dialogue with the Israeli banks has been in place for about a decade, with the most recent interaction as late as July 2020. Mizrahi Tefahot has, through The Association of Banks in Israel, discussed the issues raised by investors. While there was a shift in awareness among the stakeholders, the dialogue has not fully advanced on core objectives, and appears to have reached a stalemate due to the complexity of the issues. Therefore, despite our long-standing engagement efforts, we do not expect any further substantial progress on the case. As such, Sustainalytics has decided to archive the case.

ISSUE

- ▶ Financing of Illegal Settlements in Occupied Territories

The First International Bank of Israel Ltd.

A dialogue with the Israeli banks has been in place for about a decade, with the most recent interaction as late as July 2020. First International Bank of Israel has, through The Association of Banks in Israel, discussed the issues raised by investors. While there was a shift in awareness among the stakeholders, the dialogue has not fully advanced on core objectives, and appears to have reached a stalemate due to the complexity of the issues. Therefore, despite our long-standing engagement efforts, we do not expect any further substantial progress on the case. As such, Sustainalytics has decided to archive the case.

ISSUE

- ▶ Financing of Illegal Settlements in Occupied Territories

Turkiye Halk Bankasi AS (Turkey, 2010)

Over the years, Sustainalytics has been monitoring Turkiye Halk Bankasi and no indications of involvement in financing of other controversial projects has been reported in relation to the company. Due to this and the fact that the dam is now completed, meaning the company has no leverage to impact the project anymore, Sustainalytics has decided to archive the case.

ISSUE

- ▶ Financing of Controversial Project(s)

Uchumi Supermarkets Limited (Kenya, 2019)

Uchumi's senior management engaged in corrupt procurement of goods and services and made fraudulent payments to suppliers owned by Uchumi's senior managers or their relatives, which ultimately led to substantial losses for the company. The amount of debt owed as well as the alleged involvement of top management in systemic corrupt and fraudulent practices, ultimately led to the company's financial struggle. Furthermore, the company, at the time, did not disclose any anti-corruption policies, nor any policies related to how supplier procurement contracts were awarded. As there is no functional website and the company has deactivated its contact email addresses, engagement is deemed impossible. Thus, Sustainalytics has decided to archive the case until more information about the company's situation is available to better understand the status of Uchumi's operations.

ISSUE

- ▶ Fraud

ASIA / PACIFIC

Agricultural Bank of China (China, 2017) (United States, 2018)

In February 2020, Sustainalytics decided to archive the case on Corrupt Practices and continued its engagement under the Money Laundering case. Despite ABC's failure to enter into engagement dialogue with Sustainalytics, over the last three years, we have identified, through the company's public reporting, improvements on how it deals with Anti-Money Laundering (AML) controls, by for example adopting a more robust AML system which involved technology driven enhancements. The company has also strengthened its monitoring and control activities related to financial crime prevention and participated in a China-wide AML assessment. Furthermore, no new incidents appear to have surfaced since 2017 pertaining to money laundering at the senior executive or board level, other than fines which have been levied in the US and China in 2016 and 2018 respectively, for the money laundering violations on which the case was founded. Based on the measures taken by the company, Sustainalytics has decided to archive the case on Money Laundering in August 2020.

ISSUE

- ▶ Corrupt Practices
- ▶ Money Laundering

Changsheng Bio-technology Co., Ltd. (China, 2019)

Due to the fact that Changsheng Bio-technology was officially delisted from the Shenzhen Stock Exchange, Sustainalytics decided not to continue this engagement.

ISSUE

- ▶ Quality and Safety Breaches

China Railway Group Ltd (China, 2013)

CRG has improved its disclosure on safety-related issues, suggesting that the topic has risen higher on the company's agenda. The company has strengthened its management of operational safety by implementing training for employees, carrying out risk controls and evaluating contractors' safety records in the bidding process. CRG has strengthened its health and safety management and public disclosure which is a significant step forward. Nevertheless, more transparency, especially on H&S statistics, would be crucial to confirm that the measures taken are effective and to put the recent news about several fatal accidents in context. As to date, the company has not published that data. At the same time, the severity of current allegations, in comparison with other health and safety issues that Sustainalytics engages on, has been assessed as not high enough to warrant continued engagement. Thus, Sustainalytics has decided to archive the case.

ISSUE

- ▶ Recurring Workplace Accidents

* Associated company: *China Railway Engineering Corp.*

Hyundai Motor Co., Ltd. (South Korea, 2010)

Hyundai Motor has been involved in multiple labour relations incidents. However, the company managed to settle with workers and avoid the annual strikes in South Korea for the first time in 2019. It is the company's priority to avoid strikes in the future. Moreover, Hyundai has established a human rights policy, including a statement on freedom of association. It reports that it actively communicates with its employees and labor unions through various channels. Considering these positive developments, Sustainalytics has decided to archive the case.

ISSUE

- ▶ Labour Rights Violations at Company Operations

Indofood Agri Resources Ltd (Indonesia, 2016)

Sustainalytics decided to archive this case on Activities Resulting in Negative Environmental and Human Rights Impacts but will continue its engagement with Indofood Agri Resources under a Labour Rights Violations at Plantations.

ISSUE

- ▶ Activities Resulting in Negative Environmental and Human Rights Impacts

Industrial & Commercial Bank of China Ltd. (Spain, 2018)

Despite the company's non-responsiveness to engagement attempts over the last three years, the company has made improvements in its reporting of Anti-Money Laundering (AML) risks across the company's global operations. ICBC has invested in AML training, created structures of governance for AML compliance globally, and focused on ensuring overseas compliance. All these developments, among others that the company has disclosed, suggests above average management capacity for AML related risks, and a lower likelihood of incurring costs related to AML non-compliance such as fines, costly litigation and reputational damage. Furthermore, during Sustainalytics' research, no major money laundering incidents like the ones described in the media in February 2016 have been identified. Thus, Sustainalytics has decided to archive the case.

ISSUE

- ▶ Money Laundering

Italian-Thai Development Public Co., Ltd. (Myanmar, 2011)

The Dawei project has repeatedly been stalled since 2013, and still to date has not been initiated. In January 2020, the Dawei management committee said changes had been made to the contractual agreements with ITD for the development of the initial industrial estate. According to the amendment, ITD and other investors must compensate and resettle villagers affected by industrial zone project, while also adhering to international environmental standards, and with additional provisions under discussion. However, there has been a lack of further concrete information and updates during the latest years, and the project is yet to be initiated. Based on these circumstances Sustainalytics has decided to archive the case.

ISSUE

- ▶ Project(s) with Environmental and Human Rights Risks

Korean Air Lines Co.,Ltd. (South Korea, 2019)

Sustainalytics recognizes the company has undertaken important reforms to improve governance, especially most recently with the separation of chairman and chief executive. There are also several ethics policies in place that address key aspects of corruption. Some gaps remain, however, such as the fact that the audit committee is not fully independent and training on anti-corruption is directed towards all employees without additional training specifically targeted at executives. These gaps are likely to require a fundamental change in culture i.e., to challenge authority which may be unrealistic at this stage for a Korean chaebol (family-run business). Due to measures taken by the company and the fact that no further allegations connected to embezzlement have surfaced and the criminal case against the former chairman-chief executive was dismissed by Korean Authorities when he died, Sustainalytics has decided to archive the case.

ISSUE

- ▶ Embezzlement

Lotte Fine Chemical Co., Ltd. (South Korea, 2018)

Sustainalytics decided to merge this case on Fraud with the case related to Embezzlement.

ISSUE

- ▶ Fraud

Nelco Ltd. (India, 2019)

Nelco is no longer considered involved in nuclear weapons. The company is 50.8% owned by The Tata Power Company Limited (Tata Power), which, through its Strategic Engineering Division, previously provided the control systems for the Arihant class of submarines, used to deliver nuclear missiles for the Indian Navy. In October 2020, Tata Power completed the sale of its Defense business to its affiliate, TATA Advanced Systems Ltd. (TATA). As a result, TATA took over Tata Power's nuclear weapons related activities.

ISSUE

- ▶ Nuclear Weapons Development

PetroChina Co Ltd (China, 2015)

PetroChina discloses an anti-corruption policy and procedure and has affirmed that it has carried out training in anti-corruption for senior management and other staff. Also, the level of public reporting on anti-corruption more widely has improved from 2015 to 2019. However, it is not clear that the anti-corruption policy and procedure have been implemented in all businesses. It is also not clear whether any steps are taken to monitor the effectiveness of anti-corruption training. At the same time, the severity of current allegations, in comparison with other corruption issues that Sustainalytics engages on, has been assessed as not high enough to warranted continued engagement. Thus, Sustainalytics has decided to archive the case.

ISSUE

- ▶ Corrupt Practices

S&T Corp. (South Korea, 2019)

Following a reassessment of the company's corporate structure links with S&T Dynamics, which is involved in the production of anti-personnel mines, Sustainalytics concluded that S&T Corp. is not directly involved in anti-personal mines. Thus, the case has been archived.

ISSUE

- ▶ Involvement in Land Mines

The Tata Power Company Limited (India, 2019)

The Tata Power Company Limited is no longer considered directly involved in nuclear weapons. In October 2020, Tata Power completed the sale of its Defense business to its affiliate, TATA Advanced Systems Ltd (TATA). As a result, TATA took over Tata Power's nuclear weapons related activities.

ISSUE

- ▶ Nuclear Weapons Development

Unitech Limited (India, 2019)

Given the close link between the human rights impact and the business ethics issues that resulted from this consumer fraud case, it has been merged with the case on Business Ethics, where the objective is for Unitech to demonstrate that the company can either complete the stalled housing projects or otherwise provide remedy to the impacted customers.

ISSUE

- ▶ Fraud

EUROPE**Enel Green Power S.p.A.** (Western Sahara, 2019)

Enel Green Power is still in the process of developing, constructing, and managing two wind power plants in Western Sahara. At this stage, Sustainalytics has decided to archive since there is no direct link between the company's operations and any negative human rights impacts. Sustainalytics will reconsider the assessment once the construction phase starts and/or there is any evidence of a direct link to negative human rights impacts from the company's operations in Western Sahara.

ISSUE

- ▶ Operations in Occupied Territories

Enel SpA (Western Sahara, 2019)

Enel's subsidiary, Enel Green Power, is still in the process of developing, constructing, and managing two wind power plants in Western Sahara. At this stage, Sustainalytics has decided to archive since there is no direct link between the company's operations and any negative human rights impacts. Sustainalytics will reconsider the assessment once the construction phase starts and/or there is any evidence of a direct link to negative human rights impacts from the company's operations in Western Sahara.

ISSUE

- ▶ Operations in Occupied Territories

HeidelbergCement AG (Palestinian Authority, 2012)

Sustainalytics has had an open engagement case with HeidelbergCement since 2012. The company is taking steps to sell the quarry, located in West Bank, however the dialogue on the remaining objective has not fully advanced, reflecting the complexity of the issue. Due to the expected sale of the quarry and its corresponding assets, Sustainalytics has decided to archive the case.

ISSUE

- ▶ Illegal Exploitation of Natural Resources

Watchstone Group PLC (United Kingdom, 2019)

The company's most significant legal proceeding was settled in October 2019, which left only an investigation by the UK Serious Fraud Office (SFO). In early 2020, the company was notified by the SFO that it is no longer a suspect and would not be liable to prosecution. While the company was non-responsive to Sustainalytics attempts at engagement dialogue and has not provided guidance, beyond general statements, on how internal financial controls have improved, it no longer faces material litigations or investigations regarding claims of irregular accounting practices. Based on the above and the fact that there have been no new allegations after 2015, Sustainalytics decided to archive the case.

ISSUE

- ▶ Accounting Irregularities

LATIN AMERICA AND CARIBBEAN

1MDB Global Investments Ltd. (Malaysia, 2017)

1MDB's most significant legal proceeding was settled in October 2019 with the US DOJ, and although there are other investigations, the majority of the stolen money has been recovered. While the company was non-responsive to Sustainalytics attempts at engagement dialogue and has not provided guidance, beyond general statements, on how internal financial controls have improved, it faces no new material litigations or investigations regarding claims of executive misconduct or embezzlement. Furthermore, the company is no longer operational; in 2018 it became insolvent and unable to pay debts owed. In several attempts to email and/or call the company over the past years, we have not been able to establish a dialogue with the company as all of its contact methods are closed and non-operational. Based on the above and the fact that there have been no new allegations after 2015, Sustainalytics decided to archive the case.

ISSUE

- ▶ Embezzlement

Banco Safra S.A. (Brazil, 2016)

The chairman and majority owner of Banco Safra S.A. was indicted for corruption by Brazilian prosecutors in 2016. Sustainalytics was in dialogue with Banco Safra in relation to the incident in 2017. The bank has adequate policies in place and the code of conduct was updated in 2019 to account for bribery. Given the corporate structure of Banco Safra Group and allegations directly targeting the owner, as well as further dismissal of the case by the authorities, Sustainalytics decided that there is no sufficient engagement potential, and as such decided to archive this engagement case.

ISSUE

- ▶ Corrupt Practices

CEMEX, S.A.B. de C.V. (Palestinian Authority, 2009)

Sustainalytics has had an open engagement case with Cemex since 2009. The company, through Readymix Industries, its business unit in Israel, owned a Yatir quarry, which was sold in 2015. The company still operates three ready-mix concrete plants in Israeli settlements in the West Bank. After the sale of the quarry, Cemex was no longer involved in natural resource extractive activities in the OPT. However, the dialogue on the remaining objective has not fully advanced, reflecting the complexity of the issue. As such, Sustainalytics has decided to archive the case.

ISSUE

- ▶ Operations in Occupied Territories

UNITED STATES AND CANADA

Boston Scientific Corporation (United States, 2019)

Boston Scientific Corporation has been involved in product quality and safety issues linked to the use of its medical mesh device. Since the side effects of the product was reported, the company has engaged with the regulator and voluntarily recalled the faulty products. As of October 2019, the company settled almost all lawsuits and following the US Food and Drug Administration (FDA) recommendations that the transvaginal mesh device itself was linked with elevated risks, the company decided to stop production and sale of the device. In addition, BSC has a code of conduct in place and a rigorous safety monitoring process that includes post-market surveillance studies, patient registry information and quality systems feedback. Sustainalytics decided to archive the case.

* includes the related company: **EndoChoice Holdings, Inc.**

ISSUE

- ▶ Product-Related Incidents

Cargill, Inc. (Uzbekistan, 2012)

According to the 2019 ILO and Trafficking in Person reports, the systematic and systemic use of child labour and forced labour in Uzbekistan's cotton industry has come to an end, with the government of Uzbekistan making significant efforts to end trafficking. Based on this and Cargill's lack of direct investments in Uzbekistan, as well as the fact that the volume of cotton sourced by the company from the country is low, Sustainalytics has decided to archive the case.

ISSUE

- ▶ Labour Rights Violations in Supply Chain

INSYS Therapeutics, Inc. (United States, 2019)

In June 2019, the company announced that Insys filed for Chapter 11 bankruptcy protection in the US Delaware Bankruptcy Court. Since then, there is no functional website nor publicly available information about the company. Due to the nature of the “reorganization bankruptcy” proceedings and the scale of the bribery scheme, the company is not operating any longer. Thus, Sustainalytics decided to not to continue this engagement.

ISSUE

- ▶ Corrupt Practices

Phillips 66 (United States, 2016)

While Phillips 66 was the third-largest investor in the project by having 25% of stake (now through its majority-owned subsidiary), its involvement is considered by Sustainalytics as indirect, i.e., the company is not the operator of the pipeline. The company’s preparedness is aligned with US legal requirements on indigenous peoples’ rights, rather than requirements embedded within international norms. Phillips 66 has made some improvements with regards to human rights and enhanced reporting on already existing procedures with regards to indigenous peoples’ and other communities affected by its operations. Based on the company’s nature of involvement as well as improvements done during the course of engagement, Sustainalytics decided to archive the case.

ISSUE

- ▶ Violations of the Rights of Indigenous Peoples

Tesla Inc (United States, 2018)

Tesla denies any alleged anti-union practices that would adversely impact its employees’ right to freedom of association. Even though the company still lacks a stand-alone policy that would explicitly guarantee the right to unionize and several controversies related to labour rights at Tesla are present, after substantial engagement efforts, Sustainalytics decided to archive the case. The severity of current allegations, in comparison with other labour issues Sustainalytics engages on, has been assessed as not high enough to continue the engagement process, especially as the conflicts have not escalated to further protests and the outstanding issues are being analyzed by the National Labor Relations Board. Sustainalytics will continue to monitor the situation and should new, relevant information emerge, we will reconsider this conclusion.

ISSUE

- ▶ Labour Rights Violations at Company Operations

Universal Health Services, Inc. (United States, 2017)

Universal Health Services has been involved in ongoing individual lawsuits alleging poor quality and safety of the services offered by the company at some of its facilities. Since the issues were revealed the company has implemented quality and safety measures, including risk assessments and employee training, and has certified its facilities according to quality standards. As the company has introduced corrective measures, Sustainalytics decided to archive the case. However, Sustainalytics will continue monitoring the company’s operations and will reconsider this conclusion should there be any indication to the contrary.

ISSUE

- ▶ Activities Resulting in Adverse Human Rights Impacts

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

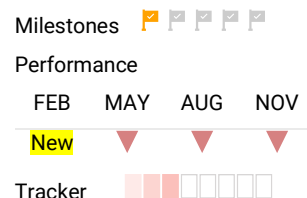
Engage

AFRICA / MIDDLE EAST

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

► Corrupt Practices

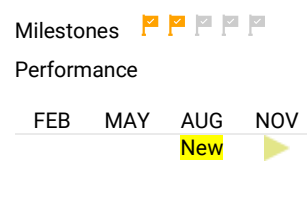
Engagement Commentary: Sustainalytics established contact with Bezeq during 2020. While there is yet to be an engagement call, the company did indicate that it was preparing its first ESG report to be released in early 2021. Bezeq deferred attempts to schedule a call in 2020 and stated its preference to connect after the release of its ESG report.



El Sewedy Electric Co (Tanzania, 2020)

► Power Project(s) Resulting in Negative Environmental Impacts

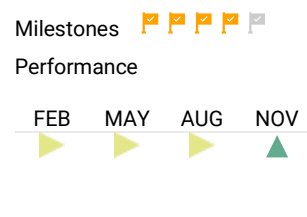
Engagement Commentary: Construction of the Rufiji Hydropower project is underway and is very unlikely to be stopped. El Sewedy is open to dialogue; however, the amount of information that it can share on the project is severely limited due to confidentiality agreements. Sustainalytics is encouraging the company to explore solutions for greater transparency with investors and to address the company's project due diligence process.



Eskom Holdings SOC Limited (South Africa, 2019)

► Air Pollution

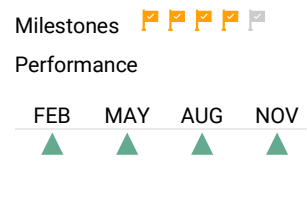
Engagement Commentary: Sustainalytics held two conference calls with Eskom in 2020. The company provided details of its planned systems update for the next five years, which shows essential maintenance and compliance work at each generation unit in order to meet the minimum emissions standards. It also detailed its community off-set programme to reduce domestic air pollution by replacing solid fuel stoves with electric ovens and insulating homes.



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

► Fatal Accident(s)

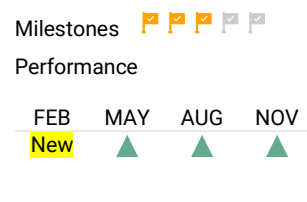
Engagement Commentary: We held two conference calls with Harmony Gold in 2020. The company provided details of how it is adapting to deal with COVID-19. The company's reporting year (2019/2020) showed a decline in fatalities from 11 to six, but the new reporting year has already recorded five fatalities. Harmony Gold is integrating the Mponeng mine and is confident that its focus on behavior and risk management will see improvements.



MTN Group Limited (South Africa, 2019)

► Operations in Territories with Elevated Human Rights Risks

Engagement Commentary: In 2020, MTN Group announced the decision to exit its Middle Eastern assets. This decision was not solely human rights driven, but the markets in question were of concern from a human rights risk point of view. MTN also released its first transparency report in late 2020 alongside updates of its global privacy policy and human rights policy statements.

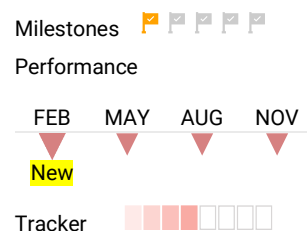


*Associated company: *MTN Nigeria Communications Ltd.*

Mumias Sugar Company Limited (Kenya, 2019)

► Accounting Fraud

Engagement Commentary: Mumias Sugar has not responded to any of Sustainalytics' attempts to establish a dialogue. Based on local media coverage in Kenya, it is clear that the company is still occupied with re-starting its sugar milling operations and restoring its financial health. Hence, the engagement case has had a low performance and Sustainalytics will be escalating accordingly in 2021.



OCP S.A. (Western Sahara, 2016)

► Operations in Occupied Territories

Engagement Commentary: In 2020, OCP published its second Sustainability Report, with more detailed information about its human rights approach and due diligence process. The company also published a Human Rights Policy and a plan to carry out a due diligence process. However, there is no evidence that the company has conducted a human rights impact assessment or that it has begun to consult Saharawi communities regarding its operations in Western Sahara.

Milestones 

Performance

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

► Operations in Territories with Elevated Human Rights Risks

Engagement Commentary: Orascom remained unresponsive to attempts to establish contact in 2020 and there is no disclosure of its human rights management practices. Orascom stated in 2015 that it has effectively lost control of its local asset. However, in its 2019 consolidated financial statement, it continued to list the asset as an associated company in which it believes it has "significant influence instead of control".

Milestones 

Performance

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

► Recurring Workplace Accidents

Engagement Commentary: Sustainalytics held one conference call with Sibanye Stillwater in 2020. During the call, the company provided details of how it went about improving health and safety systems, following the numerous incidents in early 2018. Since June 2018, it has not recorded any fatalities in its gold sector and only five across its other operations. The company also discussed its acquisition of, and associated challenges with, Lonmin's platinum mines.

Milestones 

Performance

**Teva Pharmaceutical Industries Limited** (United States, 2019)

► Price-Fixing Violations

Engagement Commentary: During 2020, Teva was fined by the European Commission for pay-for-delay practices and its US subsidiary was indicted for three price-fixing conspiracies. Whilst several peer companies have admitted complicity in the latter, Teva denies wrongdoing. After a slow start to dialogue, the company has begun to share more information about anti-trust and price-fixing policies and actions. However, Teva has repeatedly delayed a planned call.

Milestones 

Performance

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

► Activities Resulting in Adverse Human Rights Impacts

Engagement Commentary: Sustainalytics' engagement continued with Okomu in 2020. The company was responsive to our questions about community land rights and other human rights allegations and has provided detailed answers to our questions as well as additional documentary evidence. The company emphatically denies the allegations against it. The challenge, it would seem, is that the local community in Nigeria is divided. Sustainalytics notes that Okomu is working with an NGO to consistently improve its policies.

Milestones 

Performance

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

► Product-Related Fatalities

Engagement Commentary: Our engagement with Tiger Brands continued in 2020, and a conference call took place with the company in September. The discussion focused on Tiger Brands' Quality Strategy 2022, including its product recall processes. Sustainalytics requested that the company publish this strategy, which the company has agreed to do. We also suggested that Tiger Brands strengthen its human rights policy. The class action case against the company is ongoing.

Milestones 

Performance

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

► Accounting Fraud

Engagement Commentary: There has not been any significant dialogue with Tongaat Hulett yet. The company did respond to our initial inquiry, but the release of its financial results and integrated annual report were delayed this year and the company needed to prioritize that first. Now that these publications are available, Sustainalytics is reattempting to start a conversation.

Milestones 

Performance

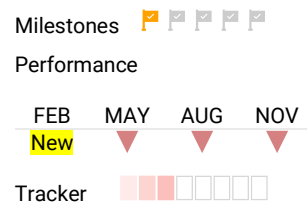


ASIA / PACIFIC

63 Moons Technologies Ltd (India, 2020)

► Fraud

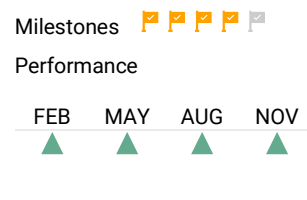
Engagement Commentary: Sustainalytics tried to contact 63 Moons throughout 2020. Several e-mails and two phone calls have not received replies. We will continue to contact the company in the hope of establishing a dialogue in 2021.



Adani Enterprises Limited (Australia, 2016)

► Project(s) With Environmental and Human Rights Risks

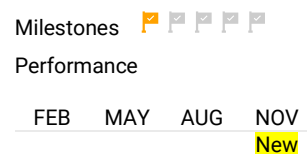
Engagement Commentary: During our dialogue with Adani Enterprises in 2020, the company confirmed that work at the Carmichael mine is fully underway. Adani Enterprises has continued to work to resolve the final hurdle in its water application; however, the court case on this issue is ongoing. All other licensing and permits have been approved. Sustainalytics is continuing to follow up with the company on its participation plan and stakeholder engagement processes.



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

► Project(s) With Environmental and Human Rights Risks

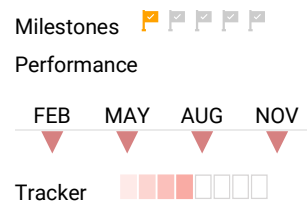
Engagement Commentary: This engagement was initiated in November 2020 based on Global Standards Screening. The case is in early stages of engagement, with the change objective identified and initial contacts with the company conducted.



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

► Quality and Safety Violations

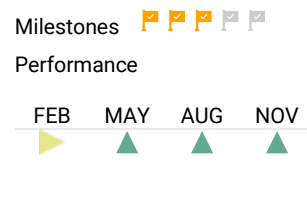
Engagement Commentary: In February 2020, Sustainalytics wrote to Aekyung Industrial in order to understand its position on allegations that the company sold humidifier disinfectants (manufactured by SK Chemicals) associated with around 27 deaths and 101 respiratory problems in South Korea between 2001 and 2011. We followed up in August 2020 but have not as yet received a response. We are evaluating further options to start a meaningful dialogue with the company.



AMP Limited (Australia, 2019)

► Consumer Fraud

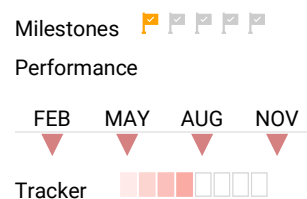
Engagement Commentary: AMP Limited sent some important answers to previous questions related to the company's 2019 Corporate Culture Review, and the institutional response to the results, as well as more information about the responsibilities of the Bank Executive Accountability Regime. The engagement has progressed well, despite a limited number of conference calls. Sustainalytics will focus on corporate culture moving forward.



Anbang Insurance Group Co., Ltd. (China, 2019)

► Fraud

Engagement Commentary: Sustainalytics tried to contact Anbang Insurance Group throughout 2020. Despite ongoing attempts to contact the company in both English and Mandarin, we have received no response and will Sustainalytics will be escalating accordingly in 2021.

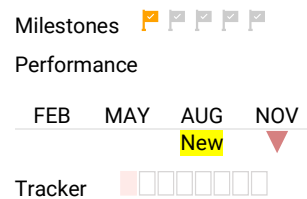


*Associated companies: *TongYang Life Insurance Co Ltd and Dajia Life Insurance Co. Ltd.*

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

► Operations in Territories with Elevated Human Rights Risks

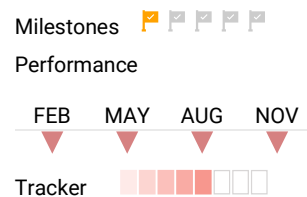
Engagement Commentary: Sustainalytics sent an initial email to Aviation Industry Corporation of China (AVIC) in October 2020, summarizing reports of military sales to embargoed or conflict-affected countries. We also requested a conference call to seek the company's response to these allegations and find out whether it is undertaking any human rights due diligence on potential clients. We have not yet received a response and will follow up in early 2021.



AviChina Industry & Technology Company Limited (China, 2019)

► Operations in Territories with Elevated Human Rights Risks

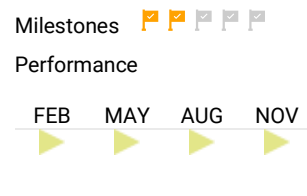
Engagement Commentary: Having tried to establish a dialogue with AviChina in 2019 by email and a letter signed by the Director of Engagement Services, Sustainalytics followed up with the company in February and May 2020 by telephone and email, but so far, we have not received a response. We will be escalating accordingly in 2021 are to request information on any due diligence procedures that the company applies to military equipment sales deals.



Bharat Heavy Electricals Limited (Bangladesh, 2017)

► Project(s) with Environmental and Human Rights Risks

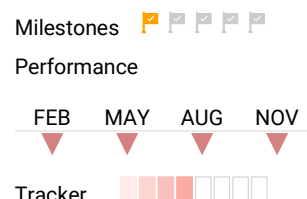
Engagement Commentary: Bharat Heavy Electricals (BHEL) is the contractor for building the Rampal project in Bangladesh. In 2020, we had a meeting with the company, during which it provided some updates; however, it stressed that the company's actions are limited by the terms of its contract. We have requested that BHEL align its operations with World Heritage Centre (WHC) and International Union for Conservation of Nature (IUCN) recommendations regarding air and water pollution and infrastructure impact concerns.



China Energy Engineering Corporation Ltd (China, 2019)

► Fatal Workplace Accident(s)

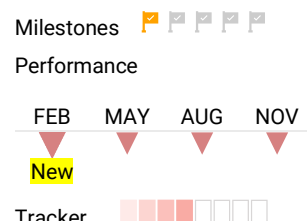
Engagement Commentary: In its 2019 report, China Energy Engineering Corp. (CEEC) published that it had improved its safety production and management systems. It stated that it will conduct assessments on safety production and strengthen its supervision and inspection processes. However, CEEC does not disclose detailed safety metrics nor information on corrective measures in response to particular accidents. In 2020, Sustainalytics tried to establish a dialogue with the company, but was unsuccessful.



China Huarong Asset Management Co Ltd (China, 2019)

► Corrupt Practices

Engagement Commentary: Sustainalytics tried to contact China Huarong Asset Management throughout 2020 in both English and Mandarin. Our call was answered only once, and the investor relations representative explained that the company could not discuss any related issues. We will continue to contact the company in the hope of establishing a dialogue in 2021.

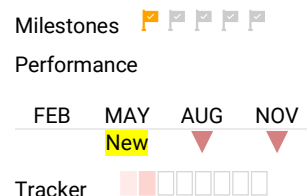


**Associated companies: Huarong International Financial Holdings Ltd., Huarong Investment Stock Corp Ltd and Huarong Real Estate Co., Ltd.*

China National Petroleum Corp. (China, 2020)

► Operations in Territories with Elevated Human Rights Risks

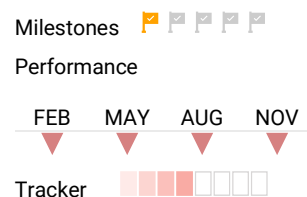
Engagement Commentary: Sustainalytics tried to contact China National Petroleum Corporation throughout 2020. Despite ongoing attempts to contact the company in both English and Mandarin, we have received no response. We will continue to contact the company in the hope of establishing a dialogue in 2021.



China North Industries Corp. (China, 2019)

► Operations in Territories with Elevated Human Rights Risks

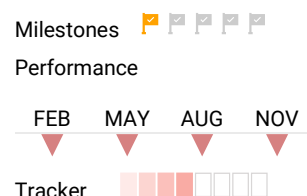
Engagement Commentary: Having tried to establish a dialogue with China North Industries in December 2019 by a letter signed by the Director of Engagement Services, Sustainalytics followed up with the company in March and May 2020 by telephone and email, but so far, we have not received a response. We will be escalating accordingly in 2021 to request information on any due diligence procedures that the company applies to military equipment sales deals.



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

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

Engagement Commentary: After initial emails in Q4 2019, Sustainalytics wrote to the company again in October 2020 to initiate dialogue on this issue. Having received no response, we followed up with a letter signed by a client in November 2020. More information is needed on any formal tailings management policy that the company has in place and its strategy for minimizing further environmental contamination.

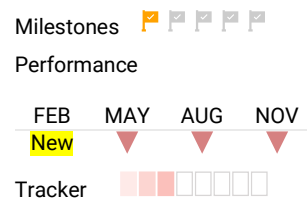


China Petroleum & Chemical Corp. (China, 2019)

► Operations in Territories with Elevated Human Rights Risks

Engagement Commentary: A member of the board secretariat responded to our communications in April and May 2020, offering to be our point of contact. We organized a call with China Petroleum Chemical (CPCC) in November 2020, where we raised the topic of human rights risk management, among other issues. The company advised that it would be publishing a “comprehensive” formal human rights policy in 2021 and agreed to hold a further call on the topic of human rights risk management in Q1 2021.

*Associated company: *Sinopec Kantons Holdings Ltd*

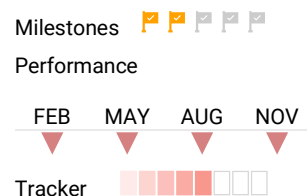


China Railway Group Ltd (Democratic Republic of the Congo, 2019)

► Forced Evictions

Engagement Commentary: In 2020, Sustainalytics coordinated an investor letter to the company. China Railway Group did not accept the invitation to call and stated that it would continue to report in alignment with the Hong Kong Exchange’s disclosure guidelines. Those guidelines, however, do not require human rights disclosure in accordance with the norms that we expect the company to follow. The next step will be another letter in Mandarin, explaining the human rights disclosure that we expect the companies to have.

*Associated company: *China Railway Engineering Corp.*



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

► Recurring Workplace Accidents

Engagement Commentary: This engagement was initiated in November 2020 based on Global Standards Screening. The case is in early stages of engagement, with the change objective identified and initial contacts with the company conducted.

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

► Project(s) With Environmental and Human Rights Risks

Engagement Commentary: Sustainalytics tried to contact CK Power throughout 2020 via email and phone. Despite ongoing attempts to contact the company, we have received no response and will continue to contact the company in the hope of establishing a dialogue in 2021.

Commonwealth Bank of Australia (Australia, 2019)

► Money Laundering

Engagement Commentary: In 2020, Commonwealth Bank of Australia (CBA) made significant progress in implementing a remedial action plan, which was acknowledged by Australian Prudential Regulation Authority. Sustainalytics had one call with the bank in 2020 and plans to have an update call in 2021.

Convoy Global Holdings Ltd (Hong Kong, 2019)

► Fraud

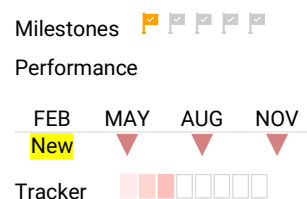
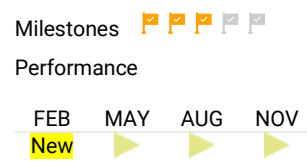
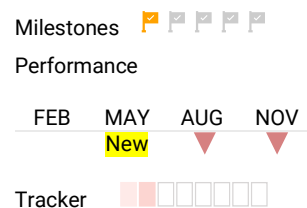
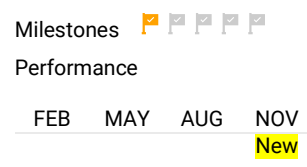
Engagement Commentary: Sustainalytics tried to contact Convoy throughout 2020. Several e-mails and phone calls have not received replies. We will continue to contact the company in the hope of establishing a dialogue in 2021. Trading in Convoy’s stock has been suspended since December 2017.

FGV Holdings Bhd. (Malaysia, 2017)

► Labour Rights Violations at Company Operations

Engagement Commentary: Sustainalytics’ dialogue with FGV includes three conference calls. The company is progressing towards our change objective and is strengthening its labour practices. However, in September 2020, US authorities banned FGV’s palm oil from entry into the US due to concerns over allegations of forced labour. FGV shared the steps that it is taking to resolve this issue. In addition, while the Roundtable on Sustainable Palm Oil (RSPO) has continued its suspension of FGV’s sites, the company expressed confidence that the suspension will be lifted.

*Associated company: *MSM Malaysia Holdings Bhd*



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

► Labour Rights Violations at Company Operations

Engagement Commentary: This engagement was initiated in November 2020 based on Global Standards Screening. The case is in early stages of engagement, with the change objective identified and initial contacts with the company conducted.

*Associated company: *Formosa Chemicals & Fibre Corp*

Milestones

Performance



Golden Agri-Resources Ltd (Indonesia, 2020)

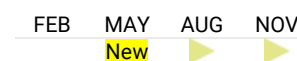
► Deforestation

Engagement Commentary: Sustainalytics had a conversation with Golden Agri-Resources (GAR) in which the company denied the accusations of deforestation, and provided a document related to the court proceedings. We will continue to engage the company on its deforestation policies in light of final confirmation from the courts that GAR was not involved in deforestation in Indonesia.

*Associated company: *PT Sinar Mas Agro Resources & Technology Tbk*

Milestones

Performance



Habib Bank Limited (Pakistan, 2019)

► Money Laundering

Engagement Commentary: Habib Bank Limited and Sustainalytics had several conversations in 2020 regarding the bank's presence in, and litigation with the United States, and the company's anti-money-laundering (AML) activities with Pakistani regulators. Future conversations will focus on the company's management of satellite branches' AML and corporate culture development.

Milestones

Performance



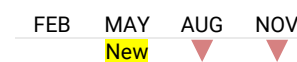
Hanergy Mobile Energy Holding Group Co., Ltd. (Hong Kong, 2020)

► Accounting Fraud

Engagement Commentary: The now fully owned subsidiary of Hanergy was delisted in June 2020 and acquired by the company in 2020. Sustainalytics tried to contact both the subsidiary and Hanergy throughout 2020. Several e-mails and phone calls, both in English and Mandarin, have not received replies. We will continue to contact the company in the hope of establishing a dialogue in 2021. The company is privately owned.

Milestones

Performance



Tracker

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

► Human Rights Impacts of Surveillance Systems

Engagement Commentary: Sustainalytics held two engagement calls with Hikvision in 2020. Hikvision completed an external review of its operations in Xinjiang in 2020, but has not provided substantial disclosure on the recommendations, though a global advisory committee is being formed. The company maintains that more information will be provided in its ESG report, due in Spring 2021. Hikvision states it has not bid on new projects in Xinjiang since 2018.

Milestones

Performance



Indofood Agri Resources Ltd (Indonesia, 2018)

► Labour Rights Violations at Plantations

Engagement Commentary: During our engagement with the company, which included two conference calls, IndoAgri made it clear that it does not believe that its operations have violated labour rights. The company stated that all its sites are legally compliant with Indonesian labour laws. Sustainalytics benchmarked IndoAgri against its peers to illustrate how other companies are addressing industry-wide concerns. IndoAgri has agreed to review a separate report on the risk of forced labour in the palm oil sector.

*Associated companies: *PT Indofood Sukses Makmur Tbk, PT Salim Ivomas Pratama Tbk and PT Perusahaan Perkebunan London Sumatra Indonesia Tbk*

Milestones

Performance



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

► Environmental Pollution

Engagement Commentary: After an initial email in February 2020, Sustainalytics wrote to the company again in August 2020 to initiate dialogue on this issue. Having received no response, we followed up with a letter signed by a client in November 2020. More information is needed on any formal tailings management policy that the company has in place and its strategy for minimizing further environmental contamination.

Milestones

Performance

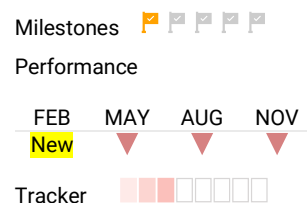


Tracker

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

► Accounting Irregularities

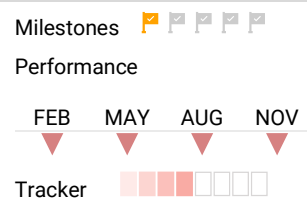
Engagement Commentary: Kangde Xin has not responded sufficiently to Sustainalytics' repeated requests that it address investor concerns regarding its accounting irregularities. Following an investigation by the China Securities Regulatory Commission (CSRC), the company's shares, which are currently suspended, may be delisted from the Shenzhen Stock Exchange.



Kangmei Pharmaceutical Co Ltd (China, 2019)

► Accounting Fraud

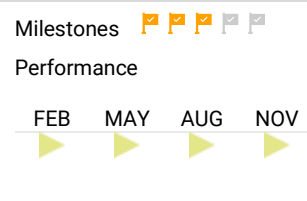
Engagement Commentary: Sustainalytics has been unable to correspond with Kangmei Pharmaceutical successfully. While an initial phone call was answered, subsequent emails have been left unanswered. The engagement case has had a low performance and Sustainalytics will be escalating accordingly.



Korea Electric Power Corporation (Laos, 2019)

► Incident(s) Resulting in Negative Human Rights Impacts

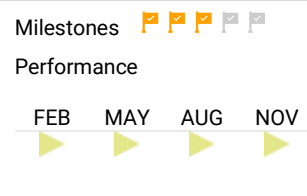
Engagement Commentary: In 2020, Sustainalytics coordinated and sent an investor letter to the company's chairman, highlighting the need for improved disclosure and more action to address the consequences of the dam collapse. We are also arranging a call to discuss how the human rights management system introduced at KEPCO covers its subsidiaries, as we see a growing need for better communication between KEPCO and its companies on human rights-related topics.



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

► Incident(s) Resulting in Negative Human Rights Impacts

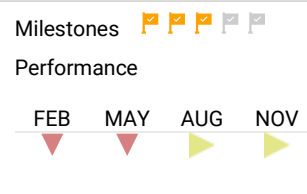
Engagement Commentary: During a call in March 2020, Korea Western Power (KOWEPO) assured Sustainalytics that the safety of the dam at the Xe-Pian Xe-Namnoy power plant has improved, and that the compensation process was ongoing. Nevertheless, Sustainalytics identified media and NGO reports stating contrary information. To clarify the situation, we coordinated and sent an investor letter to the company's president, highlighting the need for improved disclosure and more action to address the consequences of the accident.



Lotte Corp (South Korea, 2019)

► Embezzlement

Engagement Commentary: In August 2020, Sustainalytics established a dialogue with Lotte Corp. and the company has progressed to Milestone 3. Lotte shared the steps it is taking to improve business ethics, including its monitoring of executives' and staff behavior. Further reforms are needed at a senior level (the chairman was convicted of market misconduct), but the company has begun to make some positive changes.

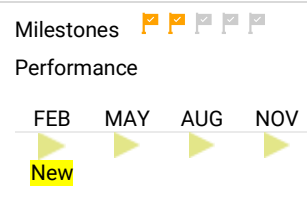


** Associated companies: Lotte Chemical Corp, Lotte Chilsung Beverage Co Ltd, Lotte Confectionery (New), Lotte Data Communication Co., Lotte Fine Chemical Co., Ltd., Lotte Food Co., Ltd., LOTTE Himart Co. Ltd., Lotte Non-Life Insurance Co., Ltd., Lotte Shopping Co., Ltd.*

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

► Poor Working Conditions

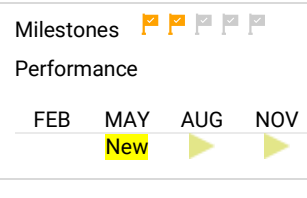
Engagement Commentary: Whilst we were in contact with Lu Thai Textile in 2020, advancing the engagement has proved challenging. In May 2020, Lu Thai confirmed that it had received our questions about its auditing procedures at two of its facilities in Cambodia and Myanmar, where serious allegations have been made regarding poor working conditions. The company asked for more time to respond, but it has still not provided answers to our questions about its due diligence processes.



Luckin Coffee, Inc. (China, 2020)

► Accounting Fraud

Engagement Commentary: Sustainalytics attempted dialogue with Luckin Coffee's investor relations team throughout the second half of 2020. The company stated that it is not yet prepared to discuss the accounting irregularities, given that they occurred recently.



Mitsubishi Materials Corporation (Japan, 2019)

► Quality and Safety Violations

Engagement Commentary: Sustainalytics first wrote to Mitsubishi Materials Corporation (MMC) on the issue of quality management in April 2020. The company's CSR department responded swiftly to our initial e-mail and requested that questions be sent in writing. We sent MMC initial questions on the topics of the governance, system and culture of quality control, and received responses along with other relevant company materials in June 2020.



NTPC Limited (Bangladesh, 2017)

► Project(s) with Environmental and Human Rights Risks

Engagement Commentary: Following a long period of silence, in mid-2020, the company started engaging with us once it came to understand the importance of ESG and how our clients use our work. We will be asking NTPC to address pollution from coal ash by air, pollution from wastewater and waste ash, increased shipping and dredging, and the cumulative impact of industrial and related development infrastructure.



NTPC Limited (India, 2018)

► Recurring Workplace Accidents

Engagement Commentary: NTPC has experienced accidents at its plants in India since 2013. Following a long period of silence, the company commenced dialogue with us in mid-2020, once it came to understand the importance of ESG and how our clients use our work. Engagement with NTPC is focused on making financial support to families of deceased workers and improving its safety management systems.



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

► Forced Labour

Engagement Commentary: OFILM has not responded sufficiently to Sustainalytics' requests for dialogue to address serious labour concerns related to its Uyghur and ethnic minority workforce, including discriminatory practices. The company has publicly stated that it treats all its employees equally and that it abides by laws and regulations. The company's statement, however, requires closer examination and evidence to back up its claim that the labour rights of its workers are protected.



Oil and Natural Gas Corporation Limited (India, 2019)

► Operations in Territories with Elevated Human Rights Risks

Engagement Commentary: Oil and Natural Gas Corp. (ONGC) agreed to meet Sustainalytics in Delhi in February 2020. The meeting covered a range of topics, including human rights risk management, and the company provided basic information about its approach in various locations. We contacted investor relations again in September and October 2020 to arrange a further call, including on its due diligence process and engagement with host governments, but have not yet received a response.



Olympus Corporation (United States, 2019)

► Product-Related Fatalities

Engagement Commentary: Sustainalytics held a call with the company in November 2020. The company has taken steps to implement a programme of responsibilities for product safety and oversight. Discussions will continue in this vein while awaiting a US Food and Drug Administration closeout letter to the 2018 warning letter.



Page Industries Ltd. (India, 2020)

► Systemic Labour Rights Violations

Engagement Commentary: This engagement was initiated in November 2020 based on Global Standards Screening. The case is in early stages of engagement, with the change objective identified and initial contacts with the company conducted.



PetroChina Co Ltd (China, 2019)

► Operations in Territories with Elevated Human Rights Risks

Engagement Commentary: PetroChina did not accept Sustainalytics' invitation for a meeting but stated it was committed to respecting human rights, in compliance with the Universal Declaration of Human Rights, United Nations Guiding Principles on Business and Human Rights and applicable international and Chinese laws. Concerning CNPC's operations in high-risk territories, PetroChina's stated that CNPC is a separate entity, independent of its controlling shareholder. Therefore, it refused to answer our questions concerning that issue.

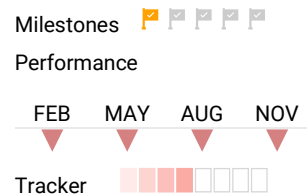


Petrolim Nasional Berhad (Malaysia, 2019)

► Operations in Territories with Elevated Human Rights Risks

Engagement Commentary: Having first written to the company in Q4 2019 on the company's operations in territories with elevated human rights risks, Sustainalytics followed up with Petronas in October and November 2020. However, we have not yet received a response. We will continue efforts to arrange a call on the policy and practices that Petronas has in place relating to human rights due diligence as well as engagement with host governments and other stakeholders.

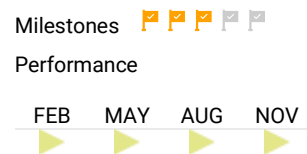
*Associated company: *Petronas Global Sukuk Ltd.*



POSCO (Uzbekistan, 2012)

► Labour Rights Violations in Supply Chain

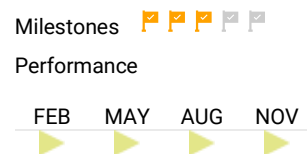
Engagement Commentary: During our call in July 2020, POSCO stated that in 2019 it conducted survey-based human rights reviews for all overseas activities for which it has management rights. The surveys focused on safety, system development and anti-discrimination, and showed only small gaps. Plans to visit each site are in place but have been delayed due to COVID-19.



POSCO INTERNATIONAL Corp. (Uzbekistan, 2012)

► Labour Rights Violations in Supply Chain

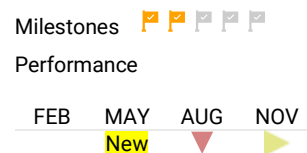
Engagement Commentary: The company has been unresponsive to our questions and invitations to set up a call since 2019. In its last report, the company highlighted that, according to International Labour Organization, no child labour or forced labour took place in Uzbekistan's cotton business during the last harvest. It stated that it continuously engages with the Uzbekistan government to share ideas for human rights improvements and ensures human rights protection at its own plants through training and due diligence.



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

► Environmental Impacts from Waste Practices

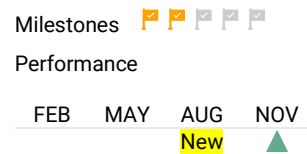
Engagement Commentary: Sustainalytics started a new case during 2020, following Indonesia Asahan Aluminium (Inalum)'s acquisition of the majority of the Grasberg Mine in Papua West Indonesia. A number of emails and telephone calls took place, and we are waiting to schedule the first conference call for investors.



PT Sinar Mas Group (Indonesia, 2020)

► Deforestation

Engagement Commentary: Sustainalytics had a conversation with PT Sinar Mas, during which the company denied the accusations of deforestation, and provided a document related to the court proceedings. We will continue to engage the company on its deforestation policies in light of final confirmation from the courts that its affiliate, Golden Agri-Resources, was not involved in deforestation in Indonesia.

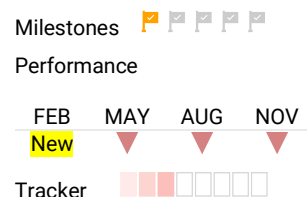


*Associated companies: *PT Indah Kiat Pulp & Paper Tbk* and *PT Pabrik Kertas Tjiwi Kimia Tbk*

PT Tiga Pilar Sejahtera Food Tbk (Indonesia, 2019)

► Consumer Fraud

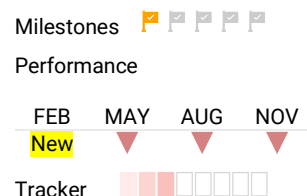
Engagement Commentary: Sustainalytics sent emails, including in Indonesian, to several contacts at PT Tiga and phoned the company directly, but there has been no response. PT Tiga's latest annual report provides disclosure of its corporate governance systems but Sustainalytics would like to understand the details of its approach, including policy implementation, to ascertain the extent to which this meets our change objective.



Punjab National Bank (India, 2019)

► Fraud

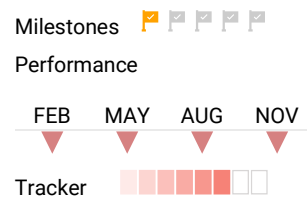
Engagement Commentary: Sustainalytics tried to contact Punjab National Bank throughout 2020. Several e-mails and two phone calls have not received replies. We will continue to contact the company in the hope of establishing a dialogue in 2021.



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

► Incident(s) Resulting in Negative Human Rights Impacts

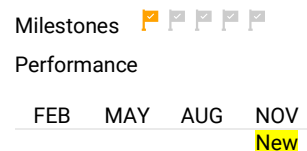
Engagement Commentary: Sustainalytics tried to contact Ratch Group throughout 2020 via email and phone calls. Despite ongoing attempts to contact the company, we have received no response and will continue to contact the company in the hope of establishing a dialogue in 2021. Sustainalytics also coordinated and sent an investor letter to the company's chairman, highlighting the need for improved disclosure and more action to address the consequences of the dam collapse at the Xe-Pian Xe-Namnoy power plant.



Rio Tinto Ltd. (Australia, 2020)

► Violations of the Rights of Indigenous Peoples

Engagement Commentary: Sustainalytics initiated engagement in November 2020 based on Global Standards Screening. The case is in early stages of engagement, with the change objective identified and initial contacts with the company conducted.

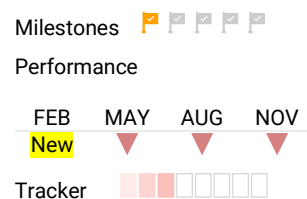


*Associated company: **Energy Resources of Australia Ltd.**

Samling Global Limited (Malaysia, 2019)

► Deforestation

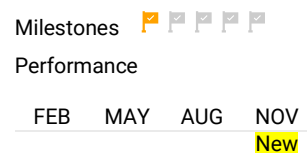
Engagement Commentary: Sustainalytics wrote to Samling Global in April 2020 to renew dialogue on deforestation and followed up by e-mail and telephone in May 2020. We wrote to the company once again in November 2020 but have yet to establish contact. We will continue efforts to schedule a call on how the company plans to bring a halt to alleged illegal logging practices, mitigate impacts to affected communities and promote significant reforestation of affected areas.



Samsung BioLogics Co Ltd (South Korea, 2020)

► Accounting Fraud

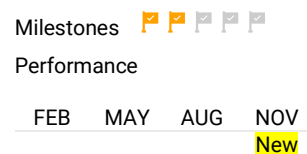
Engagement Commentary: This engagement was initiated in November 2020 based on Global Standards Screening. The case is in early stages of engagement with the change objective identified and initial contacts with the company conducted.



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

► Accounting Fraud

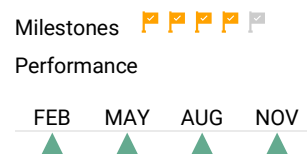
Engagement Commentary: This engagement was initiated in November 2020 based on Global Standards Screening. The case is in early stages of engagement with the change objective identified and initial contacts with the company conducted.



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

► Corrupt Practices

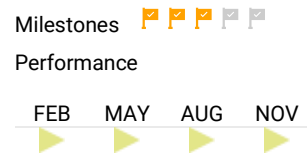
Engagement Commentary: In 2020, Samsung Group implemented an external and independent Compliance Committee to strengthen its compliance oversight and control systems at the group level, including Samsung Electronics. The committee can provide recommendations to improve the company's internal compliance system and controls. Besides this, the company has continued its efforts to improve its compliance management system.



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

► Quality and Safety Violations

Engagement Commentary: In August 2020, Sustainalytics followed up with SK Discovery with additional questions on the company's response to the humidifier disinfectant issues, continuing litigation and investigations, and its product quality and safety systems. The company provided concise responses to these questions in September 2020.

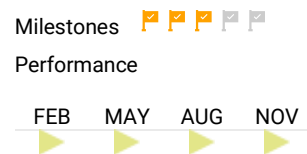


*Associated company: **SK Chemicals Co. Ltd.**

SK Holdings Co Ltd (Laos, 2019)

► Incident(s) Resulting in Negative Human Rights Impacts

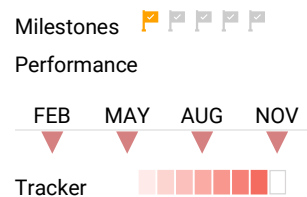
Engagement Commentary: The company's subsidiary, SK Engineering and Construction, which is directly involved in the Xe-Pian Xe-Namnoy power plant project updated us on the progress in assisting the victims of dam collapse. Nevertheless, given the critical reports from the UN and Laotian media, Sustainalytics also coordinated and sent an investor letter to the company's chairman, highlighting the need for improved disclosure and more action to address the consequences of the accident.



Steel Authority of India Limited (India, 2019)

► Fatal Workplace Accident(s)

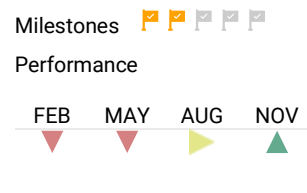
Engagement Commentary: Sustainalytics tried to contact Steel Authority of India (SAIL) in 2020. Despite ongoing attempts via email and phone, we have received no response. The company was informed that it has been classified as low performer by Sustainalytics. In its 2019-2020 sustainability report, SAIL stated that safety is of the highest importance and this is monitored by the board. The statistics suggest a lower number of accidents, but the lack of information on fatalities and a high number of man-days lost require clarification.



Suruga Bank Ltd. (Japan, 2019)

► Fraud

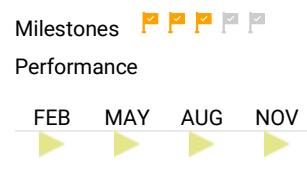
Engagement Commentary: Suruga Bank Ltd. has responded, in Japanese, to several questions regarding the company's management of consumer financial protection issues. The company noted that it has made improvements to its oversight and implementation of its consumer protection policy. Our engagement will track that development.



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

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

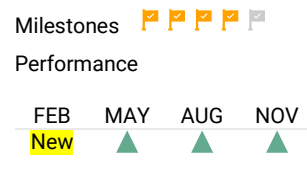
Engagement Commentary: There was one meeting with Tokyo Electric Power Company (TEPCO) in July 2020, which discussed the construction of a new seawall to protect the facility and the numerous tanks of stored, and to be treated, water on the site, before admitting that the seawall was inadequate to meet the latest predicted models. A controversial decision to discharge the treated water to the marine environment will be the focus of the next call in early 2021.



Toshiba Corp. (Japan, 2020)

► Accounting Fraud

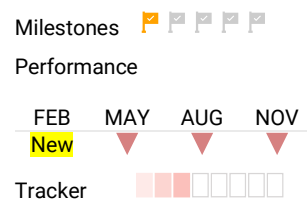
Engagement Commentary: Toshiba has been on track with the implementation of its "Next Plan" strategy, for 2019-2023, designed to introduce a culture of compliance and reduce the complexity of the business. During our call in March 2020, Toshiba explained the nature of the recent accounting fraud incident and outlined the strategy to address it. In 2020, Toshiba established a Compliance Advisory Meeting and has significantly streamlined its corporate structure.



Unitech Limited (India, 2019)

► Consumer Fraud

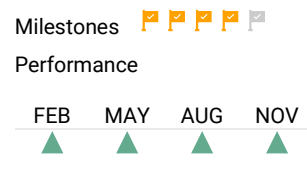
Engagement Commentary: Unitech Limited remained unresponsive to Sustainalytics' attempts to establish contact in 2020. In early 2020, India's Supreme Court accepted the national government's proposal to fully replace Unitech's board with new appointees tasked with streamlining the company's management and completing the stalled housing projects. There is no evidence of additional actions being taken by the company to address the issue.



Vedanta Limited (India, 2019)

► Community Protests

Engagement Commentary: In 2020, Sustainalytics had a face-to-face meeting and a conference call with Vedanta. Vedanta remains committed to becoming a signatory of the Voluntary Principles on Security and Human Rights and has secured a budget to build the application for April 2021. The company stated that it was redefining the way it engages with local communities, with an objective of applying a more holistic perspective to its social license to operate.

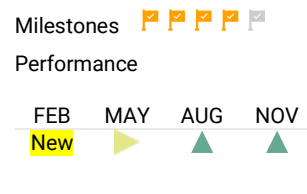


*Associated company: *Hindustan Zinc Limited*

Westpac Banking Corporation (Australia, 2020)

► Money Laundering

Engagement Commentary: Westpac made significant progress in 2020 and proactively shared it with Sustainalytics during two engagement calls. The bank published an investigation of the incident, performed and publicized a cultural reassessment and designed a strategy to address all identified gaps. Non-financial risk was elevated in the organization via the establishment of a dedicated board sub-committee. The company will be focusing on cultural change in 2021.



Wilmar International Limited (Indonesia, 2019)

► Violations of the Rights of Indigenous Peoples

Engagement Commentary: Sustainalytics held two conference calls with Wilmar in 2020, during which the company shared the progress it has made to address community grievances in Indonesia. Wilmar has accepted the claims of two separate communities and disputes have been successfully resolved. In Africa, Wilmar rejects allegations made by NGOs. During a call in November, the company outlined its positive community engagement in Liberia.

*Associated company: *Shree Renuka Sugars Ltd*

Milestones

Performance



Wockhardt Limited (India, 2019)

► Quality and Safety Breaches

Engagement Commentary: Wockhardt has been facing quality compliance issues in several of its manufacturing sites in India since 2013. In its public disclosure, the company states that corrective measures for US Food and Drug Administration (FDA) clearance are still in process with significant automation, technology upgrades, and rollout of best practices at the manufacturing facilities. However, the lack of detailed information on how the company is achieving this is of concern.

Milestones

Performance



Yes Bank Ltd (India, 2020)

► Fraud

Engagement Commentary: We began our engagement with the company at the end of August 2020 and Yes Bank appears keen to have further discussions. Our next steps will be to set up conference calls to discuss its strategy to strengthen corporate governance as it pertains to fraud prevention and audit, improve identification and prevention of non-performing assets, and discuss how it will enact its plan to create a “culture of compliance”.

Milestones

Performance



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

► Consumer Fraud

Engagement Commentary: Zhejiang Huahai has been accused of not meeting the manufacturing standards of the European Medicine Agency and the US Food and Drug Administration. The company does not disclose information about its quality management system or any corrective measures to meet international quality compliance requirements. In 2020, Sustainalytics tried to establish a dialogue with the company, but was unsuccessful. Sustainalytics will be escalating accordingly in 2021.

Milestones

Performance



Tracker

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

► Activities Resulting in Adverse Human Rights Impacts

Engagement Commentary: Two conference calls were held with Zijin Mining during 2020. The focus has been on its human rights disclosure. This resulted in Zijin improving its human rights disclosure in its ESG report published in June 2020. The company now shows board-level buy-in, references to the UN Declaration on Human Rights, and details about its stakeholder engagement, amongst other improvements. The company also emailed further details on its grievance mechanisms.

Milestones

Performance



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

► Activities Resulting in Negative Environmental Impacts

Engagement Commentary: Although two conference calls were held with Zijin Mining in 2020, the focus of the calls was on human rights. Zijin Mining did state that it was increasing its presence at the Porgera mine and was learning from its JV partner. It is also working toward compliance with the World Gold Councils Responsible Gold Mining Principles.

Milestones

Performance



ZTE Corporation (Iran, 2019)

► Human Rights Impacts of Surveillance Systems

Engagement Commentary: Sustainalytics established contact with ZTE in 2020, but a meaningful dialogue has not followed. The company has resisted attempts to schedule a conference call and has provided only minimal information concerning human rights policies addressing employees and suppliers. There has been no clear evidence of improvement in ZTE's human rights due diligence concerning products or business relationships in 2020.

Milestones

Performance



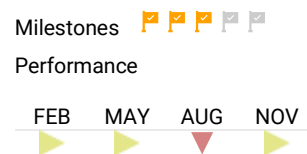
Tracker

EUROPE

Andritz AG (Turkey, 2010)

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

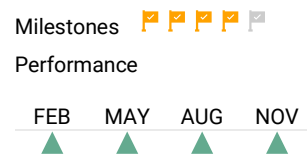
Engagement Commentary: After several reminders, Andritz shared with Sustainalytics an overview of the ESG risk parameters that the company assesses as part of its decision-making process to determine whether to become involved in a project. This was further discussed in a conference call in August 2020. While it is positive that this process is in place; however, ESG is just one among many criteria in the decision-making process and it is not clear how conflicting criteria are dealt with.



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

► Quality and Safety Violations

Engagement Commentary: Sustainalytics had three conference calls with Atlantia in 2020. The company has continued to strengthen its quality and safety work, doublechecking all infrastructure projects and making large maintenance investments. Atlantia has agreed to sell its stake in API to the Italian government, but details have not been finalized. The formal investigation by the prosecutor of Genoa into what caused the collapse has been further postponed due to COVID-19.

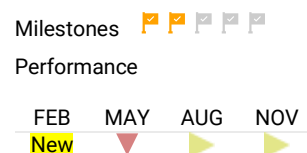


*Associated company: **Autostrade per l'Italia SpA**

Barclays PLC (United Kingdom, 2019)

► Corrupt Practices

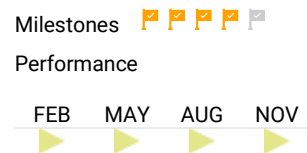
Engagement Commentary: Barclays PLC has demonstrated interest in engaging on whistleblower protection after some initial hesitation. In 2020 however, Sustainalytics managed to arrange two conference calls with the company, one of which occurred in July and was introductory in nature, with a second meeting occurring in December 2020. The company has communicated significant developments to the internal whistleblower including a zero-tolerance policy toward whistleblower protection violations, and a 30% drop in whistleblower reports in the previous reporting period. We expect strong dialogue moving forward, which will focus on business ethics broadly, including management of corporate culture.



Bayer AG (United States, 2018)

► Concealing Data on Product-Related Toxicity

Engagement Commentary: There was one call with Bayer in 2020, which took place in August. The company has sought to settle much of the ongoing litigation in regard to glyphosate, part of which is an agreement to set up an independent panel to assess whether glyphosate causes cancer. Bayer also settled two cases regarding historical PCB contamination, and it is negotiating with the states of Oregon and Ohio on two further PCB cases.

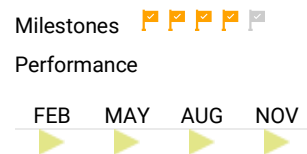


*Associated company: **Bayer CropScience Limited**

Bayer AG (United States, 2019)

► Quality and Safety Breaches

Engagement Commentary: During our call with Bayer, in August 2020, the company explained how it complies with the US Toxic Substances Control Act. Bayer also provided further details on its processes for developing new products. It stated that product efficacy and sustainability are assessed and balanced, although active ingredients with identified undesirable properties are discontinued through its application of the precautionary principle.

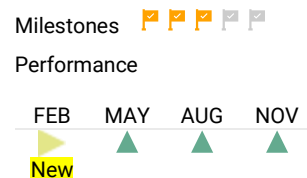


*Associated company: **Bayer CropScience Limited**

BMW Group (Germany, 2019)

► Antitrust Violations

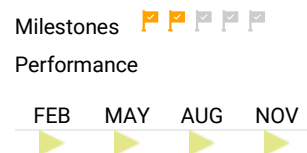
Engagement Commentary: Sustainalytics held one call with BMW in 2020 to discuss the steps the company has been taking to strengthen its antitrust compliance programme. The company significantly invests in training and strict protocols, supported by software solutions. The company is awaiting the results of the European Commission's proceedings.



Bolloré SA (Cameroon, 2019)

► Activities Resulting in Adverse Human Rights Impacts

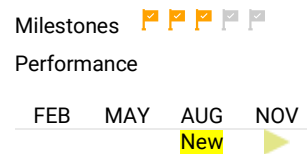
Engagement Commentary: Sustainalytics is seeking to understand Bolloré's influence over Socfin, in which it reportedly has a 39% shareholding. Socfin has been accused of serious and ongoing human rights violations in several countries. Dialogue with Bolloré has been intermittent and challenging to advance, but Bolloré should demonstrate greater transparency of its due diligence processes given its significant investment in Socfin



Boohoo Group Plc (United Kingdom, 2020)

► Labour Rights Violations in Supply Chain

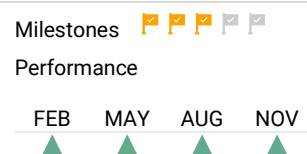
Engagement Commentary: Sustainalytics held two calls with Boohoo in October and November 2020, following a high-profile media exposé of the company. Boohoo explained the steps it is taking to correct poor supply chain practices, governance and its buying practices. Boohoo is at an early stage of implementing a major programme. Sustainalytics has some reservations about the company's approach, but we note that other aspects, e.g. stakeholder engagement, appear to be positive.



Credit Suisse Group AG (Switzerland, 2019)

► Fraud

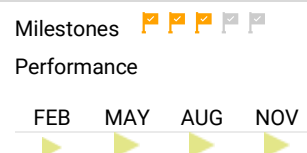
Engagement Commentary: In 2020, Sustainalytics had four conference calls with Credit Suisse. The company has been very responsive. It reports that it has taken many steps to build a comprehensive anti-money-laundering (AML) strategy, including targeted training, company-wide AML training and implementing 10,000 controls to address AML. The company is considering our suggestions for releasing an AML policy and AML statistics. Dialogue is ongoing regarding late-stage improvements to AML and corporate culture.



Daimler AG (Germany, 2019)

► Antitrust Violations

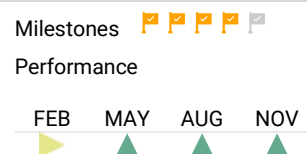
Engagement Commentary: Sustainalytics started the engagement dialogue with Daimler in July 2019 via several email correspondence. In October 2020, we held a conference call with the company for the first time. The company shared recent developments in its compliance risk management approach and the efforts it is making to work on the mindset supporting a strong compliance culture. The company is awaiting the results of the European Commission's proceedings.



Danske Bank A/S (Estonia, 2018)

► Money Laundering

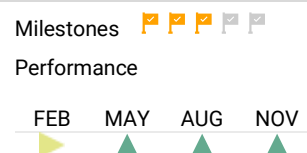
Engagement Commentary: Danske BANK A/S has been very responsive and provided a high level of detail into how the bank is managing money-laundering risks. During the December 2020 call, Danske Bank highlighted how it reacted to Norwegian allegations of insufficient anti-money-laundering (AML) controls in 2020. Future conversations will focus on the bank's handling of satellite branch operational risks.



Deutsche Bank AG (Russia, 2019)

► Money Laundering

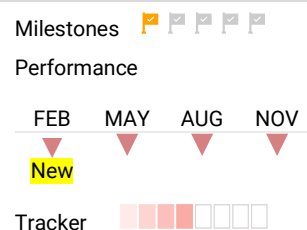
Engagement Commentary: Sustainalytics held three calls with Deutsche Bank (DB) during which we explained, at length, what we do and how our work is used. DB has been relatively elusive in speaking to us about the anti-money-laundering (AML) topics we wish to discuss. DB's public disclosures shows that it has improved on AML, with best-in-class AML training and collaboration with AML industry groups. Future calls will focus on corporate governance for AML, culture and client onboarding safeguards.



DNO ASA (Norway, 2019)

► Operations in Territories with Elevated Human Rights Risks

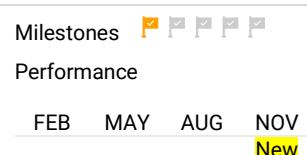
Engagement Commentary: Sustainalytics wrote to DNO to open a dialogue on the issue of operations in territories with elevated human rights risks in February 2020 and followed up by telephone several times in the same month. We wrote to investor relations once again in October 2020 but have yet to receive a response. We will continue efforts to schedule a call on risk assessment and due diligence in the area of human rights, as well as engagement with host governments.



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

► Corrupt Practices

Engagement Commentary: Engagement with the company was initiated in November 2020 based on Global Standards Screening. The case is in early stages of engagement, with the change objective identified and initial contacts with the company conducted.

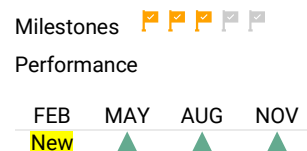


*Associated Companies: *EDP Renováveis, S.A. and EDP - Energias do Brasil SA*

G4S PLC (Qatar, 2020)

► Forced Labour

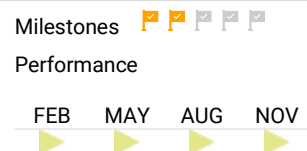
Engagement Commentary: Sustainalytics continued dialogue with G4S during 2020, although responses were a bit slow due to the pandemic. A conference call was held in July, during which G4S informed us that it has continued implementing its migrant worker policies and practices and extended the practices to further countries. G4S has committed to applying the standards adopted by the Leadership Group for Responsible Recruitment, with the final target to have recruitment fees eradicated by 2026.



Genel Energy plc (Somalia, 2019)

► Operations in Territories with Elevated Human Rights Risks

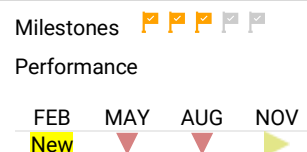
Engagement Commentary: Genel Energy published a human rights policy on its website in January 2020. We then met with company representatives in February. The company requested that the meeting be off-the-record but agreed to respond to our questions in writing. Although the company has not responded to our questions as yet, it shared with us a copy of the new Sustainability Report in September 2020, which we hope will signal a renewed willingness to respond to these questions.



Indivior PLC (United States, 2019)

► Consumer Fraud

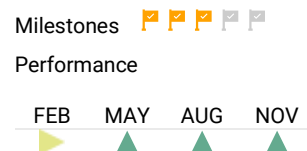
Engagement Commentary: In 2020, Indivior entered into a five-year Corporate Integrity Agreement with the Office of the Inspector General of the US Department of Health and Human Services. The company will continue its commitment to promote compliance with laws and regulations and its ongoing evolution of an effective compliance programme, including written standards, training, reporting, and monitoring procedures. More detail on how the company is planning to fulfil this commitment is required.



ING Groep N.V. (Russia, 2019)

► Money Laundering

Engagement Commentary: In 2020, Sustainalytics held three conference calls with ING Groep. The company stated that anti-money-laundering (AML)/know your customer (KYC) measures are its top priority, even more so than COVID-19. It provided updates on heavy investments into AML, KYC and compliance policies and processes, including the use of innovative psychological risk assessments, AI and tech solutions that reduce false positives. In 2021, the focus will be on discussing final improvements to its global KYC enhancement programme and culture.

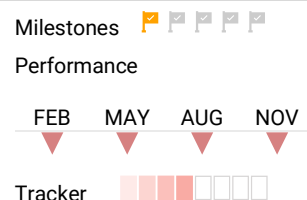


*Associated company: **ING Bank Slaski SA**

Irkut Corporation (Russia, 2019)

► Operations in Territories with Elevated Human Rights Risks

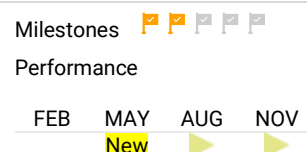
Engagement Commentary: Having tried to establish a dialogue with Irkut in 2019 with a letter signed by the Director of Engagement Services, Sustainalytics followed up with the company in March and May 2020 by telephone and email, but so far, we have not received a response. We will be escalating accordingly in 2021 to request information on any due diligence procedures that the company applies to military equipment sales deals.



Mallinckrodt PLC (United States, 2020)

► Quality and Safety Breaches

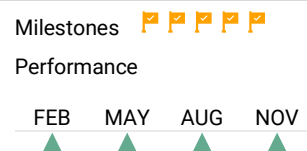
Engagement Commentary: The company entered a Chapter 11 bankruptcy with a primary focus of working through it as well as complex litigation. Our conversations are focusing on the Chapter 11 developments first, and moving into areas of governance, compliance and risk management thereafter.



MMC Norilsk Nickel PJSC (Russia, 2010)

► Activities Resulting in Negative Environmental and Human Rights Impacts

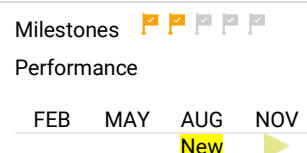
Engagement Commentary: Sustainalytics held several calls with Norilsk Nickel in 2020 following work regarding the ongoing progress of its desulphurization programme, which, despite slight initial delays in construction due to COVID-19, is continuing as planned. The company has reduced SO₂ emissions at its Kola Division as part of phase 1 of the project, on track for an 85% reduction in FY2021. The company is on track to meet its 2025 commitment.



MMC Norilsk Nickel PJSC (Russia, 2020)

► Spill(s) Resulting in Environmental and Human Rights Impacts

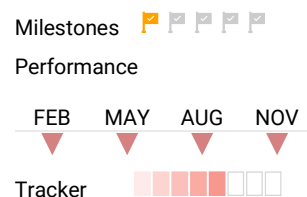
Engagement Commentary: Since the diesel leak in the Russian Arctic region in June 2020, Sustainalytics has been in dialogue with Norilsk Nickel. The company has provided frequent updates on the clean-up and results. An independent review into the causes of the leak identified failings in the original tank construction and was very critical of the company's oversight of the facility, with warning signs having been ignored since 2018.



Mozambique Ematum Finance 2020 BV (Mozambique, 2019)

▶ Asset Misappropriation

Engagement Commentary: Sustainalytics tried to contact Mozambique Ematum Finance 2020 BV throughout 2020. Despite ongoing attempts to contact the company and an outside consultant, we have received no response. We will continue to contact the company in the hope of establishing a dialogue in 2021.

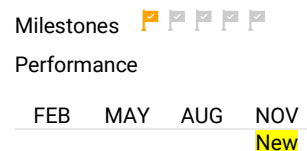


NMC Health PLC (United Arab Emirates, 2020)

▶ Accounting Fraud

Engagement Commentary: This engagement was initiated in November 2020 based on Global Standards Screening. The case is in early stages of engagement, with the change objective identified and initial contacts with the company conducted.

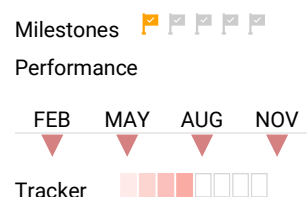
**Associated company: NMC Health (Jersey) Ltd.*



Rostec Corporation (Russia, 2019)

▶ Operations in Territories with Elevated Human Rights Risks

Engagement Commentary: Having tried to establish a dialogue with Rostec in 2019 with a letter signed by the Director of Engagement Services, Sustainalytics followed up with the company in March and May 2020 by telephone and email, but so far, we have not received a response. We will be escalating accordingly in 2021 to request information on any due diligence procedures that the company applies to military equipment sales deals.

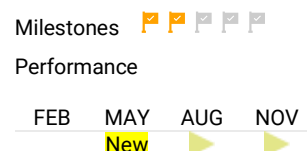


Sanofi (Philippines, 2020)

▶ Product-Related Fatalities

Engagement Commentary: The engagement focuses on issues related to the company's Denvaxia and Depakine drugs. Introductory and follow-up calls were held in September and November 2020. Sanofi disclosed clinical trial information and has taken steps to comply with labelling requirements. Further dialogue will continue on governance, compliance, and risk management systems.

**Associated company: Sanofi India Ltd.*

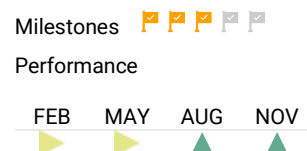


Siemens AG (Western Sahara, 2017)

▶ Operations in Occupied Territories

Engagement Commentary: In 2020, Sustainalytics re-established a dialogue with Siemens about Siemens Gamesa's operations in Western Sahara. The company is very committed to respecting human rights in its operations. However, it stated that due to the September 2020 spin-off of Siemens Energy, and consequently, Siemens Gamesa, the company has no control over the operating activities in Western Sahara.

**Associated company: Sivantos GmbH*

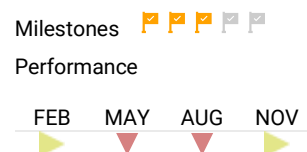


Siemens Gamesa Renewable Energy, S.A. (Western Sahara, 2018)

▶ Operations in Occupied Territories

Engagement Commentary: In 2020, Sustainalytics re-established a dialogue with Siemens Gamesa about its operations in Western Sahara. The company is committed to discussing its human rights approach and business operations in the region. Considering the latest developments in Western Sahara, it is imperative that the company provide detailed information on its human rights due diligence process and community engagement strategy at its local operations.

**Associated company: Siemens Energy AG*

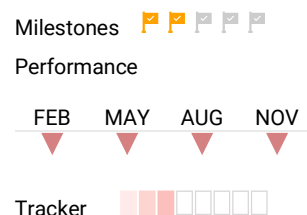


Société Financière des Caoutchoucs SA (Cameroon, 2019)

▶ Activities Resulting in Adverse Human Rights Impacts

Engagement Commentary: Socfin progressed to Milestone 2 in 2020. The Head of Sustainability has been in dialogue with Sustainalytics since May 2020, but communication has slowed down. Socfin faces serious allegations of human rights violations and Sustainalytics has asked the company several questions about its due diligence processes. Sustainalytics is waiting for specific answers from Socfin.

**Associated companies: Société de Caoutchoucs de Grand-Bereby, Socfinaf SA and Socfinasia S.A.*



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

► Accounting Fraud

Engagement Commentary: In 2020, Steinhoff released limited details of its remedial plan in the annual report. The Board of Directors and Management Board have been fully replaced and the business has been restructured. A Compliance Committee was established to monitor adherence to the updated code of conduct. The company finally agreed to have an engagement call in September and Sustainalytics shared investors' perspective on the lack of transparency around its remedial actions.

*Associated company: *Pepkor Holdings Ltd.*

Milestones

Performance



Swedbank AB (Sweden, 2019)

► Money Laundering

Engagement Commentary: In 2020, we held a conference call with Swedbank (SB) to discuss the detailed findings of the Clifford Chance report and the many initiatives of SB's comprehensive anti-money-laundering (AML) enhancement programme, but SB has since been elusive to engage with further. Future calls will endeavor to check if SB has successfully implemented AML risk management systems and internal controls.

Milestones

Performance



Syngenta AG (Thailand, 2019)

► Quality and Safety Breaches

Engagement Commentary: Sustainalytics held two calls with Syngenta in 2020. The first discussed neonicotinoids and how products are assessed against indicator species, and we also discussed field trial protocols. The second call related to the alleged poisonings in Yavatmal, India. An independent investigation report exonerated Syngenta of blame, but Syngenta admitted that labelling can be problematic, and it seeks to simplify its labels using pictograms.

*Associated companies: *China National Chemical Corp. and Syngenta Group*

Milestones

Performance



Telefonaktiebolaget LM Ericsson (Sweden, 2020)

► Corrupt Practices

Engagement Commentary: Sustainalytics held two engagement calls with Ericsson in 2020. During the year, the company began working with the independent monitor on its deferred prosecution agreement. Ericsson has been investing in its compliance team and has established a risk assessment process for high-risk regions and positions. Investments are also evident in cultural aspects, including training of its leadership team and employee base.

Milestones

Performance



United Aircraft Corp. PJSC (Russia, 2019)

► Operations in Territories with Elevated Human Rights Risks

Engagement Commentary: Having tried to establish a dialogue with United Aircraft Corp. (UAC) in 2019 with a letter signed by the Director of Engagement Services, Sustainalytics followed up with UAC in 2020 by telephone and email, but so far, we have not received a response. We will be escalating accordingly in 2021 to request information on any due diligence procedures that UAC applies to military equipment sales deals.

Milestones

Performance



Tracker

Vedanta Resources Ltd. (India, 2019)

► Community Protests

Engagement Commentary: In 2020, Sustainalytics had an in-person meeting and a conference call with Vedanta. Vedanta remains committed to becoming a signatory of the Voluntary Principles on Security and Human Rights and has secured a budget to build the application for April 2021. Vedanta stated that it was redefining the way it engages with local communities, with an objective of applying a holistic perspective to social license to operate.

Milestones

Performance



Volkswagen AG (United States, 2016)

► Activities Resulting in Negative Environmental and Human Rights Impacts

Engagement Commentary: In 2020, Sustainalytics had three conference calls with Volkswagen (VW) and attended VW's online ESG investor event in December. VW has been highly responsive, and it has been able to make significant progress, including compliance with the evolving emissions test requirements around the world and structural attention to internal controls, code of conduct training, and the whistleblower mechanism. The absence of new major incidents is reassuring, although the outstanding antitrust proceedings by the European Commission and insufficient independence of the supervisory board are still concerns for investors.

Milestones

Performance



*Associated company: *Porsche Automobil Holding SE*

Volvo AB (Israel, 2019)

► Operations in Territories with Elevated Human Rights Risks

Engagement Commentary: Throughout written correspondence up to June 2020, Volvo updated us on its work to screen sales deals. During a call in September 2020, we presented the key findings of our UN Guiding Principles on Business and Human Rights (UNGPs) assessment, which Volvo received in a reasonably open spirit. We will seek to arrange a further call in Q1 2021 on Volvo’s approach to human rights risks in specific countries.

Milestones 

Performance



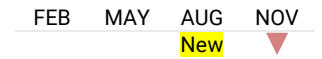
Wirecard AG (Germany, 2020)

► Fraud

Engagement Commentary: In August 2020, a Munich court opened insolvency proceedings regarding the assets of Wirecard. It was announced that the company’s business activities were expected to continue. Several parts of the business have been sold and more transactions will follow. Sustainalytics reached out to Wirecard, but the company did not respond. Later, all contact details were removed from the company website. Another attempt to establish a dialogue will be made in 2021.

Milestones 

Performance



Tracker 

LATIN AMERICA AND CARRIBEAN

Andrade Gutierrez SA (Brazil, 2019)

► Corrupt Practices

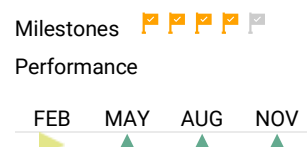
Engagement Commentary: The main challenge with Andrade Gutierrez (AG) has been the lack of public disclosure regarding its compliance work. In 2020, Sustainalytics managed to establish a constructive dialogue with the company. AG stated that it has implemented an internal policy on anti-corruption and relationship with public authorities, compliance risk assessment and annual reviews, online and onsite compliance training to all employees, and a whistleblower system.



BRF S.A. (Brazil, 2019)

► Consumer Fraud

Engagement Commentary: Sustainalytics held several calls with BRF on compliance and food quality and safety throughout 2020. The company has implemented food quality and safety policies, processes, and programmes, and has carried out multiple audits in its manufacturing plants to ensure that its products meet food quality and safety standards. The company seeks to advance its competitive advantage in the market with its new quality and safety procedures.

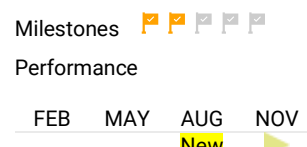


*Associated company: **BFF International Ltd.**

Centrais Elétricas Brasileiras SA (Brazil, 2020)

► Project(s) Resulting in Adverse Human Rights Impacts

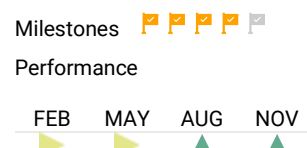
Engagement Commentary: In a conference call in October 2020, Eletrobras explained its human rights strategy. Human rights risks are prioritized, regularly reviewed and the company's board receives a report on the issue every quarter. The company is committed to the human rights due diligence process for joint ventures not controlled by Eletrobras. The plan is to identify gaps and recommend mitigation plans by the end of 2022. It is developing a human rights training programme for its employees.



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

► Corrupt Practices

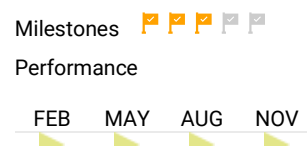
Engagement Commentary: An external audit of the company's compliance programme showed good results and a few outstanding issues are being addressed. The company created a new due diligence policy for assessing third party suppliers, which will be implemented in January 2021. A perception of ethics and compliance survey was carried out with employees and the company is currently addressing the conclusions.



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

► Project(s) Resulting in Adverse Human Rights Impacts

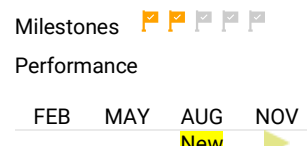
Engagement Commentary: Empresas Publicas de Medellin (EPM) is awaiting the results of studies of the Hidroituango hydroelectric dam's stability, and the reports should be available in February 2021. Over 2,000 of the families evacuated from Puerto Valdivia due to the dam's emergency could return home, and EPM plans to facilitate the return of last 124 families in January 2021. Almost 100% of requests for compensation have been answered. The third-party reports on the impacts of closing the floodgates in 2019 should be available in February 2021.



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

► Labour Rights Violations at Company Operations

Engagement Commentary: This case was reopened in 2020 as alleged labour and union rights violations continue to affect workers in North and South America, with strikes ongoing in several geographies. Sustainalytics has had frequent contact with Grupo México to arrange a meeting; however, the company has delayed on several occasions and dialogue is now continuing in written form.

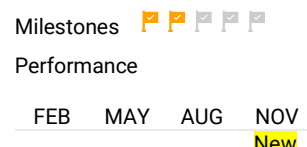


*Associated company: **GMéxico Transportes SAB de CV**

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

► Leak(s) Resulting in Environmental and Human Rights Impacts

Engagement Commentary: This engagement was initiated in November 2020 based on Global Standards Screening. The case is in early stages of engagement, with the change objective identified and initial contacts with the company conducted.



*Associated company: **GMéxico Transportes SAB de CV**

JBS S.A. (United States, 2020)

► Antitrust Violations

Engagement Commentary: Two now former executives of JBS’s subsidiary, Pilgrim’s Pride, have been accused of price fixing in the US. The engagement will focus on measures to prevent anti-trust behavior from occurring again. Sustainalytics approached JBS about this newly emerged exposure to alleged misconduct at the executive level. JBS and Sustainalytics have agreed to engage on this specific issue after the ESG investor event, which JBS is hosting in early 2021.

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

Milestones 

Performance



JBS S.A. (Brazil, 2017)

► Corrupt Practices

Engagement Commentary: After some intensive dialogue on JBS’s anti-bribery measures in 2019, Sustainalytics prioritized other ESG issues involving JBS in 2020, i.e. occupational health and safety and deforestation in Brazil. JBS is organizing an ESG investor event in early 2021 and Sustainalytics will propose a new call shortly after that. This upcoming call will address JBS’s broader progress with measures to address corruption and misconduct.

*Associated company: *Independencia International*

Milestones 

Performance



Odebrecht S.A. (Brazil, 2020)

► Fraud

Engagement Commentary: In late 2020, Odebrecht publicly stated that the external monitor, assigned by the US Department of Justice following a corruption related settlement in 2016, had “certified that the company’s compliance system, including its policies and procedures, is designed and implemented to prevent and detect potential violations to anti-corruption laws”. Sustainalytics is seeking confirmation from relevant authorities.

*Associated company: *Ocyan Participacoes SA*

Milestones 

Performance



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

► Spill(s) Resulting in Environmental and Human Rights Impacts

Engagement Commentary: During a conference call with the company in July 2020, the company highlighted an overall reduction in fuel theft over the last 1.5 years. It also stated that the federal investigation into the January 2019 Tlahuelilpan incident was ongoing but did not have a timeline for its conclusion. We will follow up again in 2021 for an update on this important investigation.

Milestones 

Performance



Vale S.A. (Brazil, 2019)

► Incident(s) Resulting in Negative Human Rights Impacts

Engagement Commentary: Vale held four calls or webinars facilitated by Sustainalytics during 2020. These included a face-to-face meeting in February 2020, during which Vale introduced its ESG Portal. Then, in July, Vale presented a progress report on its tailings management and held a call on how it was responding to the demands of working during the COVID-19 pandemic. During another call in October, Vale highlighted its progress on remedial measures at Samarco.

*Associated company: *PT Vale Indonesia Tbk*

Milestones 

Performance



UNITED STATES AND CANADA

3M Co (United States, 2019)

- ▶ Activities Resulting in Negative Environmental and Human Rights Impacts

Engagement Commentary: A conference call was held with 3M in May 2020. During the call, 3M provided details on its PFAS Initiative, including the provision of data to authorities and other parties. The company stated that it was in discussion with both state and federal authorities in relation to setting limits to PFAS, although it expects that this will take a number of years at the federal level.

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

Milestones

Performance



Amazon.com Inc (United States, 2020)

- ▶ Workplace Accident(s)

Engagement Commentary: Sustainalytics held two engagement calls with Amazon in 2020, during which the company's health and safety practices were discussed, particularly its COVID-19 response. The company's disclosure shows programmes to address this issue, without providing clarity on benchmarks to measure its performance. Follow-up calls in 2021 will provide examples of good practice on health and safety disclosure and management.

Milestones

Performance



Bausch Health Companies Inc (United States, 2019)

- ▶ Accounting Fraud

Engagement Commentary: Sustainalytics held two calls and provided an agenda for a client call with Bausch Health in 2020. Bausch Health has a General Counsel, Head of Compliance who maintains constant dialogue with the Securities and Exchange Commission (SEC). The Head of Compliance is also in contact with the SEC's "best in practice" committee to ensure that the company improves in this area.

Milestones

Performance



Bausch Health Companies Inc (United States, 2019)

- ▶ Price Discrimination

Engagement Commentary: Sustainalytics held two calls and provided an agenda for a client call with Bausch Health in 2020. The company provided additional details on its board-level Patient Access and Pricing Committee and how it undertakes comparative pricing with existing products. Bausch Health stated that it has not yet heard back on a number of investigations with which it cooperated.

Milestones

Performance



Cargill, Inc. (Brazil, 2020)

- ▶ Deforestation

Engagement Commentary: Cargill's focus is on the "transformation" of agriculture to be deforestation-free, by changing practices in agricultural communities, and considering social and economic needs. With the Soft Commodities Forum and Cerrado Working Group, Cargill is working to identify positive incentives for farmers to stop land conversion. It is supporting productive restoration models with an aim to scale restoration of 500,000 hectares by 2025.

Milestones

Performance



Caterpillar Inc (Myanmar, 2020)

- ▶ Operations in Territories with Elevated Human Rights Risks

Engagement Commentary: Caterpillar agreed to a conference call in November 2020; however, the meeting provided few insights. The company has a human rights policy and code of conduct, but these do not take into consideration responsibilities by Caterpillar to avoid human rights violations via its sale of its products through certified dealers. Further dialogue has continued through correspondence.

*Associated company: **Caterpillar International Finance DAC**

Milestones

Performance



Citigroup, Inc. (United States, 2019)

- ▶ Money Laundering

Engagement Commentary: Sustainalytics had three conference calls with Citigroup and provided the bank with a list of desired disclosures related to the company's management of business ethics risks. The company was very responsive in the last three months of 2020 and, in 2021, the conversations will focus on systematic management of corporate culture.

*Associated company: **Associates First Capital Corporation**

Milestones

Performance



CoreCivic Inc (United States, 2019)

► Forced Labour

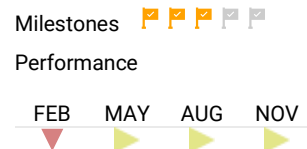
Engagement Commentary: Sustainalytics had a continuous constructive dialogue with CoreCivic during the year. Two calls were held, and the company has made progress by finalizing its human rights risk assessment and updating its human rights policy. A cross-functional steering committee for implementation was created, together with human rights training targets. The 2019 ESG Report for the first time shared detailed information on human rights management.



Corteva, Inc. (United States, 2019)

► Product-Related Incidents

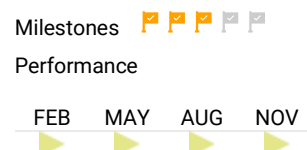
Engagement Commentary: Sustainalytics held one call with Corteva and had a dialogue with its Head of Sustainability. Corteva detailed its potential exposure to PFAS liabilities due to product registrations from "heritage" DuPont. Further dialogue detailed the "sustainability filter" applied to new products and retrospectively to existing products, a failure to meet the criteria sees discontinued development or production.



Dow, Inc. (United States, 2019)

► Quality and Safety Violations

Engagement Commentary: Sustainalytics held one call with Dow in 2020, during which the company detailed its product stewardship and how it assesses persistence. Dow also described how it balances product efficacy with potential detrimental impacts with its products' uses. The company also stated that it is regularly referred to as a "responsible care company".

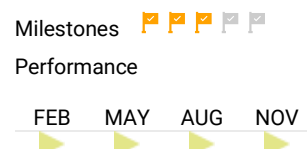


*Associated company: **Union Carbide Corp.**

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

► Activities Resulting in Negative Environmental and Human Rights Impacts

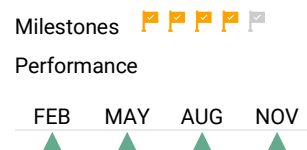
Engagement Commentary: Sustainalytics held one conference call with a number of DuPont representatives in 2020, including the Director of Sustainability and the Sustainability Strategy Leader. The company provided an update on ongoing litigation and where the liabilities lie between itself, Corteva and Chemours. In addition, it provided some details on its product stewardship management.



Edison International (United States, 2019)

► Product-Related Fatalities

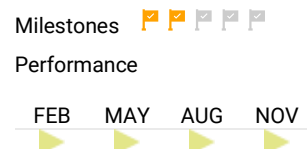
Engagement Commentary: In a conference call, Edison shared progress it has made in wildfire mitigation goals and showed significant efforts to reduce the risk of further accidents, including improvements to aerial monitoring technology. Risk analysis has been improved and there is board oversight of the risk evaluation process. The company has also taken measures to mitigate the impacts of emergency power shutdowns.



Energy Transfer LP (United States, 2016)

► Violations of the Rights of Indigenous Peoples

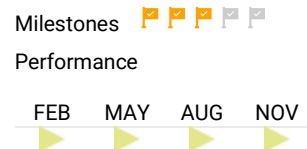
Engagement Commentary: Sustainalytics held one conference call with the company in 2020. We discussed the company's recent publication of its Community Engagement Report as well as steps towards the company's adherence to international human rights norms. A follow-up call will be conducted in spring 2021 and Sustainalytics is sharing good practice examples with the company.



Facebook Inc (United States, 2018)

► Privacy Breaches

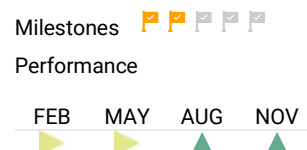
Engagement Commentary: Since Sustainalytics' initial conference call with Facebook investor relations in 2019, communication with the company has become sparse. During 2020, while Facebook did not respond to attempts to engage, the company did introduce a formal privacy committee at the board level. Sustainalytics continues its attempts to establish a meaningful dialogue with Facebook.



GEO Group, Inc. (United States, 2019)

► Forced Labour

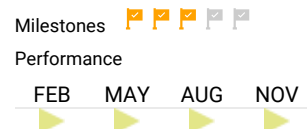
Engagement Commentary: Sustainalytics had two conference call with Geo Group in 2020. In October, the company informed us that it is working on a human rights risk assessment and revamping its human rights policy to refer to international norms. Relevant stakeholders will be consulted in the process. This progress is positive, as it is one of the objectives of the engagement dialogue. The aim is to have it ready by mid-2021.



Johnson & Johnson (United States, 2018)

► Product-Related Incidents

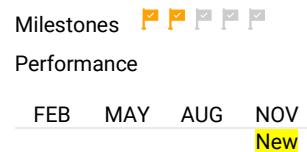
Engagement Commentary: Johnson and Johnson appears to be reluctant to hold any further conference calls with Sustainalytics. However, dialogue continued in 2020, with a number of written responses to questions. Following a case review, several detailed questions were sent to the company in November. A written response was received in December; however, it did not provide the detailed responses that we were seeking.



Lockheed Martin Corp (Saudi Arabia, 2020)

► Operations in Territories with Elevated Human Rights Risks

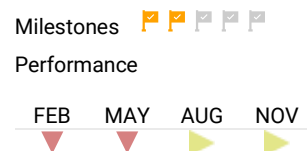
Engagement Commentary: This engagement was initiated in November 2020 based on Global Standards Screening. The case is in early stages of engagement, with the change objective identified and initial contacts with the company conducted.



McDonald's Corp (United States, 2015)

► Labour Rights Violations at Contractors

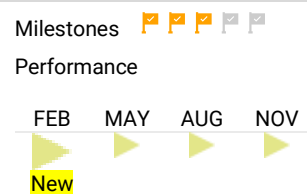
Engagement Commentary: After a long period of unresponsiveness, Sustainalytics managed to re-establish dialogue with McDonald's in 2020. Clients voted at the company's AGM in June, and McDonald's promptly responded to Sustainalytics and joined a conference call in August. The discussions were constructive; however, the company still refers to not being responsible for any liability of labour rights at franchisees, which is problematic. A follow-up conference call is about to be scheduled.



McKesson Corp (United States, 2019)

► Consumer Fraud

Engagement Commentary: Sustainalytics has been in dialogue with McKesson. As one of the largest distributors of opioids in the US, the company is obliged to provide a secure channel to deliver opioid medications. McKesson has disclosed information on some of the measures it has implemented to meet the requirements of the Drug Supply Chain Security Act. However, more detailed information on the effectiveness of these measures is required.

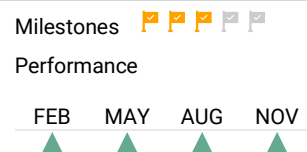


*Associated company: **McKesson Europe AG**

Pan American Silver Corp. (Guatemala, 2019)

► Violations of the Rights of Indigenous Peoples

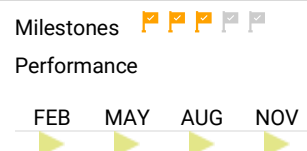
Engagement Commentary: Sustainalytics had two conference calls and one in-person meeting with Pan American Silver in 2020 to discuss the Escobal Mine. The company respects the government-led consultation process to license Escobal and is working towards aligning with the Voluntary Principles on Security and Human Rights. In July 2020, the company became a signatory to the United Nations Global Compact.



PG&E Corp (United States, 2019)

► Product-Related Fatalities

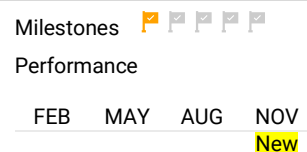
Engagement Commentary: PG&E is making good progress on its annual goals for wildfire mitigation measures and has acted to reduce the impacts of emergency power shutdowns on customers. The 2020 wildfire season was the worst on record in California, and PG&E equipment is under investigation in one incident that led to four fatalities. The company emerged from bankruptcy proceedings in July and new senior appointments have been made with a focus on risks and operations.



Raytheon Technologies Corp. (Saudi Arabia, 2020)

► Operations in Territories with Elevated Human Rights Risks

Engagement Commentary: This engagement was initiated in November 2020 based on Global Standards Screening. The case is in early stages of engagement, with the change objective identified and initial contacts with the company conducted.

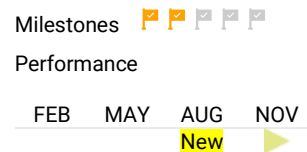


*Associated companies: **Raytheon Co and United Technologies Corp**

Southern Copper Corporation (Mexico, 2020)

► Labour Rights Violations at Company Operations

Engagement Commentary: This case was reopened in 2020, as alleged labour and union rights violations at Grupo México and its subsidiary, Southern Copper Corp. continue to affect workers in North and South America, with strikes ongoing in several geographies. Sustainalytics has had frequent contact with Grupo México to arrange a meeting; however, the company has delayed on several occasions and dialogue is now continuing in written form.



Southern Copper Corporation (Mexico, 2020)

► Leak(s) Resulting in Environmental and Human Rights Impacts

Engagement Commentary: This engagement was initiated in November 2020 based on Global Standards Screening. The case is in early stages of engagement, with the change objective identified and initial contacts with the company conducted.

Milestones

Performance



Stryker Corporation (United States, 2019)

► Quality and Safety Breaches

Engagement Commentary: During two conference calls in 2020, Stryker shared detailed information on the product quality management systems it has in place. The need for greater public disclosure on the topic is understood. Stryker has expanded its Corporate Responsibility Team and the company plans to provide more comprehensive reporting early in 2021.

Milestones

Performance



The Boeing Company (United States, 2019)

► Quality and Safety Breaches

Engagement Commentary: Sustainalytics had two calls with Boeing in 2020. The company has been willing to connect but only without investors joining the calls. There has been progress on the change objective, with the MAX aircraft being re-certified in the US successfully and the company having expanded its efforts to enforce and promote quality and safety more than ever before.

Milestones

Performance



The Chemours Co (United States, 2018)

► Activities Resulting in Negative Environmental and Human Rights Impacts

Engagement Commentary: After an initial introductory call in March 2020, following a telephone call with Chemours in August, the company agreed to a conference call in September. The company detailed its separation agreement with Dupont and the multi-district litigation (MDL) settlement from 2017. The company stated that it is committed to eliminating the release of perfluorinated compounds into the environment.

Milestones

Performance



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

► Corrupt Practices

Engagement Commentary: Early this year, we held an introductory meeting with Goldman Sachs (GS), but the company indicated mid-year that it was not ready to discuss anti-money-laundering (AML) and bribery issues. GS has made improvements to some relevant policies and, notably, has addressed culture issues by revising its compensation framework. We will endeavor to engage further with GS on the implementation of ongoing systematic controls related to business ethics, corruption and bribery.

Milestones

Performance



*Associated company: **CMC Markets PLC**

Uber Technologies, Inc. (United States, 2019)

► Privacy Breaches

Engagement Commentary: Sustainalytics held two engagement calls with Uber in 2020, during which the company's privacy and cybersecurity management practices were discussed as well as its cultural transition. Among other notations, Uber has added privacy responsibilities to the charter for its audit committee, it continues to implement ISO 27001 certification across its operations, and it has developed and implemented a set of internal privacy principles to guide practice.

Milestones

Performance



Walmart Inc. (United States, 2017)

► Recurring Labour Rights Violations

Engagement Commentary: Two constructive engagement calls were held in 2020, focusing on Walmart's US workforce. The company described its response to COVID-19, how it mitigates wrongdoing, particularly in connection to freedom of association and gender-based discrimination and harassment, the results of its five-year investment on employee development and mobility, and its efforts in connection to diversity and inclusiveness, especially in regard to race.

Milestones

Performance



Wells Fargo & Company (United States, 2019)

► Fraud

Engagement Commentary: Sustainalytics had one conference call and one in-person meeting with Wells Fargo, during which corporate culture and sales incentives were discussed at length. The company was very responsive in 2020. In 2021, the conversations will focus on systematic management of corporate culture and attempting to speak directly with the Head of Sales Incentives at the bank.

Milestones

Performance



Disengage

AFRICA / MIDDLE EAST

Elbit Systems Ltd.	
▶ Operations in Occupied Territories	Palestinian Authority
*Associated company: Ashot Ashkelon Industries Ltd. (New)	
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. (New)	
▶ Operations in Territories with Elevated Human Rights Risks	Saudi Arabia
*Associated company: Saudi Basic Industries Corp (New)	

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 (New)	
▶ Involvement in Cluster Munitions	Pakistan
Anhui GreatWall Military Industry Co., Ltd.	
▶ Involvement in Cluster Munitions	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 (New)	
▶ Involvement in Cluster Munitions	China
Coal India Limited (New)	
▶ Recurring Workplace Accidents	India
Defense Research & Development Organization	
▶ Inhumane Weapons	
▶ Involvement in Cluster Munitions (New)	India
Export-Import Bank of India (New)	
▶ Project(s) With Environmental and Human Rights Risks	India
Hanwha Corp	
▶ Involvement in Cluster Munitions	South Korea
Larsen & Toubro Limited	
▶ Nuclear Weapons Development	India
*Associated companies: L&T Finance Holdings Ltd (New), L&T Technology Services Ltd. (New) and Larsen & Toubro Infotech Limited (New)	
LIG Corp. (New)	
▶ 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 (New) and China Minmetals Group Co. Ltd. (New)	
MindTree Limited	
▶ Nuclear Weapons Development	India
National Development Complex	
▶ Involvement in Cluster Munitions	Pakistan
Narendra & Co. (New)	
▶ Involvement in Land Mines	India

National Engineering & Scientific Commission

- ▶ Involvement in Cluster Munitions
- ▶ Nuclear Weapons Development

Pakistan

Nityanand Udyog Pvt Ltd. (New)

- ▶ Involvement in Land Mines

India

Pakistan Ordnance Factories

- ▶ Involvement in Cluster Munitions

Pakistan

Poongsan Corporation

- ▶ Involvement in Cluster Munitions

South Korea

Poongsan Holdings Corporation

- ▶ Involvement in Cluster Munitions

South Korea

S&T Dynamics Co. Ltd.

- ▶ Involvement in Land Mines

South Korea

S&T Holdings Co., Ltd.

- ▶ Involvement in Land Mines

South Korea

State Oil Company of Azerbaijan Republic

- ▶ Recurring Workplace Accidents

Azerbaijan

Synthetic Moulders Ltd. (New)

- ▶ Involvement in Land Mines

India

TATA Advanced Systems Ltd. (New)

- ▶ Nuclear Weapons Development

India

Tata Sons Private Limited. (New)

- ▶ Nuclear Weapons Development

*Associated companies: **Tata Consultancy Services Ltd. (New)** and **Tata Investment Corp. Ltd. (New)**

India

Walchandnagar Industries Ltd.

- ▶ Nuclear Weapons Development

India

EUROPE**Aeroteh SA**

- ▶ Involvement in Cluster Munitions

Romania

Cia Nationala ROMARM SA

- ▶ Involvement in Cluster Munitions

Romania

Rostec Corporation

- ▶ Involvement in Cluster Munitions

Russia

San Leon Energy Plc

- ▶ Operations in Occupied Territories

Western Sahara

Splav State Research & Production Association Fsue

- ▶ Involvement in Cluster Munitions

Russia

Tactical Missiles Corp. JSC

- ▶ Involvement in Cluster Munitions

Russia

LATIN AMERICA AND CARIBBEAN**Avibras Industria Aeroespacial S/A.**

- ▶ Involvement in Cluster Munitions

Brazil

Petróleos de Venezuela S.A.

- ▶ Corrupt Practices

- ▶ Oil Spill(s)

- ▶ Recurring Workplace Accidents

- ▶ Operations in Territories with Elevated Human Rights Risks (New)

Venezuela

UNITED STATES AND CANADA**Mil-spec Industries Corp**

- ▶ Involvement in Cluster Munitions

- ▶ Involvement in Land Mines

United States

Motorola Solutions, Inc.

- ▶ Operations in Occupied Territories

Palestinian Authorities

The Day & Zimmermann Group, Inc.

- ▶ Involvement in Cluster Munitions

United States

Global Standards Engagement Overview

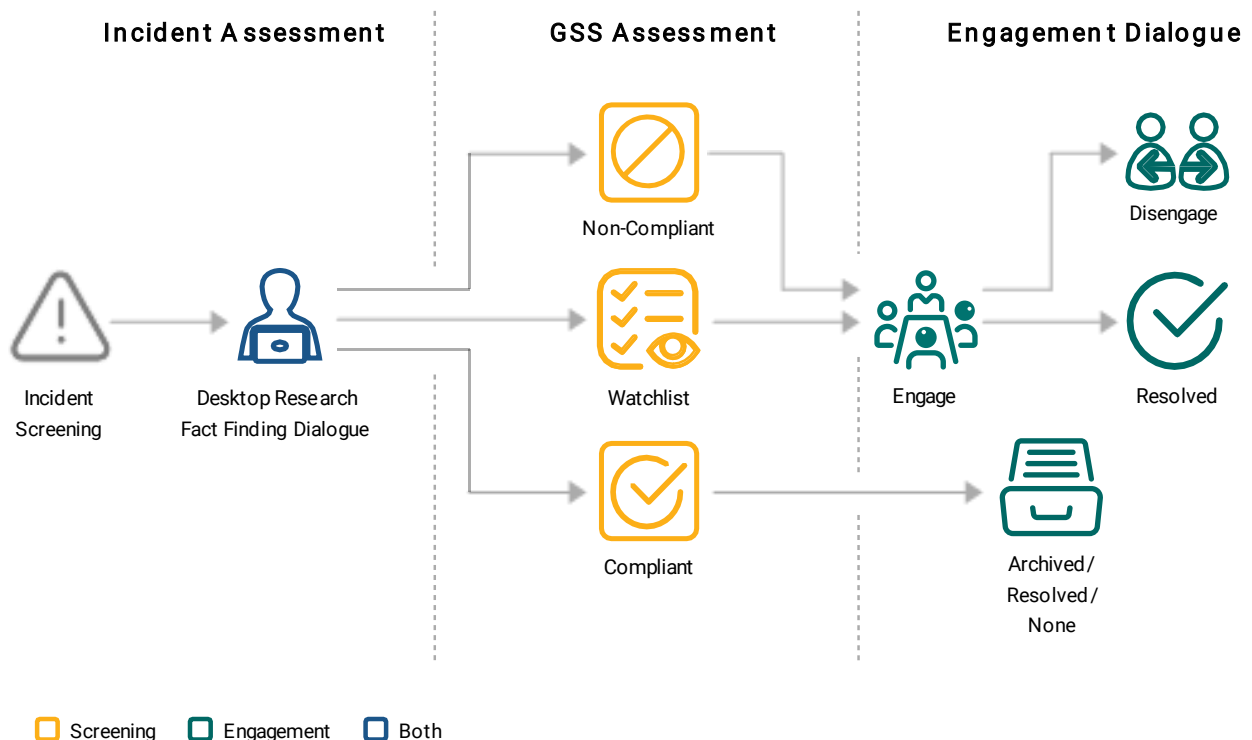
Global Standards Engagement (GSE) is an incident-driven engagement with focus on companies that severely and systematically violate international standards, such as the UN Global Compact Principles and the OECD Guidelines for Multinationals. The engagement is based on a thorough and continuous assessment 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.

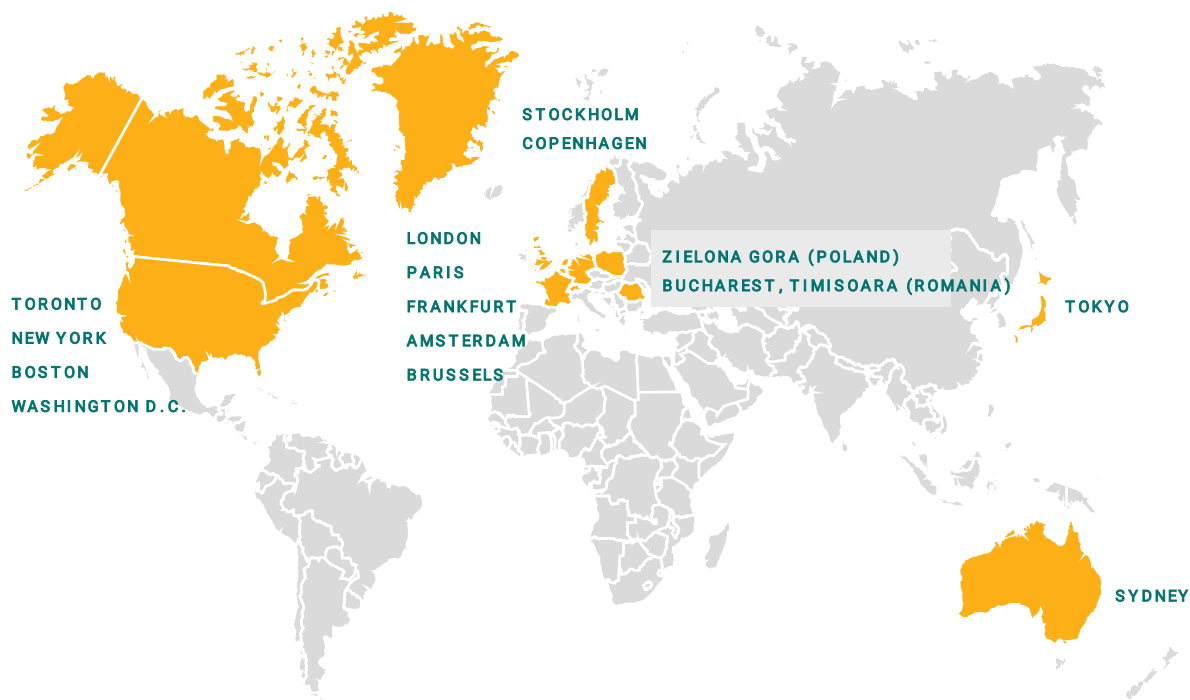


About Sustainalytics

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 more than 25 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 16 offices globally, Sustainalytics has more than 650 staff members, including more than 200 analysts with varied multidisciplinary expertise across more than 40 industry groups.

For more information, visit www.sustainalytics.com.



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