



POOLED ENGAGEMENT +

Q4 2019 Progress Report

(for the period ending 31 December 2019)



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EXECUTIVE SUMMARY

The Pooled Engagement Quarterly Report for Q4 2019 consists of two parts. The first part provides a description of ISS ESG's Pooled Engagement service, which is conducted on behalf of investors with companies that have been assessed under ISS ESG's **Norm-Based Research** to be facing alleged or verified severe, systematic or systemic failures to respect international norms and guidelines on responsible business conduct. The second part of the report provides the most up-to-date data concerning engagement carried out on behalf of institutional investors in Q4 2019. The second part also includes, for external reporting purposes, numerical and statistical summaries of companies engaged with, notable engagement activity, an overview and summary of responses received on letters sent out in Q4 2019, and overviews of the reminders and escalations to companies which did not provide a response to investors queries.

The detailed engagement reports for the individual companies listed in the report, and their responses, are available via ISS ESG's online reporting platform [PE Tool](#).

OUR ENGAGEMENT APPROACH

Truly effective engagement takes time and requires investment in the process. ISS ESG's Pooled Engagement approach is focused on positive change by supporting companies in their efforts to manage or mitigate environmental and social risks.

Initiating engagement

ISS ESG's Pooled Engagement service focuses on companies that are assessed under **Norm-Based Research** to be involved in alleged or verified severe, systematic or systemic failures to respect international norms. Engagement under the service is preceded by in-depth research and fact-finding dialogue with companies and stakeholders. Through a feasibility study ISS ESG identifies gaps in company disclosure and whether the desired level of disclosure can be achieved through investor dialogue. Influential factors include an estimation of the company's level of responsibility, steps it has taken to mitigate the possible failure to respect a norm, and availability of both stakeholder and expert sources to facilitate constructive dialogue.

Conducting effective engagement dialogue

Pooled Engagement aims at building a relationship which is conducive to constructive dialogue through which investors may exercise influence. ISS ESG's Pooled Engagement approach encourages companies to elaborate on their efforts to design and implement better risk management systems at the operational level, to minimize the risk for re-occurrence of failures to respect international norms. ISS ESG seeks to appreciate whether a company has proven successful in implementing a genuine reduction in risk, with positive results for both management and operations. Engagement is therefore accompanied by clear and time-bound engagement goals, based on expectations on the company's ability to address shortcomings in the context of its specific business sector and relevant industry standards.

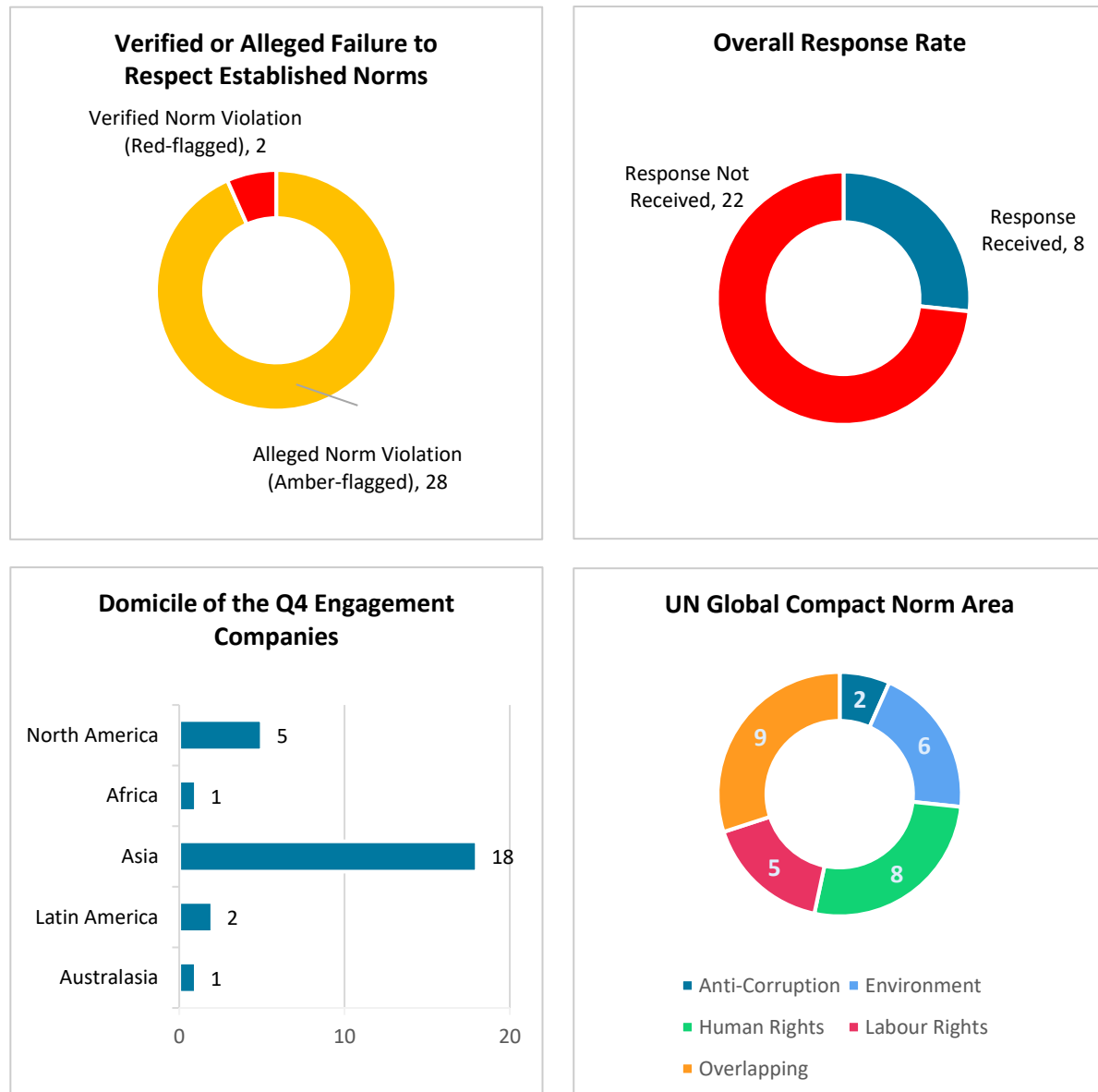
As Pooled Engagement is rooted in an assessment of company responsiveness to ongoing controversies carried out under Norm-Based Research, it allows investors to voice concerns in a timely manner. This increases their possibilities to influence and provides concrete opportunities for companies to address the identified issues.

Process for eliciting responses from non-responsive companies

Over time, responsiveness is noted with most companies with which engagement is sought. Others require repeated follow-ups to respond, and some steadfastly fail to respond to investor concerns. To address these challenges in communication, regular and courteous follow-up is built into ISS ESG's approach. Once every effort has been made to engage both Investor Relations and the company CEO, the feasibility of engagement is re-evaluated. In certain cases, where a company has proven unresponsive to investors' efforts to exercise active ownership, the decision has been taken by ISS ESG to discontinue dialogue with a company. From Q1 2018 a new step was introduced into the follow-up process whereby after escalation to the CEO, investors queries will be escalated to the company's Board.

ENGAGEMENT STATISTICS FOR Q4 2019

In Q4 2019 under the Pooled Engagement service engagement was conducted with 30 companies, of which 2 were RED-flagged and 28 are AMBER-flagged, according to ISS ESG’s Norm-Based Research methodology. Of the 30 companies, 8 have replied to the initial investor engagement letter. This constitutes an overall response rate of 27%. To assist investors with their reporting, the statistics presented below are based on the 30 companies with which engagement was conducted in Q4 2019.



Please refer to the attached data file or refer to the following sections. For the summary of all company responses to Q3 2019 engagement enquiries, see [Summary of All Engagement Responses in Q3 2019](#). The responsiveness to Q3 engagements is summarized in the [Responsiveness to Q3 Engagement Letters](#) section. For the list of companies that have failed to respond to our past engagement attempts, and which are subject to our ongoing reminders and escalations process, please see [Reminders and Escalations carried out during Q3 2019](#).

NOTABLE ENGAGEMENT ACTIVITY IN Q4 2019

COMPANY	LOCATION	CORPORATE PARTICIPATION IN ENGAGEMENT
Petróleo Brasileiro SA	Brazil	Good
NORM AREA	RESPONSE	
Anti-Corruption	Response received from Alexandre Brito Barbosa (Investor Relations).	
SUMMARY		
<p>Petróleo Brasileiro SA (Petrobras) has demonstrated its willingness to engage and share information on its enhancement measures and the progress made to address longstanding allegations that it was involved in incidences of bribery. As support for its efforts, Petrobras provided investors with information on the certification of governance measures and its anti-corruption commitment as a signatory of the Brazilian Business pact for Integrity and Against Corruption (a recognised public-private initiative that is based on the UN Convention against Corruption and the OECD Guidelines for Multinational Enterprises). ISS ESG assesses that the goals for engagement were successfully met and that there are no grounds for further engagement.</p>		

SUMMARY OF ALL ENGAGEMENT RESPONSES RECEIVED IN Q4 2019

Companies involved in verified failures to respect international norms and guidelines (Red-flagged)

COMPANY	LOCATION	CORPORATE PARTICIPATION IN ENGAGEMENT
JBS SA	Brazil	Deferred
NORM AREA(S)	RESPONSE	
Overlapping: Anti-corruption; Environment; Labour Rights	Response received from Christiane Assis (IR Director).	
SUMMARY		
<p>Acknowledgment of the investor enquiry letter received from Ms Christiane Assis, IR Director. The company's response is forthcoming.</p>		

COMPANY	LOCATION	CORPORATE PARTICIPATION IN ENGAGEMENT
Rosneft Oil Co.	Russia	Adequate
NORM AREA(S)	RESPONSE	
Environment	Response received from Marina Dracheva (Deputy Head, Investor Relations Department).	
SUMMARY		
<p>In its response to investor enquiries, Rosneft provided information on the company’s oil spill prevention and remediation efforts in the Khanty-Mansi autonomous okrug in Russia that will be disclosed in a 2020 case study, its activities in Wrangel Island, as well as its involvement with the Sakhalin-1 Joint Venture. ISS ESG is encouraged by Rosneft’s openness to dialogue and is looking forward to the publication of further details on the Khanty-Mansi study and any new developments on protection programs in Wrangel Island and by the Sakhalin-1 JV.</p>		

Companies involved in alleged failures to respect international norms and guidelines (Amber-flagged)

COMPANY	LOCATION(S)	CORPORATE PARTICIPATION IN ENGAGEMENT
Bayer AG	United States	Good
NORM AREA(S) Anti-corruption	RESPONSE Response received from Eva-Maria Miermann (Financial Sustainability Relations).	
SUMMARY <p>In its follow-up response, Bayer AG confirmed that the District Court in the Eastern District of Texas granted the Department of Justice’s motion and the case (Case No. 5:17-CV-126-RWS-CMC) has been dismissed. On October 25, 2019, the Health Choice Group filed a notice of appeal of the District Court’s decision. In light of the District Court in the Eastern District of Texas' decision to dismiss the case against Bayer, ISS ESG has decided to close the engagement with the Company on this topic.</p>		
COMPANY	LOCATION(S)	CORPORATE PARTICIPATION IN ENGAGEMENT
Exxon Mobil Corp	United States	Adequate
NORM AREA(S) Environment	RESPONSE ISS ESG held and an engagement meeting with Neil Hansen, Vice President, Investor Relations and Office of the Secretary at Exxon Mobil Corp.	
SUMMARY <p>On 6 December 2019, ISS ESG held and an engagement meeting with Mr. Neil Hansen, Vice President, Investor Relations and Office of the Secretary at Exxon Mobil Corp., to seek clarification on outstanding questions. The discussion focused on data verification and engagement procedures and processes, as a continuation of the dialogue with the Company in the Q1 2019 Pooled Engagement letter dated 21 February 2019. ISS ESG presented the Pooled Engagement service, its goals, including the associated communication with the process. The service was highlighted as separate from ISS ESG’s Norm-Based Research (NBR) and Corporate Ratings research and its associated outreach. Based on the various ESG reporting metrics requested by service providers, similar in nature, Exxon Mobil identified a resource challenge for providing timely responses. ISS ESG welcomes the continued openness to dialogue demonstrated by the company, and will submit follow-up questions on whether the Company intends to quantify and disclose the climate-related impacts of existing and future oil and gas resources and if the Company's disclosures include GHG reduction targets referencing climate science.</p>		

<p>COMPANY</p> <p>Facebook, Inc.</p>	<p>LOCATION(S)</p> <p>Myanmar; N/A</p>	<p>CORPORATE PARTICIPATION IN ENGAGEMENT</p> <p>Good</p>
<p>NORM AREA(S)</p> <p>Human Rights</p>	<p>RESPONSE</p> <p>Response received from Deborah Crawford (Head of Investor Relations).</p>	
<p>SUMMARY</p> <p>Following the escalation of investor enquiries to its CEO, Facebook, Inc. responded to the questions that were sent to the company in Q2 2019. In its response, Facebook stated that it has continuously worked to implement policies that mitigate the ESG risks that were identified in the investor enquiry.</p> <p>The company referenced several published updates to its website regarding third-party developers, data use, privacy, content moderation, and combating fake speech and extremist content. Facebook also commissioned an independent human rights impact assessment from the international NGO Business of Social Responsibility, which notably concluded that the company has implemented several policies to address its involvement in Myanmar’s ongoing conflicts. ISS ESG appreciates the updates shared on its ongoing commitment to protect users from hate speech and misinformation, and assesses that Facebook is credibly undertaking remedial measures to address the risk that the platform may be used to spread hate speech and misinformation. As to its ongoing commitment to protect user privacy, more information is needed to review whether the measures are effective. Facebook did not provide a specific response to allegations by the Irish Data Protection Commission regarding its violations of the European Union’s General Data Protection Rule (GDPR) and it continues to face ongoing allegations of privacy violations and data breaches worldwide.</p>		
<p>COMPANY</p> <p>First Pacific Co. Ltd.</p>	<p>LOCATION(S)</p> <p>Indonesia</p>	<p>CORPORATE PARTICIPATION IN ENGAGEMENT</p> <p>Good</p>
<p>NORM AREA(S)</p> <p>Labour Rights</p>	<p>RESPONSE</p> <p>Response received from Widyamurti Paramita (Investor Relations at IndoAgri Group).</p>	
<p>SUMMARY</p> <p>In its response, the company stated that it regularly communicates its grievance mechanism to its employees through several avenues such as notice boards, e-mail, company portal, induction event for new employees. The company further stated that it has internal metrics, which are analysed and monitored by senior management and board committee, to ensure grievance mechanisms are functioning as intended. The company was not able to elaborate on what those internal metrics are and how they are analysed, nor disclose results of such analyses because the company stated that it is confidential. The company further stated that it measures the outcome of grievances lodged and</p>		

management actions taken following internal investigation. ISS ESG appreciates the company’s openness to continued dialogue on the issues noted.

[The communication was provided on behalf of the cluster of First Pacific Co. Ltd., PT Indofood Sukses Makmur Tbk, Indofood Agri Resources Ltd. (IndoAgri), PT Salim Ivomas Pratama Tbk (SIMP) and PT Perusahaan Perkebunan London Sumatra Indonesia Tbk (Lonsum) companies.]

COMPANY	LOCATION(S)	CORPORATE PARTICIPATION IN ENGAGEMENT
Golden Agri-Resources Ltd.	Indonesia	Good

NORM AREA(S)	RESPONSE
Anti-corruption	Response received from Herlina Sadeli (Investor Relations Team).

SUMMARY

Golden Agri-Resources Ltd. (GAR) confirmed that the three executives previously employed at the Golden Agri-Resources Ltd. (GAR)' s subsidiary PT Binasawit Abadipratama, who were named by the Jakarta Corruption Court on the bribery case, no longer hold any positions in the Company. This latest response by the company sees the completion of goals set for the engagement. ISS ESG is reviewing the assessment in order to evaluate the grounds for further engagement.

COMPANY	LOCATION(S)	CORPORATE PARTICIPATION IN ENGAGEMENT
Grupo México S.A.B. de C.V.	Peru; Mexico	Moderate

NORM AREA(S)	RESPONSE
Overlapping: Environment and Human Rights	Response received from Nicolas Moureau (Strategy & Institutional Relations Manager).

SUMMARY

In its response, the company stated that all legal requirements to remediate water pollution caused by a 2014 leak at its Buenavista mine in Mexico have been reached in 2015, as officially confirmed by the Mexican environmental authority in December 2016, and by local stakeholders and academia in 2019, despite continued criticism, including by the United Nations Special Rapporteur on human rights and hazardous substances and wastes in May 2018. Considering the continued allegations of failure to remediate the incident, including by the Mexican Federal Attorney for Environmental Protection in December 2019, and the reopening of investigations on the same month, ISS ESG deems that the extent of remediation cannot be confirmed until the company provides documentation directly confirming water quality.

With regards to the Human Rights controversy at the Tía Maria project in Peru, the company stated that protest activities have steadily declined. Grupo México has highlighted that it is committed to continue

working with communities and to begin construction as soon as social conditions turn out to be more favorable and that it continues its community development efforts in order to facilitate the project’s kick off. ISS ESG, however, remains vigilant of developments on the project approval process as persisting allegations of potential impact raised by communities suggest that inadequate stakeholder consultation in the region cannot be excluded.

COMPANY	LOCATION(S)	CORPORATE PARTICIPATION IN ENGAGEMENT
Indofood Agri Resources Ltd.	Indonesia	Good

NORM AREA(S)	RESPONSE
Labour Rights	Response received from Widyamurti Paramita (Investor Relations at IndoAgri Group).

SUMMARY

In its response, the company stated that it regularly communicates its grievance mechanism to its employees through several avenues such as notice boards, e-mail, company portal, induction event for new employees. The company further stated that it has internal metrics, which are analysed and monitored by senior management and board committee, to ensure grievance mechanisms are functioning as intended. The company was not able to elaborate on what those internal metrics are and how they are analysed, nor disclose results of such analyses because the company stated that it is confidential. The company further stated that it measures the outcome of grievances lodged and management actions taken following internal investigation. ISS ESG appreciates the company’s openness to continued dialogue on the issues noted.

[The communication was provided on behalf of the cluster of First Pacific Co. Ltd., PT Indofood Sukses Makmur Tbk, Indofood Agri Resources Ltd. (IndoAgri), PT Salim Ivomas Pratama Tbk (SIMP) and PT Perusahaan Perkebunan London Sumatra Indonesia Tbk (Lonsum) companies.]

COMPANY	LOCATION(S)	CORPORATE PARTICIPATION IN ENGAGEMENT
ING Groep NV	The Netherlands	Good

NORM AREA(S)	RESPONSE
Anti-corruption	Response received from Mark Milders (Head of Investor Relations).

SUMMARY

In its response, ING directed investors to the overview that it had disclosed on its website. According to which the structural solutions are divided in five pillars and are comprised of Policies & Risks, Development and global roll-out of a bank-wide Know Your Customer (KYC) digital service, Monitoring & Screening, Governance, and Development and roll-out of KYC communication. Each pillar is described

in detail, and contains specific actions. On occasion, information is provided on the progress of individual actions.

ISS ESG appreciates ING's continued dialogue and considers the bank's measures to be encouraging. Considering the range of measures ING is currently conducting, ISS ESG will suspend the dialogue with the intent to follow up at a later stage to confirm the measures' progress and their efficacy.

COMPANY	LOCATION(S)	CORPORATE PARTICIPATION IN ENGAGEMENT
Korea Electric Power Corp.	Cambodia; Laos; South Africa	Adequate
NORM AREA(S)	RESPONSE	
Overlapping: Environment and Human Rights	Response received from Yoonhye Cho (Senior Manager, Finance & IR Team).	
SUMMARY		
Acknowledgement of follow-up enquiry and commitment to revert back upon an internal review of the questions.		
COMPANY	LOCATION(S)	CORPORATE PARTICIPATION IN ENGAGEMENT
Loomis AB	Turkey	Adequate
NORM AREA(S)	RESPONSE	
Human Rights	Response received from Anders Haker (CIRO, Chief Investor Relations Officer).	
SUMMARY		
Acknowledgement of invitation for meeting to discuss follow-up enquiry and preliminary commitment to participate in a meeting in 2020.		
COMPANY	LOCATION(S)	CORPORATE PARTICIPATION IN ENGAGEMENT
Petróleo Brasileiro SA	Brazil	Deferred
NORM AREA(S)	RESPONSE	
Overlapping: Anti-corruption; Environment	Response received from Andreas Kusche, Investor Relations.	

SUMMARY

With regards to the environmental controversy, the company committed to revert back with more information.

COMPANY	LOCATION(S)	CORPORATE PARTICIPATION IN ENGAGEMENT
PG&E Corp.	United States	Good

NORM AREA(S)	RESPONSE
Human Rights	Reply received from Jenny Kan (Investor Relations).

SUMMARY

In its reply, PG&E confirmed that it would file its 2020 Wildfire Mitigation Plan on 7 February 2020. The 2020 plan will provide an assessment of the company's performance against the targets that were established in the 2019 Wildfire Mitigation Plan. The company also confirmed its willingness to participate in a conference call.

COMPANY	LOCATION(S)	CORPORATE PARTICIPATION IN ENGAGEMENT
PT Indofood Sukses Makmur Tbk	Indonesia	Good

NORM AREA(S)	RESPONSE
Labour Rights	Response received from Widyamurti Paramita (Investor Relations at IndoAgri Group).

SUMMARY

In its response, the company stated that it regularly communicates its grievance mechanism to its employees through several avenues such as notice boards, e-mail, company portal, induction event for new employees. The company further stated that it has internal metrics, which are analysed and monitored by senior management and board committee, to ensure grievance mechanisms are functioning as intended. The company was not able to elaborate on what those internal metrics are and how they are analysed, nor disclose results of such analyses because the company stated that it is confidential. The company further stated that it measures the outcome of grievances lodged and management actions taken following internal investigation. ISS ESG appreciates the company's openness to continued dialogue on the issues noted.

[The communication was provided on behalf of the cluster of First Pacific Co. Ltd., PT Indofood Sukses Makmur Tbk, Indofood Agri Resources Ltd. (IndoAgri), PT Salim Ivomas Pratama Tbk (SIMP) and PT Perusahaan Perkebunan London Sumatra Indonesia Tbk (Lonsum) companies.]

COMPANY	LOCATION(S)	CORPORATE PARTICIPATION IN ENGAGEMENT
	Indonesia	

PT Perusahaan Perkebunan London Sumatra Indonesia Tbk		Good
NORM AREA(S) Labour Rights	RESPONSE Response received from Widyamurti Paramita (Investor Relations at IndoAgri Group).	
SUMMARY In its response, the company stated that it regularly communicates its grievance mechanism to its employees through several avenues such as notice boards, e-mail, company portal, induction event for new employees. The company further stated that it has internal metrics, which are analysed and monitored by senior management and board committee, to ensure grievance mechanisms are functioning as intended. The company was not able to elaborate on what those internal metrics are and how they are analysed, nor disclose results of such analyses because the company stated that it is confidential. The company further stated that it measures the outcome of grievances lodged and management actions taken following internal investigation. ISS ESG appreciates the company's openness to continued dialogue on the issues noted. [The communication was provided on behalf of the cluster of First Pacific Co. Ltd., PT Indofood Sukses Makmur Tbk, Indofood Agri Resources Ltd. (IndoAgri), PT Salim Ivomas Pratama Tbk (SIMP) and PT Perusahaan Perkebunan London Sumatra Indonesia Tbk (Lonsum) companies.]		
COMPANY PT Salim Ivomas Pratama Tbk	LOCATION(S) Indonesia	CORPORATE PARTICIPATION IN ENGAGEMENT Good
NORM AREA(S) Labour Rights	RESPONSE Response received from Widyamurti Paramita (Investor Relations at IndoAgri Group).	
SUMMARY In its response, the company stated that it regularly communicates its grievance mechanism to its employees through several avenues such as notice boards, e-mail, company portal, induction event for new employees. The company further stated that it has internal metrics, which are analysed and monitored by senior management and board committee, to ensure grievance mechanisms are functioning as intended. The company was not able to elaborate on what those internal metrics are and how they are analysed, nor disclose results of such analyses because the company stated that it is confidential. The company further stated that it measures the outcome of grievances lodged and management actions taken following internal investigation. ISS ESG appreciates the company's openness to continued dialogue on the issues noted. [The communication was provided on behalf of the cluster of First Pacific Co. Ltd., PT Indofood Sukses Makmur Tbk, Indofood Agri Resources Ltd. (IndoAgri), PT Salim Ivomas Pratama Tbk (SIMP) and PT Perusahaan Perkebunan London Sumatra Indonesia Tbk (Lonsum) companies.]		

<p>COMPANY</p> <p>Renault SA</p>	<p>LOCATION(S)</p> <p>France; Turkey</p>	<p>CORPORATE PARTICIPATION IN ENGAGEMENT</p> <p>Good</p>
<p>NORM AREA(S)</p> <p>Overlapping: Environment and Labour Rights</p>	<p>RESPONSE</p> <p>Responses received from Olivier Mahe (Environmental Performance Project Manager) and Christine Naoumoff (CSR Strategy Project Manager).</p>	
<p>SUMMARY</p> <p>Concerning measures taken in addressing allegations of excessive air emissions from its diesel vehicles, especially in light of a French Directorate-General for Competition, Consumer Affairs and Prevention of Fraud (DGCCRF) May 2019 Report reportedly submitted to the prosecutors the company stated that it still does not have access to the document and cannot comment on it. However, the Company reaffirmed that its vehicles are not equipped with illegal defeat devices, confirmed by independent third-parties. In order to mitigate the risks from the growing concerns of the impact on public health from the continuous use of diesel vehicles Renault will launch 20 electric and hybrid vehicles. Finally, Renault monitors the scientific developments, public policies, and stakeholder expectations regarding health issues. With regard to the implementation of Renault's commitment to respect workers' union rights at its operations in Turkey, the Company stated that it organised professional elections in April 2017, held regular meetings with Turk Metal representatives, and that IndustriALL Global Union accepted Turk Metal's re-affiliation request in 2019. ISS ESG welcomes Renault's openness to dialogue and will continue to monitor for developments concerning the French investigation on the emissions issue. On the union rights issue in Turkey, ISS ESG will follow up with the Company to seek supporting details concerning the set of corrective measures taken to ensure that workers' union rights are upheld by its Turkish subsidiary.</p>		
<p>COMPANY</p> <p>SLC Agricola SA</p>	<p>LOCATION(S)</p> <p>Brazil</p>	<p>CORPORATE PARTICIPATION IN ENGAGEMENT</p> <p>Adequate</p>
<p>NORM AREA(S)</p> <p>Environment</p>	<p>RESPONSE</p> <p>Response received from Ivo Brum, Chief Financial and Investor Relations Officer.</p>	
<p>SUMMARY</p> <p>In its response, SLC Agricola SA stated that it does not intend to endorse the Cerrado Manifesto, a multi-stakeholder initiative expressing support against deforestation and incentives for sustainable land management even when competitors, business partners, and investors have signed on. The Company informed investors that it does not intend to formally commit to greenhouse gas and carbon reduction targets in line with the Paris Agreements. Finally, it did not add any specific findings or comments on the continued claims of deforestation published by the NGO Chain Reaction Research. ISS ESG appreciates</p>		

SLC Agricola’s engagement and will suspend the engagement dialogue pending developments in the case.

COMPANY	LOCATION(S)	CORPORATE PARTICIPATION IN ENGAGEMENT
Swedbank AB	N/A	Adequate

NORM AREA(S)	RESPONSE
Anti-Corruption	ISS ESG hosted an engagement meeting with Swedbank AB on 18 November 2019.

SUMMARY

The discussion focused on expectations, targets and progress of Swedbank’s Anti-Financial Crime (AFC) Unit. Swedbank stated that most of its Anti-Financial Crime measures have already been in place (prior to the establishment of its Anti-Financial Crime unit in April 2019) and that it is working towards centralising its approach to managing all Anti-Financial Crime related activities. As a result, the Anti-Financial Crime is the unit that will assume responsibility for controlling the group-wide approach. Swedbank stated that its current measures are focused on identifying all measures necessary to enhance its systems, while it expects its full implementation to take several years. However, the bank communicated that it intended to communicate transparently on its progress. Furthermore, Swedbank elaborated on its intention to disclose the conclusions of its internal investigation, which is set to conclude in early 2020.

ISS ESG is encouraged by Swedbank’s openness to engagement and transparent communication on the measures that it has taken to date. Further engagement on the issues may be taken following a review of the results from Swedbank’s internal review findings, which is expected in early 2020.

COMPANY	LOCATION(S)	CORPORATE PARTICIPATION IN ENGAGEMENT
Tesla, Inc.	United States	Deferred

NORM AREA(S)	RESPONSE
Labour Rights	Response received from Martin Viecha (Senior Director of IR).

SUMMARY

Following the escalation of investor enquiries to the CEO, Tesla, Inc responded by highlighting resource constraints and referring to the upcoming Impact Report that will be published in early 2020.

ISS ESG appreciates the resource constraints highlighted by the company and welcomes the upcoming publication of its annual sustainability report, but considers that a discussion on the identified ESG risks would be constructive to gain further clarity on the company's management of the issues. As such, ISS ESG will follow up to enquire about availability for an engagement teleconference.

COMPANY	LOCATION(S)	CORPORATE PARTICIPATION IN ENGAGEMENT
The Boeing Co.	Ethiopia; Indonesia; United States	Good
NORM AREA(S)	RESPONSE	
Human Rights	Response received from Keely Moos (Investor Relations).	
SUMMARY		
<p>In its response to investor enquiries, The Boeing Co. provided several links to webpages where information had been made available on the investigations into the crashes involving the Boeing 737 MAX in 2019. As part of follow-up dialogue, the company also explained the role of the Federal Aviation Administration’s (FAA) Organization Designation Authorization (ODA) and how representatives from the company are chosen for the committee and the changes it will implement to the company’s organization and process design to enhance its safety culture. Boeing’s willingness to engage and provide information on the investigations and its role in the airline certification process is of note. ISS ESG welcomes the information that has been shared. The company is closely working with the FAA and is in the process of strengthening its review and safety policies in order to make the 737 MAX airworthy again. ISS ESG looks forward to continuous progress updates of Boeing on its efforts to return the aircraft to full service.</p>		
COMPANY	LOCATION(S)	CORPORATE PARTICIPATION IN ENGAGEMENT
The GEO Group, Inc.	United States	Adequate
NORM AREA(S)	RESPONSE	
Overlapping: Human Rights and Labour Rights	Response received from Pablo E. Paez (Executive Vice President, Corporate Relations).	
SUMMARY		
<p>Acknowledgement of invitation for meeting to discuss follow-up enquiry and preliminary commitment to participate in a meeting in 2020.</p>		
COMPANY	LOCATION(S)	CORPORATE PARTICIPATION IN ENGAGEMENT
Vestas Wind Systems A/S	Kenya; Spain	Good
NORM AREA(S)	RESPONSE	
Overlapping: Human Rights; Labour Rights	Response received from Patrik Setterberg (Vice President, Head of Investor Relations).	
SUMMARY		

In its response, Vestas Wind Systems A/S reported that it would take extra time to provide the requested information on the differences in health and safety risk assessment methods employed by the Company and the Spanish Labour Inspectorate, since the conclusion by the latter is available only in Spanish. Vestas Wind Systems has demonstrated a remarkable willingness for engagement and provided investors with comprehensive details on the measures it has taken to address the allegations concerning exposure of workers to hazardous substances at its wind turbine blade production facility. While ISS ESG welcomes the company’s openness to dialogue, it looks forward to receiving more details with regard to the 2017 decision by the Spanish Labour Inspectorate, assessing the health and safety risk at Vestas Manufacturing Spain to be “very high”, as well as differences in health and safety risk assessment methods employed by the Company and the Spanish Labour Inspectorate.

With regards to its involvement in Kenya, the company confirmed that it still owns 12.5% of Lake Turkana Wind Power (LTWP). The company also informed investors that case with the Supreme Court of Kenya to determine the dispute in regard with the allegations of inadequate consultation, remediation and compensation raised by nomadic pastoralists in the project area is still pending. While ISS ESG welcomes the openness of the company in the continued dialogue concerning the allegations it faces in Kenya, concerns remain as the company has yet to demonstrate that it has adequately addressed the allegations of social impact and violations of indigenous rights at LTWP.

Vestas Wind Systems A/S has demonstrated its openness to engagement and provided investors with updated information on the status of the controversy it is facing at its operations in Kenya. Engagement has been suspended pending disclosure of documentation on the consultation conducted to obtain the free, prior and informed consent of indigenous peoples at its operations in Kenya, the implementation of mitigation and compensation measures, and, a review and verification of their efficacy by a credible third party.

COMPANY	LOCATION	CORPORATE PARTICIPATION IN ENGAGEMENT
Walmart Inc.	United Kingdom; United States	Good
NORM AREA(S)	RESPONSE	
Labour Rights	Response received from Katherine Neebe (Senior Director - ESG, Trust & Transparency).	
SUMMARY		
<p>Response received from Ms Katherine Neebe, Senior Director - ESG, Trust & Transparency, Walmart, Inc. In its response, Walmart stated that it respects its associates rights to form or not to join an employee association or trade union of their choice without interference. The Company also stated that it believes in the free exchange of ideas, opinions and information provided there is no interference. The Company clarified the status of several National Labor Relations Board cases that have been resolved or are pending further proceedings. The Company did not provide any comment in relation to the allegations of pay discrimination on the basis of gender at its operations in the United States and in the United Kingdom. ISS ESG has submitted a follow-up enquiry to seek answers to the questions on gender pay disparity.</p>		

RESPONSIVENESS TO Q4 2019 ENGAGEMENT LETTERS

The following table summarizes the responsiveness to the engagement enquiries made in Q4 2019. Companies that did not respond to the initial engagement letters were sent reminder notifications by email to the Investor Relations contacts. Continued non-response to the reminders will lead to escalation of engagement attempts to the CEO and then the Board level as described under the section, *Our Engagement Approach* above.

Issuer	ISIN	ESG Area Breakdown	Response Received
Bangkok Bank Public Co. Ltd.	TH0001010006	Overlapping (Environment, Human rights)	FALSE
BLD Plantation Bhd.	MYL506900009	Environment	FALSE
Bunge Ltd.	BMG169621056	Environment	FALSE
Cal-Comp Electronics (Thailand) Public Co., Ltd.	TH0639010R13	Labour rights	FALSE
Cargill, Inc.	US141781AX24	Overlapping (Environment, Labour rights)	FALSE
China Yangtze Power Co., Ltd.	CNE000001G87	Environment	FALSE
Coca-Cola Amatil Ltd.	AU000000CCL2	Labour rights	FALSE
ICICI Bank Ltd.	USY38575CZ07	Corruption	FALSE
Iflytek Co., Ltd.	CNE100000B81	Human rights	FALSE
JBS SA	USP59695AC39	Overlapping (Corruption, Environment, Labour rights)	TRUE
Kasikornbank Public Co. Ltd.	TH0016010009	Overlapping (Environment, Human rights)	FALSE
Kinpo Electronics, Inc.	TW0002312006	Labour rights	FALSE
Krung Thai Bank Public Co., Ltd.	TH0150010R11	Overlapping (Environment, Human rights)	FALSE
Petróleo Brasileiro SA	BRPETRACNOR9	Overlapping (Corruption, Environment)	TRUE
PG&E Corp.	US69331C1080	Human rights	TRUE
PT Sawit Sumbermas Sarana Tbk	ID1000130008	Environment	FALSE
PT Semen Indonesia (Persero) Tbk	ID1000106800	Human rights	FALSE
PT Solusi Bangun Indonesia Tbk	ID1000072309	Human rights	FALSE
Rosneft Oil Co.	RU000A0J2Q06	Environment	TRUE
Sibanye Gold Ltd.	US8257242060	Human rights	FALSE
Sumitomo Corp.	JP3404600003	Labour rights	FALSE
Swedbank AB	SE0001877739	Corruption	TRUE
TH Plantations Bhd.	MYL511200007	Environment	FALSE
The Boeing Co.	US0970231058	Human rights	TRUE
The Siam Commercial Bank Public Co. Ltd.	TH0015010000	Overlapping (Environment, Human rights)	FALSE
TISCO Financial Group Public Co. Ltd.	TH0999010R11	Overlapping (Environment, Human rights)	FALSE
Vestas Wind Systems A/S	DK0010268606	Overlapping (Human rights, Labour rights)	TRUE
Walmart, Inc.	US9311421039	Labour rights	TRUE
Xiamen Meiya Pico Information Co., Ltd.	CNE100001120	Human rights	FALSE
Zhejiang Dahua Technology Co. Ltd.	CNE100000BJ4	Human rights	FALSE

REMINDERS & ESCALATION STATUS: Q4 2019

The following companies had failed to respond to engagement enquiries made in previous quarters and year. As such, they were subject to the process set out above under the section, *Our Engagement Approach*, for eliciting responses from unresponsive companies. Unresponsive companies to the current reminders or escalations are going to be escalated to the next levels as described above.

Issuer	ISIN	Engagement Cycle	ESG Area Breakdown	Reminder to CEO Sent	Reminder to Board Sent
AUDI AG	DE0006757008	Q3 2019	Environment	1	0
China Petroleum & Chemical Corp.	CNE1000002Q2	Q2 2019	Corruption	1	1
Deutsche Bank AG	DE0003933511	Q2 2019	Corruption	1	1
Empresas Públicas de Medellín ESP	COE25CB00195	Q3 2018	Human rights	0	1
Facebook, Inc.	US30303M1027	Q2 2019	Human rights	1	0
First Quantum Minerals Ltd.	CA3359341052	Q3 2019	Environment	1	0
Formosa Plastics Corp.	TW0001301000	Q2 2019	Environment	1	1
Lu Thai Textile Co., Ltd.	CNE000000ST8	Q2 2019	Labour rights	1	1
Porsche Automobil Holding SE	DE000PAH0038	Q3 2019	Environment	1	0
Red Rock Resorts, Inc.	US75700L1089	Q3 2019	Labour rights	1	0
ROSSETI PJSC	RU000A0JPVJ0	Q2 2019	Corruption	1	1
Station Casinos LLC	US857691AB53	Q3 2019	Labour rights	1	0
Tesla, Inc.	US88160R1014	Q3 2019	Labour rights	1	0
Tongling Nonferrous Metals Group Co., Ltd.	CNE000000529	Q2 2019	Overlapping (Environment, Human rights)	1	1
ViacomCBS, Inc.	US124857AD56	Q3 2019	Labour rights	1	0
Zijin Mining Group Co., Ltd.	CNE100000502	Q2 2019	Overlapping (Environment, Human rights)	1	1

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