

## OECD RBC related engagements

This table lists our most significant 2023 engagements on themes covered by the OECD Responsible Business Conduct (RBC) Guidelines, but it is not an exhaustive list of our OECD RBC related engagements. It covers engagements on both actual and potential adverse impacts, and how these are mitigated. The table does not provide an exhaustive list of all our engagement on OECD RBC related themes.

OECD Theme RBC	Company name	Location	Sector	Potential /actual impact	Milestone	Issue	Engagement results
Human Rights	Jabil Inc.	United States	Information Technology	Potential	Milestone 2 - Acknowledging the issue	We believe Jabil should screen all suppliers for social risks such as forced labour. As of the 2022 sustainability report, 85% of active suppliers had been screened, but this left a 15% gap. Our engagement goal is to close the unscreened supplier gap. A secondary goal is to target an average RBA score of	The company updated us on the progress of their supplier screening. 95% of active suppliers have now been screened and the unscreened gap is closing. We encouraged the company to target a higher RBA score in the next sustainability report since they are already achieving the silver level.
	Rumo SA	Brazil	Industrials		Milestone 3 - Setting out strategy / commitment to improve	Rumo is a rail company in Brazil that moves soy and corn from the area of Mato Grosso to the port of Santos. As such, the network of the company goes through the poorest areas of the country. In H12023, Rumo was target for vandalism where local community has forcefully stopped multiple trains and	Rumo has acknowledged the concern and has told us that they will hire Gerando Falcose to lead the community engagement. Gerando has experience with engaging with underprivileged communities. We would like to understand the plan for community engagement, the milestones and resources he will need to have a
	BMW Group	Germany	Automotive	Potential	Milestone 1 - Raising Concern	We engaged with BMW on the 'just transition' taking responsibility for ensuring the energy transition not only happens in an environmentally responsible way, but also socially.	The company has been found not to meet the Just Transition Principles regarding workers, community residents, and Indigenous Peoples. We are continuing the dialogue with the company to encourage them to take a responsible stance on the social aspect of the energy transition.
	NIKE	United States	Consumer Discretionary	Actual	Milestone 1 - Raising Concern	Outstanding wage payments Letter re: outstanding wage payment for workers employed by Ramatex Group, Violet Apparel in Cambodia and Hong Seng Knitting in Thailand from the Covid period	We have collaborated with other investors in co-signing an investor letter urging Nike to address outstanding wage payment issues at one of the company's suppliers - Ramatex Group. Together with nearly 70 other investors, Van Lanschot Kempen took Nike to task over this in a public letter.
	VINCI SA	France	Industrials	Actual	Milestone 1 - Raising Concern	we firmly believe that employee safety should be a paramount priority and that on-the-job deaths should serve as a red-line item for safety related bonuses. Instead, in 2022, the company executives received 68% of the variable remuneration connected with Social short term targets despite four confirmed on-the-job deaths at the company. In addition there is the potential for more unreported fatalities due to a lack of transparency on this issue. The payout related to 2022 performance of 4.9% despite four confirmed fatalities raises	The engagement will be considered successfully closed when a hurdle rate of zero on-the-job fatalities will be introduced to unlock the S component of the ESG short term variable remuneration.
	VINCI SA	France	Industrials	Actual	Milestone 4 - Implementing the strategy	We learnt that Sherpa, a French NGO, had sued Vinci for violation of human rights in Qatar	Following our engagement with MSCI in September, MSCI ESG has upgraded Vinci from Orange to Yellow in October. We deem the engagement successfully closed as we have material reason to believe Vinci has adopted and implemented in Qatar the right measures to grant decent living and working conditions to its workers - the primary goal of our engagement.

	APA Group	Australia	Utilities	Potential	Milestone 3 - Setting out strategy / commitment to improve	We would like to see the following changes included in the next Climate Transition Plan of the company: 1. Create sustainability related LTIPs for top management; 2. Report absolute CO2 emissions in addition to intensity reduction; 3. Report on Scope 3 emissions (CO2 from your product); 4. Disclose Scope 4 emissions (CO2 emissions your product offsets).	The following goals have been achieved: 1. Link executive remuneration to climate-related performance: at least 10% of the short term incentive applied to the relevant ELT members commencing in FY23; 2. Report absolute CO2 emissions in their FY23 Climate Data Book (attached); 3. Focus on establishing a Scope 3 goal in 2024 to set specific action to reach the goal in the Climate Transition Plan in 2025. We will deem the Engagement as successfully concluded when a clear strategy to achieve carbon neutrality (including Scope 3) will be published in the Climate Transition Plan in 2025.
	ArcelorMittal SA	Netherlands	Materials	Actual	Milestone 3 - Setting out strategy / commitment to improve	The steel industry has a large CO2 footprint, the goal is to push the company to reduce their CO2 footprint. The goal of the engagement is to see whether we can move the company to set more ambitious targets and reduce the footprint quicker than the current targets they have in place.	Company is making good progress both on their medium term 2030 goal with actual projects of which the first are being developed. Also on the 2050 goal (net zero) the company is making progress, the Xcarb fund is an important driver here to stimulate new technologies. Finally, updated TCFD reporting should come out at the end of 2023 which includes scenario analysis whether their plans are aligned with the 1.5 degree scenario. On the green revenues the company has some way to go.

Atrium Ljungberg AB Class B	Sweden	Real Estate	Potential	Milestone 4 - Implementing the strategy	Atrium Ljungberg REIT was lacking a formal climate policy with measurable targets that were Paris aligned. After the 2022 CMD the company released an updated policy which is a significant improvement, but there remains several areas which need work. We are looking to share our environmental pathway with Atrium Ljungberg for the last leg of improvements. As we have refined our proprietary climate change environmental pathway model, we are launching sector-wide climate related engagements as we have identified numerous common themes with precise points of improvements and suggestions. We are commencing our engagement with the Nordics companies via Atrium Ljungberg. The Nordics region is amongst the leaders for the energy transition.	Company is measuring Scope 3 AND basing targets on them going forward; Company developed new 2030 climate neutrality targets across all scopes; Oct 2023 we received guidance that targets will be verified by end of 2023; In September of 2022 we held another call for a progress update and knowledge sharing. We noticed that Atrium Ljungberg have disclosed more precise capex spending on the green bond and sustainability targeted bond capex as per energy saving project; The company gave us an update on TCFD labeled reporting and we expect fully TCFD labelled report by end of 2024; Carbon pricing has been decided against and the company will instead rely on Sustainability financing capex allocation and following strict Swedish regulations on max allowed GHG emissions; GRESB work has been submitted in 2023 with first publishing of results likely in summer of 2024; Climate risk scenarios now done on asset level; We see constructiveness on linking remuneration to climate neutrality targets, but we need to place it in the context that Atrium Ljungberg has never had any performance pay for its executives and it may take some time for the board to get comfortable with it. The accountability currently rests at the CFO/CEO level and for head of sustainability.
Befesa SA	Germany	Industrials	Actual	Milestone 3 - Setting out strategy / commitment to improve	1. EU taxonomy: We aim to understand Befesa's share of taxonomy-aligned versus taxonomy non-aligned activities; 2. Targets & SBTi: Befesa is committed to support climate goals that are based on widely agreed climate science. We suggest the GHG reduction targets to be externally verified and aligned with the Science Based Target Initiative (SBTi); 3. Remuneration: We propose a better and more transparent link between ESG targets, specifically the GHG reduction targets, and the short-term and medium-term remuneration.	and aligned under the EU Taxonomy using the 'voluntary approach'. The company will test this under the 'compulsory approach' when the technical screening criteria for the four remaining environmental objectives are applicable as of 1 January 2024. We will check with the company whether this information will be published in the 2023 ESG report; 2. We will follow-up with the company to better understand management's considerations concerning the potential participation in the Science Based Targets initiative; 3. While the company has made further progress in detailing the ESG targets in its remuneration framework, we continue to believe more transparency is needed on the direct relation between the GHG reduction targets and management's variable remuneration.
BELIMO Holding AG	Switzerland	Industrials	Actual	Milestone 3 - Setting out strategy / commitment to improve	Company has no emission reduction target at the moment.	They communicate that they are working on establishing a net - zero roadmap within the SBT framework, and want to have official commitment and application before end of 2024 (see attachment). They also increase the scope of their ambitions. As this means both net-zero and SBT, this is more than the minimum change we initially asked for (setting carbon target). We can close the engagement successfully at this point in time, however, we keep it open to monitor the progress that will follow in 2024. When they have completed the SBT commitment and net zero roadmap, and can give sufficient clarity on this roadmap, we will close the engagement.
Cabot Corporation	United States	Materials	Actual	Milestone 3 - Setting out strategy / commitment to improve	While we applaud the progression made in 2022, including a significant further reduction in NOx & SOx emissions, process waste and water usage, we recognize continued engagement is needed to address our outstanding topics. More specifically, we campaign for (i) publication of reliable Scope-3 data (and Scope-4 data to the extent possible), (ii) ambitious long-term GHG reduction targets in line with the SBTi or similar framework, (iii) more explicit incorporation of ESG-targets in executive compensation plans.	Following fruitful discussions with the company since the start of our engagement, management introduced a comprehensive ESG target framework in 2021 and committed to achieve net zero carbon emissions by 2050. In our dialogue with the company in 2023, management underlined it is in the process of updating the ESG target framework. This new framework will include new ambitious long-term 2030-2035 emission reduction targets (on a new base-year), in line with the ambition to become net carbon neutral by 2050. Firm-wide Scope-3 emission data will also be available in 2023, and related reduction goals / policies are embedded in the new framework. The company is also building capacity and a methodology to reliably measure and analyze Scope-4 emissions (emissions avoided). While first discussions with key clients are fruitful, it will take more time to do this analysis. The sustainability efforts of the company are currently an important component of the performance assessment of the CEO and other executive officers to determine payouts under the short-term incentive compensation program. However, this is more project oriented rather than specific metrics. Nevertheless, they recognize the need for more 'direct' KPIs which can be measured and disclosed accordingly.

GLP J-REIT	Japan	Real Estate	Actual	Milestone 3 - Setting out strategy / commitment to improve	Japan as a country has committed to be Paris Aligned. It will only be a matter of time before high CO2 emitters will be pushed the burden through for example carbon taxes. Therefore setting Paris Aligned targets to reduce CO2 intensity and achieving these is key.	Under the strong initiatives of GLP's global ESG team, the company will look to establish a greenhouse gas (GHG) emissions target approved by the Science-Based Targets initiative (SBTi) at Scopes 1, 2 and/or 3 that will disclose their commitment and targets to achieve Net Zero by 2050. This will be accomplished by continuing to reduce GHG emissions and implementing methods of removing carbon dioxide from the atmosphere. The company is targeting to disclose quantitative target in line with SBT by 2025.
Healthpeak Properties, Inc.	United States	Real Estate	Actual	Milestone 3 - Setting out strategy / commitment to improve	We reached out to Healthpeak in the context of it being amongst the top 50% of GHG emitters in our portfolio holdings. It is to note that Healthpeak screens amongst the top ranked environmental companies in our universe according to our proprietary environmental pathway framework and the appearance in the top 50% list is merely a fact of it being a large portfolio holding. We however engaged on specific items like path to net zero and ESG targets in board remuneration.	Healthpeak acknowledged our concerns and has set out a strategy around evaluating becoming a net zero company. The timeline is not specified though. On our challenges to the low ESG weight in their short-term incentive plan as well as to add ESG goals to their long-term incentive, the company believes their practice to be appropriate, but confirmed to include our feedback in the next annual review and might change then.
Highwoods Properties, Inc.	United States	Real Estate	Actual	Milestone 4 - Implementing the strategy	Moving Highwoods to start reporting actual CO2 emission data to ISS Southpole as the current modelled ISS Southpole data probable overestimates their carbon emission intensity, which screens high versus US Office REITs. Another explanation can be that Highwoods has lower rents/sqft in the Sunbelt than for example Gateway city Office REITs, and on a CO2 / rental revenue basis screens less well.	Scope 1-2 clearly defined now. As most office buildings are full-service scope 1-2 covers a significant part of emissions and Highwoods will either purchase green energy from solar farms or wait for Duke Energy to green the grid. Scope 3 (embodied carbon) will remain out of reach for now. The company is looking into technical solutions to reduce embodied carbon the future (green steel, concrete) but no clear plans yet.
Kardex Holding AG	Switzerland	Industrials	Actual	Milestone 3 - Setting out strategy / commitment to improve	Further sustainability related reporting is needed, such as targets for Scope 1 & 2, and sustainability related KPIs	The company reported its emissions for the first time during 2023. We close our engagement.
Luxfer Holdings PLC	United States	Industrials		Milestone 4 - Implementing the strategy	Asked to implement ESG and carbon emission reporting	We close this engagement successfully. The company agrees with our views and has improved reporting and target setting around ESG.
Omega Healthcare Investors, Inc.	United States	Real Estate	Actual	Milestone 3 - Setting out strategy / commitment to improve	We followed up with OHI after our engagement in 2022. The initial environmental engagement was driven by our ambition to engage with the lower scoring companies in the US Healthcare cluster (limited GHG emission reporting and reduction targets). We also focused on transparency around Omega's strategy of buying carbon credits to offset their scope 1 and 2 emissions in 2023.	Omega reached out to us to get our opinion on their carbon offset programme. Omega has a target of being carbon neutral on their scope 1 and 2 emissions until end 2023. Omega as a triple net owner of assets has generally low emissions (52 employees), but wants to offset those "hard to abate" emissions fully.
Premier Foods plc	United Kingdom	Consumer Staples	Actual	Milestone 4 - Implementing the strategy	First objective: Disclose the water usage, preferably over time (last 3-5 years) to follow the trend; Second objective: set targets for water reduction and share them with all stakeholders; Third objective: offset dilution from share options (Milestone 2)	PFD has disclosed water and water usage ratios as well as Scope 3 Data
Safestore Holdings plc	United Kingdom	Real Estate	Potential	Milestone 4 - Implementing the strategy	Safestore Plc. (SAFE) is a real estate company providing self storage facilities for its customer and business (e-commerce) tenants. The Board of Safestore requested input on proposed changes to the Safestore Director's remuneration policy.	We have given the Board written input with the aim to bring more balance in the fixed and variable compensation moving it to standard market practice, and increase the weight of ESG targets in the LTIP. We discussed these items in a call on April 23, 2023 with Safestore's BoD Chair of the remuneration committee Mrs. Laure Duhot. We agreed on the following: 1) Re-balance variable and fixed pay: moving to standard market practice. Variable component structurally reduced; 2) 3-year base salary increase in-line with rest of Safestore employees; 3) ESG KPIs minimum of 10% of LTIP supporting the scope 1-3 net zero target in 2035; 4) In 2026 (over 3 years) the ESG weight in the LTIP will further increase with even more ambition goal setting like becoming net-energy positive post 2035. 5) We believe Storage (like Logistics) has a great opportunity to become net energy positive (using solar on rooftops, having little energy consumption themselves, and thus giving Shell still fails to substantiate how its transition plans align with limiting climate change to +1.5°C. In the meantime, based on recognized standards and the plans of peers, we ask Shell to: ramp up of low-carbon CAPEX, setting of absolute scope 3 GHG emissions target, and to plan an end to oil & gas exploration. To this end why have had various (collective) meetings with the Chair and the CEO of Shell. Management indicated that it will adjust its transition plans, which will be published in Q1 of 2024. Based on their comments it is expected that Shell will rationalize its transition plans (more focussed on higher RoC activities, aiming to realize economies of scale).
Shell Plc	Netherlands	Energy	Actual	Milestone 3 - Setting out strategy / commitment to improve	Transition strategy perceived not be aligned with limiting climate change to +1.5°C	

Sun Communities, Inc.	United States	Real Estate	Actual	Milestone 4 - Implementing the strategy	Our environmental engagement was driven by engaging with the top 50% CO2 emitters in our portfolio that are not yet fully reporting on greenhouse gas (GHG) emissions and/or have not yet set targets on reducing their carbon footprint.	Sun announced on 3 Jan 2023 to o achieve Carbon Neutrality by 2035 and Net Zero Emissions by 2045. Renewable Energy – Expanding the use of renewable energy across its portfolio through additional on-site energy generation, the purchase of off-site generated energy, and Renewable Energy Certificates; Green Building – Increasing the use of certified energy efficient manufactured homes, including ENERGY STAR®, in its communities as well as energy-efficient lighting and building control systems; Waste – Reducing total waste and increasing diversion from landfills by evaluating all disposal options locally available, including recycling, and adopting the best solution(s) at each property; Material Procurement – Partnering with its supply chain and consultants to collect emissions data on products and services
Tate & Lyle PLC	United Kingdom	Consumer Staples	Actual	Milestone 4 - Implementing the strategy	Reduce overall GHG emissions and commit to reduction targets for 2030	Material reduction in GHG emissions and clear trajectory against targets in 2023
Thermon Group Holdings, Inc.	United States	Industrials	Actual	Milestone 3 - Setting out strategy / commitment to improve	We have identified multiple areas of improvement at Thermon. More specifically, we believe the company could significantly improve disclosure and communication of its operational and financial performance. In our view, the company should also more clearly define a strategy, outlook and capital allocation framework. On the topic of sustainability, we believe the company should a.o. accelerate the roll-out of new products related to electrification and hydrogen, while also improving its disclosure and interaction with rating agencies in order to obtain a better ESG-score. Lastly, given the importance of sustainability-related business risks, we deem it appropriate to incorporate ESG-related KPI's in management's remuneration framework.	1) Introduction of consistent and transparent quarterly and annual financial disclosure to financial markets; 2) Clearly defined non-GAAP disclosure including adjusted EBITDA and adjusted EPS to better show underlying; 3) Disclosure of working capital, free cashflow to equity and cash conversion; 4) Disclosure of more detail around the company's strategy, including a reconciliation with current mid-term financial targets; 5) Introduction of a clearly defined capital allocation framework; 6) Post-deal review of the THR (CCI) acquisition given the questionable performance of this business after integration (and limited stand-alone disclosure); 7) Improvement of current MSCI B rating (laggard) to (at least) an average score (BB, BBB, A); 8) Proper integration of ESG-related KPI's in management remuneration framework.
TOKYU REIT, Inc.	Japan	Real Estate	Actual	Milestone 4 - Implementing the strategy	Japan as a country has committed to be Paris Aligned.It will only be a matter of time before high CO2 emitters will be pushed the burden through for example carbon taxes. Therefore setting Paris Aligned targets to reduce CO2 intensity and achieving these is key. Engagement objectives: Publish medium and long term CO2 reduction targets to be aligned with the Paris agreement for Scope 1 and 2 to start with and ideally also for Scope 3 for both 2030 and 2050.	Published medium and long term CO2 reduction targets to be aligned with the Paris agreement for Scope 1 and 2 to start with and ideally also for Scope 3 for both 2030 and 2050.
Tricon Residential Inc	United States	Real Estate	Actual	Milestone 3 - Setting out strategy / commitment to improve	Disclosing emissions, setting reduction targets and linking management remuneration to those targets.	1) Tricon improved their reporting and disclosure significantly including its emission data. Tricon is now disclosing scope 1, 2 and 3 data for the first time, which we very much welcome; 2) Tricon took part in the GRESB survey for the first time further enhancing its disclosure; 3) Noteworthy, Tricon further started various initiatives to measure - and more importantly - reduce the scope 3 emissions of its portfolio. For example, Tricon plans to improve their homes' energy usage and emissions through the choice of systems and components installed during construction and
Welltower Inc.	United States	Real Estate	Actual	Milestone 4 - Implementing the strategy	Setting more ambitious emission reduction targets and align with the goals of the Paris Agreement.	1) Set more ambitious Scope 1 and 2 targets; 2) Their new 2030 target is aligned with the Paris Agreement; 3) Develop a detailed decarbonization strategy; 4) Scope 3 emission reduction: Welltower did commit to measuring and reducing Scope 3 emissions in its SBTi target (though did not set a specific % reduction). Most of its Scope 3 emissions come from its triple net portfolio, which continues to get reduced as properties transition to its operating portfolio (Scope 1 and 2). This is confirmed by Scope 3 emissions falling steadily a combined 36% since 2018.
West Fraser Timber Co. Ltd.	Canada	Materials	Actual	Milestone 3 - Setting out strategy / commitment to improve	Disclosing emissions and setting reduction targets.	West Fraser is on a path to reduce its scope 1 and 2 GHG emissions 46.2% by 2030 and its scope 3 GHG emissions 25% by 2030.