

Pooled Engagement Quarterly Report

Q1 2018 Progress Report

(for the period ending 31 March 2018)

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Executive Summary

The ISS-Ethix's Pooled Engagement Quarterly Report for Q1 2018 consists of two parts. The first part (Section 1) provides a description of ISS-Ethix's Pooled Engagement Offering, which is conducted on behalf of investors with companies that have been assessed under **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 (Sections 2 to 6) provides data concerning engagement activities carried out on behalf of institutional investors in Q1 2018. The second part 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 Q1 2018, 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 in [e-source](#).

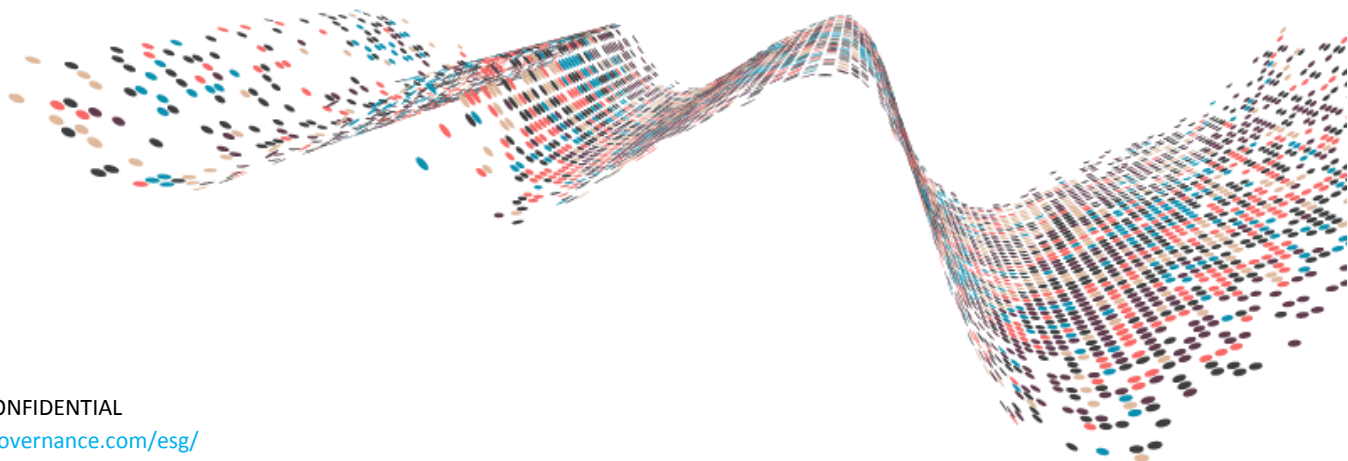


TABLE OF CONTENTS

1. Our Engagement Approach	3
Initiating engagement.....	3
Conducting effective engagement dialogue.....	3
Process for eliciting responses from non-responsive companies.....	3
2. Engagement Statistics for Q1 2018.....	4
3. Notable Engagement Activity in Q1 2018	5
4. Summary of engagement responses received in Q1 2018	7
5. Reminders carried out in Q1 2018.....	16
Appendix notes: Reminders to be carried out in Q2 2018.....	18

1. Our Engagement Approach

Truly effective engagement takes time and requires investment in the process. ISS-Ethix'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-Ethix'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-Ethix 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-Ethix'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-Ethix 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

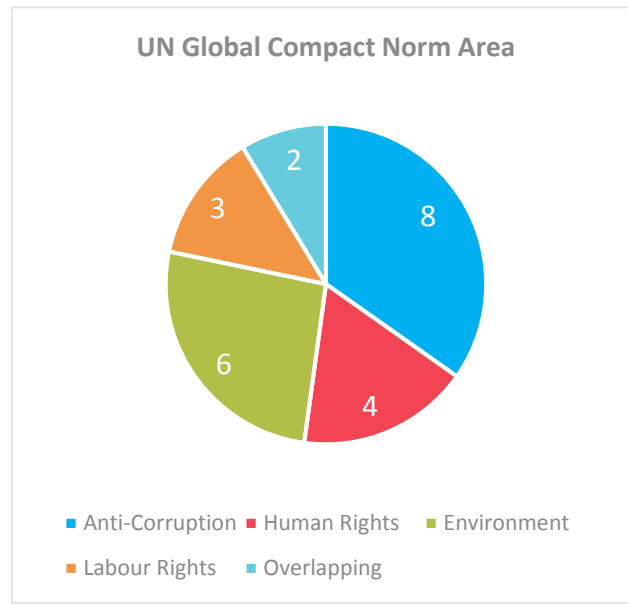
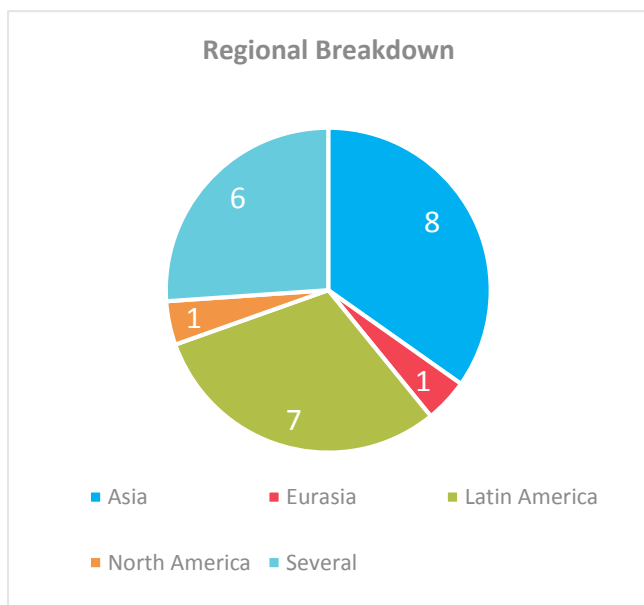
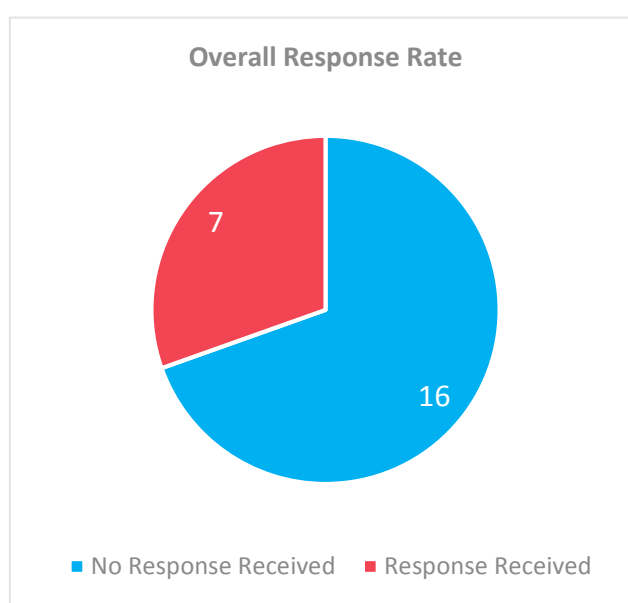
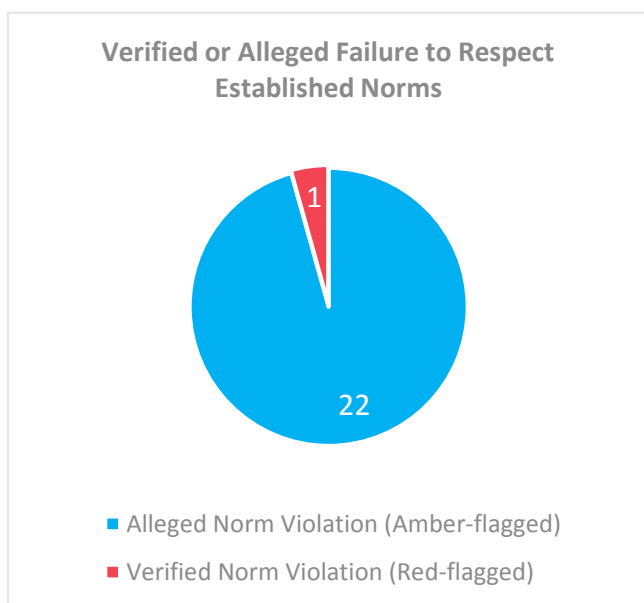
Over time, responsiveness is noted with most companies with which engagement is sought. Others require repeated follow-ups to respond, and some steadfastly fail to respond to investor concerns. To address these challenges in communication, regular and courteous follow-up is built into ISS-Ethix's approach. 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-Ethix to discontinue dialogue with a company. From Q1 2017 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.

2. Engagement Statistics for Q1 2018

In Q1 2018 Pooled Engagement was conducted with 23 companies, one red-flagged and 22 amber-flagged, according to ISS-Ethix' **Norm-Based Research** process. Of the 23 companies, seven have replied to initial investors queries. The overall response rate was thus 30%.

For a list of those companies that failed to respond to engagement in Q1 2018, please see Appendix Notes.

In an effort to assist investors with their reporting requirements, the statistics presented are derived from the 23 companies with which engagement was conducted in Q1 2018.



3. Notable Engagement Activity in Q1 2018

Companies with past involvement in alleged failures to respect international norms and guidelines

Relevant Companies	Norm Area(s)	Response(s)	Date
Wilmar International Ltd.	Labour rights	Indonesia	Engagement closed on 23 March 2018
	In March 2018 Wilmar International Ltd. provided ISS-Ethix with information concerning its initiatives about labour rights in its operations. The information disclosed by the company was supported with publicly-available documentation containing further details on the company's comprehensive efforts to address allegations of child labour and poor labour standards and efforts to conduct supply chain due diligence. As a result, further engagement with the company was considered unnecessary.		

Companies involved in alleged failures to respect international norms and guidelines

Relevant Companies	Norm Area(s)	Location(s)	Response(s)	Openness to dialogue
Novartis AG	Anti-Corruption	Turkey	<p>March 2018: Ms. Maria Victoria Cuevas, (IR Analytics & Corporate Governance Manager), acknowledging investor enquiries.</p> <p>April 2018: Response received from Mr. Samir Shah, Global Head Investor Relations.</p>	Open
	<p>Novartis AG replied in acknowledging investor queries and replied that Novartis is coordinating a reply with the Integrity and Compliance team and that a response will be provided in the next couple of days.</p> <p>In its subsequent response, provided in April 2018 Novartis replied to investors' enquiries concerning alleged failure to prevent bribery in Turkey. Novartis explained that in 2017 it has further restricted sponsoring of healthcare professionals (HCPs) to attend international congresses, and that it is increasingly using digital technologies to deliver educational materials. Furthermore, Novartis disclosed that it has adjusted incentives for its sales teams around the world, and during 2017 it conducted an assessment of the new incentive system rolled out in 2016, which it claims showed positive results. Novartis also confirmed that it has revised its Anti-Bribery Third Party Guideline, which took effective on 1 May 2017, and that it is planning on using a third-party consultancy specialized in anti-bribery, Ethixbase, to support due diligence processes. ISS-Ethix appreciates Novartis' openness to dialogue regarding allegations</p>			

	<p>of bribery. ISS-Ethix assesses that Novartis is adopting considerable measures to credibly address the alleged bribery in its global operations, including evaluating recently implemented measures and engaging with external anti-corruption experts. ISS-Ethix will continue to monitor the implementation of anti-corruption measures undertaken, including obtaining external accreditation of its anti-bribery programme.</p>			
Relevant Companies	Norm Area(s)	Location(s)	Response(s)	Openness to dialogue
Teleperformance SA	Labour Rights	Dominican Republic	<p>May 2018: Response received from Mr Quy Nguyen, (Head of Investor Relations), acknowledging investor enquiries.</p> <p>May 2018: Response received from Mr Quy Nguyen, (Head of Investor Relations).</p>	Open
	<p>Teleperformance SA's response marks a turnaround from its previous unresponsiveness to ISS-Ethix's attempts to establish a dialogue. Teleperformance expressed its commitment to respecting and defending human rights and elaborated on its approach to social dialogue. As part of its efforts to be a responsible corporate citizen it is stepping up its contacts with trade union organizations and global-level negotiations are underway to create a Group-wide information and dialog forum. Moreover, it disclosed that a mutual agreement was reached with the local union Sindicato de Trabajadores de la Empresa Teleperformance de la República Dominicana's (SITRATEL) in April 2018. If independently verified, the agreement could resolve the allegations facing the company.</p>			

4. Summary of engagement responses received in Q1 2018

Companies involved in verified failures to respect international norms and guidelines				
Relevant Companies	Norm Area(s)	Location(s)	Response(s)	Openness to dialogue
Energy Transfer Partners LP (Also concerns Energy Transfer, LP and Energy Transfer Equity LP)	Human Rights	United States	January 2018: Response received from Mr Brent Ratliff (Vice President, Investor relations).	Open
	<p>According to publicly available material, Energy Transfer Partners LP (ETP) and Energy Transfer Equity LP (ETE) are represented by the same investor relations department. According to the 10-Q filed by Energy Transfer, LP with the Securities and Exchange Commission (SEC) dated 11 August 2017 'Energy Transfer, LP is a wholly-owned subsidiary of Energy Transfer Partners, L.P. Energy Transfer, LP and its subsidiaries are collectively referred to herein as the "Partnership," "we," "us," "our" or "ETLP." In April 2017, Energy Transfer Partners, L.P. merged with a subsidiary of Sunoco Logistics Partners L.P. (the "Sunoco Logistics Merger"), at which time it changed its name from "Energy Transfer Partners, L.P." to "Energy Transfer, LP" and Sunoco Logistics Partners L.P. changed its name to "Energy Transfer Partners, L.P." Following the completion of the Sunoco Logistics Merger, ETLP has no remaining publicly traded units outstanding.'</p> <p>In spite of this, on 20 January 2018 the listed investor relations contact for the group, Energy Transfer, stated to ISS-Ethix that 'I was responding of behalf of Energy Transfer Partners, L.P., but also responding on behalf of me in that I gave several of my own opinions.' Separately, on 19 January 2018 Energy Transfer, LP filed for Certification and Notice of Termination of Registration or Suspension of Duty to File Reports with the SEC. Given that there is no notified representative of ETE and Energy Transfer LP, ISS-Ethix will no longer engage these two entities.</p>			
Relevant Companies	Norm Area(s)	Location(s)	Response(s)	Openness to dialogue
JBS SA	Overlapping: Environment – Anti-Corruption - Labour rights	Brazil	February 2018: Response received from André Gustavo Menezes (Investor Relations Manager).	Poor
JBS SA replied by email acknowledging investor queries and requesting clarifications.				
Relevant Companies	Norm Area(s)	Location(s)	Response(s)	Openness to dialogue
Merlin Entertainments Plc	Labour Rights	Germany	March 2018: Response received from Mr. Simon Whittington (Head of Investor Relations).	Poor

	In March 2018 Merlin Entertainments Plc declined ISS-Ethix's invitation to facilitate a phone call between the company and investors. The company elaborated that it preferred to engage directly with its shareholders and that it welcomed enquiries directly from investors.			
Relevant Companies	Norm Area(s)	Location(s)	Response(s)	Openness to dialogue
Royal Dutch Shell Plc	Overlapping: Environment - Human rights – Anti-Corruption - Labour rights	Several: Brazil - Kazakhstan - Netherlands - Nigeria	March 2018: Response received from Dorien de Jong, Investor Relations Officer (SRI), following a follow-up enquiry.	Open
(Also concerns Cosan SA Indústria e Comércio)	Royal Dutch Shell Plc provided additional information in relation to legal proceedings against the joint venture Raízen Energia SA in Brazil, which Cosan SA Indústria e Comércio holds a joint interest in. In its response to investors, the company clarified the status of the legal case in the Court of Jaú by stating that Raízen appealed to the Brazilian Labour Superior Court, in September 2017, and that the appeal has not yet been judged.			

Companies involved in alleged failures to respect international norms and guidelines

Relevant Companies	Norm Area(s)	Location(s)	Response(s)	Openness to dialogue
Airbus SE	Anti-Corruption	Several: Germany - Luxembourg - United Kingdom	May 2018: Response received from Nicolas Chretien, (Investor Relations).	Open
	Airbus SE's response, which was received on 24 May 2018, is being processed by the team and will be made available to clients shortly.			
Relevant Companies	Norm Area(s)	Location(s)	Response(s)	Openness to dialogue
Amazon.com, Inc.	Overlapping: Human Rights and Labour Rights	Several: Germany - Luxembourg - United Kingdom	March 2018: Response received from Dave Fildes, (Director of Investor Relations).	Open
	Amazon.com, Inc. maintains it has complied with both Luxembourg and international tax law, and that it has not received any special tax treatment from the Luxembourg government. The company also restated its disagreement with the European Commission's decision and its plan to appeal the ruling.			
Relevant Companies	Norm Area(s)	Location(s)	Response(s)	Openness to dialogue
British American Tobacco plc	Overlapping: Anti-Corruption and Human Rights	Several: Burundi - Comores - Kenya - Rwanda - South Africa - Uganda	March 2018: Response received from Ms Sherraine Leung, (Executive Co-ordinator,	Poor

			Investor Relations), acknowledging enquiries. March 2018: Response received from Mr. Mike Nightingale, (Head of Investor Relations).	
	In its initial response, British American Tobacco plc (BAT) indicated that a reply would be forthcoming. The company subsequently committed to a telephone conference. As yet, BAT has yet to confirm availability for the proposed conference call.			
Relevant Companies	Norm Area(s)	Location(s)	Response(s)	Openness to dialogue
Cia de Saneamento do Paraná	Environment	Brazil	March 2018: Response received from Investor Relations, following an escalation of the investor enquiry to the Board.	Poor
			Cia de Saneamento do Paraná stated its department responsible for the issues raised through the previous enquiries by ISS-Ethix is working to develop appropriate answers, addressing each and every point raised in the investor enquiry, and indicating that a reply will be sent before 15 April 2018. A response has yet to be received.	
Relevant Companies	Norm Area(s)	Location(s)	Response(s)	Openness to dialogue
Daimler AG	Environment	United States	March 2018: Response received from Rolf Bassermann, (Head of Private Investors & Investor Relations Internet).	Open
			In March 2018, following repeated reminders and an escalation to both the CEO and the Board Daimler AG replied to investors' queries concerning its alleged failure to prevent air pollution in the United States (US). Concerning investigations in the US, Daimler confirmed that they are ongoing and as such it cannot provide comments except that it is fully cooperating with the authorities. The company believes in the future of diesel and has heavily invested in the design and production of a new diesel engine family. Some models are already compliant with new European Union regulation and new models will be introduced shortly, aiming to also expand its electric vehicle offer. ISS-Ethix appreciates the openness of Daimler AG to engage with investors and is looking forward to the additional disclosure concerning the internal investigation on emissions certification.	
Relevant Companies	Norm Area(s)	Location(s)	Response(s)	Openness to dialogue
Dong-A Socio Holdings Co., Ltd.	Anti-Corruption	South Korea	March 2018: Response received from Jiwon Lee, (Manager, IR Team).	Open
			In March 2018 Dong-A Socio Holdings responded to investor enquires concerning measures to enhance the company's anti-corruption programme. These measures included a newly formed	

corporate ethical management committee in Sep. 2017 and hiring outside accounting consultant. Dong-A Socio Holdings is also in the process of developing ABMS (Anti-Bribery Management Systems) to apply for ISO 37001 certification, adopting Independent Compliance Advisor, upgrading the Internal Whistle Blowing System, improving the Compliance Program system through the newly adopted ERP system, implementing a report system in accordance with the Korea's Sunshine Act (from Jan. 2018) as well as tightening third party supervision. The goal is to receive ISO 37001 by the end of 2018.

ISS-Ethix welcomes Dong-A Socio Holdings' openness towards responding to investors' enquiries in regard to their anti-corruption programme. ISS-Ethix will continue to monitor the development of ongoing investigations and proceedings, as well as any enhancement measures undertaken by the company to address the bribery allegations.

Relevant Companies	Norm Area(s)	Location(s)	Response(s)	Openness to dialogue
GlaxoSmithKline Plc	Anti-Corruption	United Kingdom	May 2018: Response received from Ms Balbir Kelly-Bisla, (Director, Investor Relations), acknowledging enquiries.	Poor
GlaxoSmithKline Plc confirmed that a reply would be forthcoming. A response has yet to be received.				

Relevant Companies	Norm Area(s)	Location(s)	Response(s)	Openness to dialogue
MDU Resources Group, Inc.	Environment	United States	March 2018: Response received from Laura Lueder, (Manager of Communications and Public Relations), following reminders.	Open
Following reminders, MDU Resources Group, Inc. replied to investors' queries concerning its alleged opposition to climate change mitigation in the United States. MDU Resources replied to all questions in the letter, but did not provide comprehensive details. The company stated it does not have a position on the Intergovernmental Panel on Climate Change's (IPCC) conclusion on urgent action needed tackling climate change, nor it has reviewed the IPCC's 2014 Fifth Assessment Synthesis Report. MDU Resources reiterated that it opposes the Clean Power Plan (CPP) since it believes the United States Environmental Protection Agency (EPA) has overstepped its statutory authority in directing each state's action in regard to emissions regulations. Despite the brevity of responses, MDU Resources Group, Inc.'s openness to dialogue with investors is encouraging. ISS-Ethix will continue to monitor the company's involvement in the CPP legal challenge and its engagement in the potential replacement rule.				

Relevant Companies	Norm Area(s)	Location(s)	Response(s)	Openness to dialogue
Mitsubishi Motors Corp.	Environment	Japan	January 2018: Response received from Masa Saito, (IR Office), following a follow-up enquiry.	Open
Mitsubishi Motors Corp. (MMC) responded to investor enquiries concerning the allegation of failure to prevent air pollution in Japan. In its response to investors, MMC shared some				

indicators on the changes being implemented in the company. ISS-Ethix is encouraged by the open approach to dialogue and information sharing that MMC has displayed, despite not fully disclosing the required information.

Relevant Companies	Norm Area(s)	Location(s)	Response(s)	Openness to dialogue
Novartis AG	Anti-Corruption	Turkey	<p>March 2018: Ms. Maria Victoria Cuevas, (IR Analytics & Corporate Governance Manager), acknowledging investor enquiries.</p> <p>April 2018: Response received from Mr. Samir Shah, Global Head Investor Relations.</p>	Open
	<p>Novartis AG replied in acknowledging investor queries and replied that Novartis is coordinating a reply with the Integrity and Compliance team and that a response will be provided in the next couple of days.</p> <p>In its subsequent response, provided in April 2018 Novartis replied to investors' enquiries concerning alleged failure to prevent bribery in Turkey. Novartis explained that in 2017 it has further restricted sponsoring of healthcare professionals (HCPs) to attend international congresses, and that it is increasingly using digital technologies to deliver educational materials. Furthermore, Novartis disclosed that it has adjusted incentives for its sales teams around the world, and during 2017 it conducted an assessment of the new incentive system rolled out in 2016, which it claims showed positive results. Novartis also confirmed that it has revised its Anti-Bribery Third Party Guideline, which took effective on 1 May 2017, and that it is planning on using a third-party consultancy specialized in anti-bribery, Ethixbase, to support due diligence processes. ISS-Ethix appreciates Novartis' openness to dialogue regarding allegations of bribery. ISS-Ethix assesses that Novartis is adopting considerable measures to credibly address the alleged bribery in its global operations, including evaluating recently implemented measures and engaging with external anti-corruption experts. ISS-Ethix will continue to monitor the implementation of anti-corruption measures undertaken, including obtaining external accreditation of its anti-bribery programme.</p>			
Relevant Companies	Norm Area(s)	Location(s)	Response(s)	Openness to dialogue
PT Astra Agro Lestari Tbk	Human Rights	Indonesia	<p>March 2018: Response received from Mr. Rudy Limardjo, (Investor Relations).</p>	Open
	<p>In March 2018, PT Astra Agro Lestari Tbk (AAL) replied to investors' enquiries concerning alleged violation of indigenous rights at palm oil plantations in Indonesia. AAL explained that the company's Sustainability Policy has been in full effect since its implementation in September 2015, and is available on the company's website. The company is finalizing a three year action plan for the proper implementation of the policy, which is currently under review by top management. Regarding the company's relations with indigenous communities, AAL confirmed that they did not have any existing land disputes with any indigenous community, including the Orang Rimba, since all lands managed by the company and its subsidiaries are provided by the Government in accordance with existing regulations. AAL also precised that they had been</p>			

actively engaging with the Orang Rimba, developing social programs for the community related to education, healthcare and housing. The company precised that it was currently engaging with a related NGO and the government to find an appropriate approach to the Orang Rimba issue. For further information, updates can be found in AAL's quarterly reports available for public viewing on their website. Finally, regarding the measures taken by AAL to improve its relationship with local communities and indigenous people, and to avoid future land disputes at the concessions of its majority owned subsidiaries, AAL responsded that as stated in its Sustainability Policy, the company will not conduct any sort of land developments on HCV/HCS areas as well as peat regardless of depth. With that knowledge in mind, AAL performs the required FPIC (Free, Prior, and Informed Consent) process with local communities and indigenous peoples before any measure of land is developed. The company's relationship with the local communities within and surrounding the concessions is mutually beneficial as they implement various CSR programs to empower them. ISS-Ethix welcomes AAL's oopenness towards responding to investors' enquiries in regard to allegations of violations of indigenous rights. ISS-Ethix will continue to monitor the development of ongoing proceedings regarding indigenous rights, as well as any measures undertaken by the company to address the allegations, specifically enhanced disclosure concerning the company's implementation of its sustainability policy.

Relevant Companies	Norm Area(s)	Location(s)	Response(s)	Openness to dialogue
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Teleperformance SA	Labour Rights	Dominican Republic	<p>May 2018: Response received from Mr Quy Nguyen, (Head of Investor Relations), acknowledging investor enquiries.</p> <p>May 2018: Response received from Mr Quy Nguyen, (Head of Investor Relations).</p>	Open
	<p>Teleperformance SA's response marks a turnaround from its previous unresponsiveness to ISS-Ethix's attempts to establish a dialogue. Teleperformance expressed its commitment to respecting and defending human rights and elaborated on its approach to social dialogue. As part of its efforts to be a responsible corporate citizen it is stepping up its contacts with trade union organizations and global-level negotiations are underway to create a Group-wide information and dialog forum. Moreover, it disclosed that a mutual agreement was reached with the local union Sindicato de Trabajadores de la Empresa Teleperformance de la República Dominicana's (SITRATEL) in April 2018. If independently verified, the agreement could resolve the allegations facing the company.</p>			

Relevant Companies	Norm Area(s)	Location(s)	Response(s)	Openness to dialogue
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ThyssenKrupp AG	Anti-Corruption	Several: Greece - Israel	<p>March 2018: Response received from Mr. Murat Soysal, (Manager Investor Relations).</p>	Open
	<p>In March 2018, ThyssenKrupp AG (TK) replied to investors' enquiries concerning alleged failure to prevent bribery in Greece and Israel. TK explained that its Compliance Management System (CMS) was reviewed externally among others by KPMG in 2011 and certified as effective</p>			

according to PS 980 and by BDO/Böcking as appropriately designed and implemented in 2013. TK stated that it envisages to continue with this approach which includes further external reviews on a regular basis. In regard to its standard merger and acquisition process TK elaborated that when the company is to acquire share or assets of target companies the process consists of a due diligence which covers compliance and thus includes a review of the CMS of the target company and of specific compliance risk areas depending on the company and its risk profile, including among others regulatory, environmental, data protection, anti-money laundering, antitrust, trade control and anticorruption. With regard to Atlas Elektronik TK confirmed that the ongoing compliance investigation by the public prosecutor in Bremen, Germany, was known to the company and the respective risk was reflected in the share purchase agreement with Airbus. ISS-Ethix welcomes TK's openness towards responding to investors' enquiries in regard to bribery allegations. ISS-Ethix will continue to monitor the development of ongoing investigations and proceedings, as well as any enhancement measures undertaken by the company to address the bribery allegations, specifically enhanced disclosure concerning the company's anti-corruption policy documentation.

Relevant Companies	Norm Area(s)	Location(s)	Response(s)	Openness to dialogue
VEON Ltd.	Overlapping: Human rights - Corruption - Labour rights	Several: Bangladesh - Netherlands - Uzbekistan	<p>January 2018: Response received from Mr Richard James (Group Director Corporate Finance).</p> <p>February 2018: Response received from Mr Massimiliano Cominelli (Director Investor Relations), acknowledging follow-up enquiries.</p> <p>February 2018: Response received from Mr Massimiliano Cominelli (Director Investor Relations), acknowledging follow-up enquiries.</p> <p>March 2018: Response received from Mr Massimiliano Cominelli (Director Investor Relations).</p>	Open
<p>In its response to investor enquiries with regards to anti-corruption, VEON Ltd. stated that it has implemented, and is continuously implementing, several measures to enhance its anti-corruption programme. With regards to external accreditation of the company's anti-corruption programme, successful completion of the corporate monitorship (under the terms of the agreement with the US and Dutch authorities) will serve as independent validation of the effectiveness of VEON's compliance programme. VEON has noted its commitment to union rights but did not disclose specific information on how it operationalises its commitment. VEON also referred to its strict prohibitions against any forced or child labour, as stated in its Code of Conduct. However, it has yet to provide details of how it ensures that this commitment is upheld.</p>				

	VEON was subsequently invited by ISS-Ethix to elaborate on its response to investors by providing additional information on its efforts to manage the human rights and labour rights risks noted across operations. The company, however, declined the invitation.			
Relevant Companies	Norm Area(s)	Location(s)	Response(s)	Openness to dialogue
Vistra Energy Corp.	Environment	Philippines	March 2018: Response received from Ms Molly Sorg, (Vice President, Investor Relations).	Open
	In March 2018 Vistra Energy Corp. (Vistra) replied to investors' enquiries concerning establishing a climate change policy and a pathway for the reduction of greenhouse gas (GHG) emissions, as well as its engagement with the Philippine Honourable Commission on Human Rights (CHR). The company stated it has an Environmental Principles Policy that encompasses climate change, and that it has to continually balance providing reliable and cost-effective power to consumers with the environmental impacts of its business operations in regards to reducing GHG emissions. Vistra stated that it has managed to considerably decrease all emissions in the past five years by diversifying its generation portfolio and retiring coal power plants. While Vistra's openness to dialogue is encouraging, ISS-Ethix notes the lack of a climate change policy, future plans for reducing GHG emissions, and the lack of engagement with the CHR.			

Companies with past involvement in alleged failures to respect international norms and guidelines

Relevant Companies	Norm Area(s)	Response(s)	Date
KBR, Inc.	Labour Rights	Several: Afghanistan - Iraq - United States	Engagement closed on 1 May 2018
	In January 2018 KBR, Inc. replied to investor queries with an update on the so-called "burn pit" litigation and the lawsuit concerning the fatal electrocution of a soldier, stating that the former is pending before the United States Court of Appeals for the Fourth Circuit and that the latter was dismissed with prejudice on 7 February 2017. While the "burn pit" litigation is still ongoing, the lawsuit does not concern an ongoing failure to respect the right to safe and healthy working conditions in Iraq and Afghanistan. KBR has, since December 2015, provided ISS-Ethix with assurances that it no longer operates open air burn pits in Iraq and Afghanistan, that it has implemented adequate occupational, health and safety (OHS) policies and that the recordable incident rates have subsequently decreased. As a result, further engagement with the company is considered unnecessary.		
Relevant Companies	Norm Area(s)	Response(s)	Date
	Labour rights	Indonesia	Engagement closed on 23 March 2018

Wilmar International Ltd.	In March 2018 Wilmar International Ltd. provided ISS-Ethix with information concerning its initiatives about labour rights in its operations. The information disclosed by the company was supported with publicly-available documentation containing further details on the company's comprehensive efforts to address allegations of child labour and poor labour standards and efforts to conduct supply chain due diligence. As a result, further engagement with the company was considered unnecessary.
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5. Reminders carried out in Q1 2018

The following companies have failed to respond to engagement enquiries in Q4 2017. As such, they were subject to the process set out above under *Chapter 1: Our Engagement Approach*, for eliciting responses from unresponsive companies and reminders were made to the relevant Investor Relations Departments.

Issuer	ISIN	Domicile	Overall Signal	ESG Area	Region	Responded
Amazon.com, Inc.	US0231351067	United States	Amber (●)	Overlapping: Social & Governance	Several	TRUE
British American Tobacco plc	GB0002875804	United Kingdom	Amber (●)	Governance	Several	TRUE
National Express Group Plc	GB0006215205	United Kingdom	Amber (●)	Social	North America	FALSE
Sports Direct International plc	GB00B1QH8P22	United Kingdom	Amber (●)	Social	Europe	FALSE
Teva Pharmaceutical Industries Ltd.	IL0006290147	Israel	Amber (●)	Governance	Several	FALSE

The following companies have failed to respond to engagement enquiries in Q3 2017 and subsequent reminders that were carried out in Q4 2017. As such, they were subject to the process set out above under *Chapter 1: Our Engagement Approach*, for eliciting responses from unresponsive companies and were escalated to the relevant Chief Executive Officers (CEOs).

Issuer	ISIN	Domicile	Overall Signal	ESG Area	Region	Responded
Alstom SA	FR0010220475	France	Red (●)	Overlapping: Social and Governance	Several	FALSE
Bharat Heavy Electricals Ltd.	INE257A01026	India	Red (●)	Environment	Asia	FALSE
Cargill, Inc.	US141781AX24	United States	Red (●)	Social	Eurasia	FALSE
Export-Import Bank of India	XS1347434927	India	Red (●)	Environment	Asia	FALSE
NTPC Ltd.	INE733E01010	India	Red (●)	Environment	Asia	FALSE
Olam International Ltd.	SG1Q75923504	Singapore	Red (●)	Environment	Eurasia	FALSE
SK Innovation Co., Ltd.	KR7096770003	South Korea	Red (●)	Social	Peru	FALSE
AirAsia X Bhd.	MYL5099OO006	Malaysia	Amber (●)	Governance	Asia	FALSE
AirAsia Group Bhd.	MYL5238OO000	Malaysia	Amber (●)	Governance	Asia	FALSE
BRF SA	BRBRFSACNOR8	Brazil	Amber (●)	Governance	Latin America	FALSE

MDU Resources Group, inc.	US5526901096	United States	Amber (●)	Environment	North America	TRUE
San Leon Energy Plc	IE00BWWFTP56	Ireland	Amber (●)	Social	Africa	FALSE

The following companies have failed to respond to engagement enquiries in Q2 2017 and subsequent reminders that were carried out, including escalation to CEOs. As such, they were subject to the process set out above under *Chapter 1: Our Engagement Approach*, for eliciting responses from unresponsive companies and were escalated to the attention of the relevant board.

Issuer	ISIN	Domicile	Overall Signal	ESG Area	Region	Responded
Agricultural Bank of China	CNE100000Q43	China	Amber (●)	Governance	North America	FALSE
China Railway Construction Corp. Ltd.	CNE100000981	China	Amber (●)	Social	Latin America	FALSE
Cia de Saneamento do Parana		Brazil	Amber (●)	Environment	Latin America	TRUE
Daimler AG	DE0007100000	Germany	Amber (●)	Environment	North America	TRUE
Fiat Chrysler Automobiles NV	XS1388625425	United Kingdom	Amber (●)	Environment	North America	FALSE
PT Astra Agro Lestari Tbk	ID1000066004	Indonesia	Amber (●)	Social	Asia	TRUE
Sumitomo Corp.	JP3404600003	Japan	Amber (●)	Social	Latin America	FALSE

Appendix notes: Reminders to be carried out in Q2 2018

The following companies have failed to respond to engagement in Q1 2018. As such, they are subject to the reminder process set out above under *Chapter 1: Our Engagement Approach* and reminders will be made to the relevant Investor Relations.

Issuer	ISIN	Domicile	Overall Signal	ESG Area	Region
Petróleos de Venezuela SA (PDVSA)	USP7807HAT25	Venezuela	Red (●)	Overlapping	Latin America
Bilfinger SE	DE0005909006	Germany	Amber (●)	Governance	Several
Alpha Natural Resources, Inc.	US02076X1028	United States	Amber (●)	Environment	Asia
NACCO Industries, Inc.	US6295791031	United States	Amber (●)	Environment	Asia
Westmoreland Coal Co.	US9608781061	United States	Amber (●)	Environment	Asia
Murray Energy Corp.	US62704PAF09	United States	Amber (●)	Environment	Asia
Bolloré SA	FR0000039299	France	Amber (●)	Overlapping	Several
Gas Natural SDG SA	ES0116870314	Spain	Amber (●)	Social	Latin America
CITIC Ltd.	HK0267001375	Hong Kong	Amber (●)	Social	Latin America
CITIC Group Corp.	n/a	China	Amber (●)	Social	Latin America
MMG Ltd.	HK1208013172	Australia	Amber (●)	Social	Latin America
Motherson Sumi Systems Ltd.	INE775A01035	India	Amber (●)	Social	Latin America
Coal India Ltd.	INE522F01014	India	Amber (●)	Environment	Asia
Sanofi	FR0000120578	France	Amber (●)	Governance	Several
INSYS Therapeutics, Inc.	US45824V2097	United States	Amber (●)	Governance	North America
GlaxoSmithKline plc	GB0009252882	United Kingdom	Amber (●)	Governance	Several