



B I O D I V E R S I T Y



**T H E M A T I C
E N G A G E M E N T**

Q2 2023 Progress Report

July 2023

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INTRODUCTION

This progress report presents the Biodiversity Thematic Engagement activities that were carried out by ISS ESG on behalf of participating institutional investors in Q2 2023.

The report includes an overview of the ISS ESG Thematic Engagement approach as well as details on the Biodiversity Thematic Engagement, including the methodology for target company selection and engagement objectives. It also includes key statistics for Q2 2023, a summary of the engagement stage and number of interactions with all target companies, as well as details of the responses received during the period. The progress against engagement objectives as well as the overall engagement success will be measured and included in the next progress report, as data on the target companies' improvement in their alignment with the requirements for each engagement objective is collected and assessed twice a year.



ISS ESG THEMATIC ENGAGEMENT APPROACH

ISS ESG's Thematic Engagement solution allows investors to participate in a joint outreach and dialogue with companies on material sustainability-related themes. By engaging collaboratively, institutional investors can leverage their scale in discussions on ESG issues and communicate their concerns to corporate management more effectively. ISS ESG facilitates engagement on behalf of participating clients to promote positive change through active ownership and dialogue. This may include ongoing dialogue with companies identified for enhanced disclosure, a push for improved sustainability performance, or the mitigation of ESG risks.

Through ISS ESG's Biodiversity Thematic Engagement, participating investors seek to improve transparency around biodiversity impact and strategies to manage nature-related risks in key high impact industries of Food Products and Mining & Integrated Production.

ENGAGEMENT PROCESS

ISS ESG's Thematic Engagement involves a number of steps carried out over a two-year lifecycle. The process starts by identifying target companies and setting objectives and key performance indicators in line with investor expectations. Both the company selection and the objective setting leverages ISS ESG proprietary data and research, as well as internal expertise.

The engagement dialogue is initiated through letters to companies, sent by ISS ESG on behalf of participating investors. Dialogue may be conducted in writing or through meetings, facilitated by ISS ESG. Some companies require reminders to respond. Should the company remain unresponsive, enquiries are escalated to the CEO and the Board.

At the end of each engagement cycle, ISS ESG will assess the opportunity to extend or close engagements.

ENGAGEMENT OUTCOMES

ISS ESG's Thematic Engagement includes regular measurements of the outcome of the engagement dialogue, both at the level of each objective as well as at an aggregate level of each company engagement. The outcome measurements are based on improvements in each company's alignment with the requirements for each engagement objective, as evidenced by their public disclosures and assessed in the relevant ISS ESG data and research (checked twice a year); as well as ISS ESG's assessment of the quality of each company's participation in the engagement.

REPORTING

Participating investors are informed of the progress of engagements through quarterly and annual progress reports. The reports provide an overview of the engagement stage reached for each company, details of interactions as well as company responses.

In the quarter following the check of the ISS ESG data on the requirements for each objective, the reports also include measurements of progress against each engagement objective as well as the overall engagement success.



BIODIVERSITY THEMATIC ENGAGEMENT

All companies are dependent on ecosystem services such as clean air, fresh water, fertile soils, and a stable climate. At the same time, business activities contribute to the degradation of nature through land-use change, pollution, the overexploitation of resources, and greenhouse gas emissions. This poses a number of physical and transition risks to corporate performance and may hinder progress on achieving climate commitments. In December 2022 at COP15, the [Kunming-Montreal Global biodiversity framework](#) was published with the goal to halt and reverse nature loss by 2030, and highlighted that both companies and financial institutions must monitor, assess and disclose their risks, dependencies and impacts on biodiversity.

The Food Products industry has both a significant [impact and dependency](#) on biodiversity. Demand for food has [increased significantly](#) alongside global population growth, in turn triggering extensive expansion of agricultural production and the transformation of habitats and ecosystems worldwide. Food Products companies are heavily dependent on natural resources (land, water and animals) for their operations, with some of the [highest levels of deforestation](#) in the Amazon in recent years attributable to agricultural commodities production. Water and soil pollution in the industry is significant and [studies show](#) that food production creates ~32% of global terrestrial acidification and ~78% of eutrophication, affecting species composition and reducing ecological resilience. Additionally, the use of fertilisers, pesticides and monoculture practices can [exacerbate biodiversity loss](#), affecting the quality of water, soils, the air, and natural ecosystems. The Food Products industry is particularly vulnerable to environmental change. This is a material business risk, since [more than half of the world's GDP is moderately or highly dependent on nature-related services](#).

The Mining & Integrated Production industry also has a very high impact on biodiversity due to its direct use of land and water in operations. Impacts can include soil and water pollution, and the production of solid waste, and habitat disturbances, such as for instance seismic activity affecting marine species. Mining activities are forecast to [grow significantly over the next 30 years](#). It is estimated that currently [over 3,300 large-scale mines exist in forests](#), a figure that is likely to increase, especially in biodiversity hotspot areas.

COMPANY SELECTION

Relevant companies for engagement are selected on the basis of the following factors:

- High market capitalisation.
- Industries with high impact and/or dependency on nature.
- Laggards identified using ISS ESG's Biodiversity Impact Assessment Tool (BIAT).
- No or only partial fulfilment of the engagement objectives and KPIs, based on ISS ESG's Corporate Rating indicators.



BIODIVERSITY TARGET LIST

Ajinomoto Co., Inc.	Kerry Group Plc
Aluminum Corporation of China Limited	Kikkoman Corp.
Antofagasta Plc	McCormick & Company, Incorporated
Barry Callebaut AG	Mondelez International, Inc.
Britannia Industries Ltd.	Mowi ASA
China Feihe Ltd.	MP Materials Corp.
China Northern Rare Earth (Group) High-Tech Co., Ltd.	Newcrest Mining Ltd.
Conagra Brands, Inc.	Saudi Arabian Mining Co.
First Majestic Silver Corp.	Shandong Gold Mining Co., Ltd.
First Quantum Minerals Ltd.	Sumitomo Metal Mining Co., Ltd.
Foshan Haitian Flavouring & Food Co., Ltd.	The Hershey Company
Freeport-McMoRan, Inc.	Tyson Foods, Inc.
Grupo Mexico S.A.B. de C.V.	Zhaojin Mining Industry Co., Ltd.
JDE Peet's NV	Zhejiang Huayou Cobalt Co., Ltd.
Jiangxi Copper Company Limited	Zijin Mining Group Co., Ltd.

ENGAGEMENT OBJECTIVES

Target companies have been asked by participating investors to improve their biodiversity-related disclosures, focusing on the following engagement objectives:

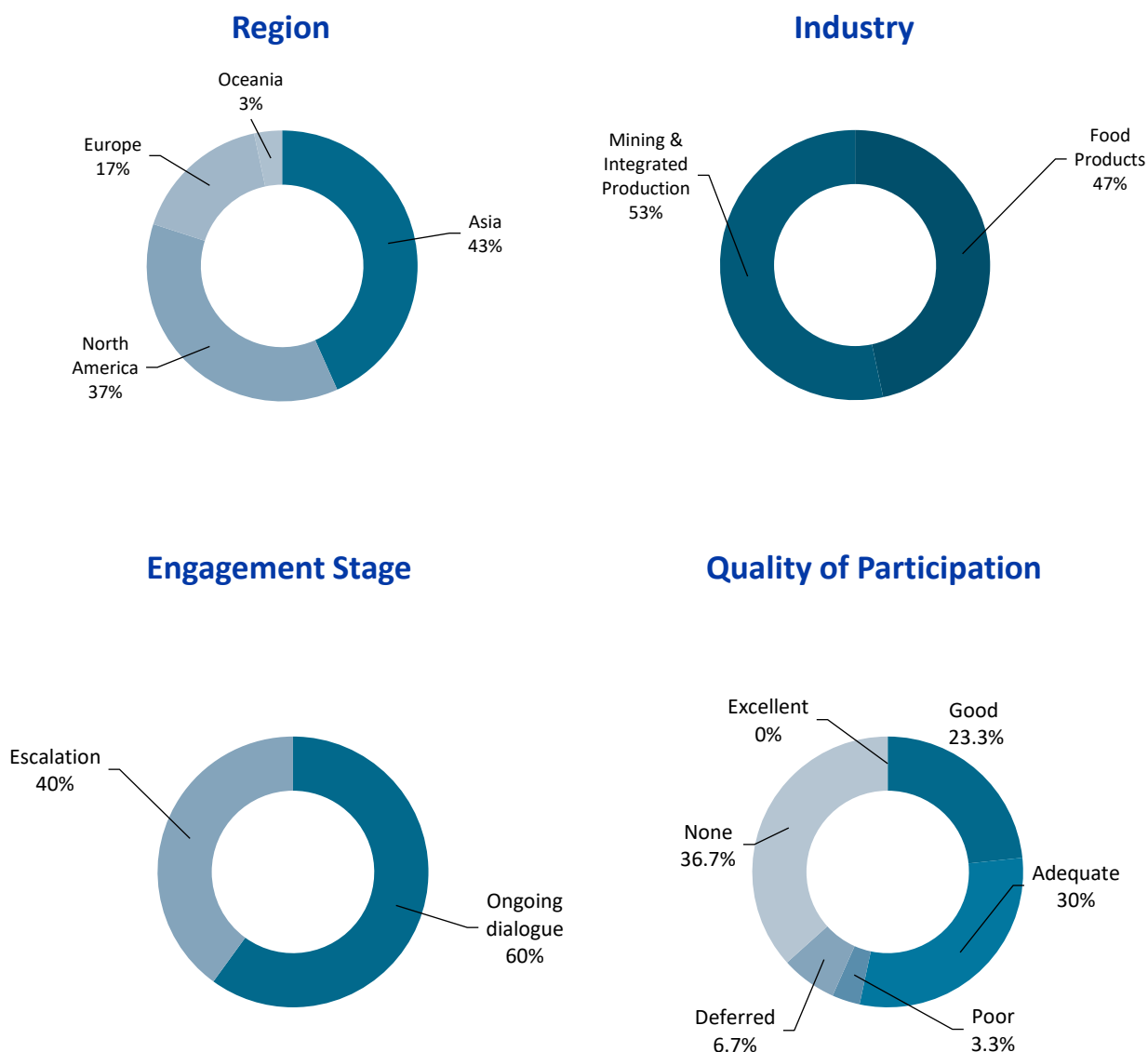
FOOD PRODUCTS	MINING & INTEGRATED PRODUCTION	
1. Disclosure of a biodiversity management strategy		
<ul style="list-style-type: none"> ▪ Position on soil and biodiversity management ▪ Value chain engagement on soil and biodiversity management ▪ Sustainable palm oil commitment 	<ul style="list-style-type: none"> ▪ Risk and impact assessments ▪ Targets and objectives ▪ Consultation with biodiversity experts ▪ Mitigation measures ▪ Monitoring and evaluation ▪ Coverage of all sites 	
2. Reduction of negative impacts		
<ul style="list-style-type: none"> ▪ Measures to reduce the impact of packaging 	2. Commitment to international conventions on protected areas	
3. Disclosure of key metrics		
<ul style="list-style-type: none"> ▪ Share of raw materials/products from certified organic farming ▪ Percentage of RSPO-certified palm oil 	3. Transparency on disturbance and rehabilitation	
	<ul style="list-style-type: none"> ▪ GRI aligned disclosure for the decommissioning of mines 	



Q2 2023 ENGAGEMENT STATISTICS

The following statistics provide an overview of the geographic and industry distribution of the Biodiversity Thematic Engagement target companies, as well as engagement stage and quality of participation as of the end of Q2 2023.

Summary charts, as of 30 June 2023.



NOTE: “Industry” refers to ISS ESG Corporate Rating Industry. **Engagement Stage** definition: **Initiation:** An engagement letter is sent to the relevant company representatives. **Reminder:** Reminder letters are sent to unresponsive companies. **Escalation:** In case of non-response, enquiries are escalated to a higher level of seniority within the company. **Ongoing dialogue:** The company is entering into a dialogue with the investors through ISS ESG and is providing answers to the questions raised or providing further information. **Quality of Participation** definition: **Excellent:** The company has replied and substantially addressed all elements of the questions. **Good:** The company has replied and addressed most elements of the questions. **Adequate:** The company has replied, but only partially addressed the questions posed. **Poor:** The company has replied but not addressed the questions posed. **Deferred:** The company has replied, acknowledging the enquiry, but requested more time to respond, transferred the responsibility to another function in the company, and/or agreed to schedule a meeting in which it will provide more information. **None:** The company has not replied.



ENGAGEMENT SUMMARY TABLE

The initiation letter was sent to the target companies on 27 September 2022 (Q3), with the exception of the letters for Aluminum Corporation of China Limited, Jiangxi Copper Company Limited and Zijin Mining Group Co., Ltd, which were sent on 7 October (Q4). This table lists the number of interactions that took place with each company during Q2 2023. Note that in Q2 2023, ISS ESG started recording friendly reminders sent to companies.

ISSUER NAME	DOMICILE	ISS ESG CORPORATE RATING INDUSTRY	ENGAGEMENT STAGE	NUMBER OF OUTBOUND INTERACTIONS	NUMBER OF INBOUND INTERACTIONS	TOTAL NUMBER OF INTERACTIONS
Ajinomoto Co., Inc.	Japan	Food Products	Escalation	1	0	1
Aluminum Corporation of China Limited	China	Mining & Integrated Production	Escalation	1	0	1
Antofagasta Plc	United Kingdom	Mining & Integrated Production	Ongoing dialogue	1	0	1
Barry Callebaut AG	Switzerland	Food Products	Ongoing dialogue	0	0	0
Britannia Industries Ltd.	India	Food Products	Escalation	1	0	1
China Feihe Ltd.	Cayman Islands	Food Products	Escalation	1	0	1
China Northern Rare Earth (Group) High-Tech Co., Ltd.	China	Mining & Integrated Production	Escalation	1	0	1
Conagra Brands, Inc.	USA	Food Products	Ongoing dialogue	2	3	5
First Majestic Silver Corp.	Canada	Mining & Integrated Production	Ongoing dialogue	0	0	0



First Quantum Minerals Ltd.	Canada	Mining & Integrated Production	Ongoing dialogue	0	0	0
Foshan Haitian Flavouring & Food Co., Ltd.	China	Food Products	Escalation	1	0	1
Freeport-McMoRan, Inc.	USA	Mining & Integrated Production	Ongoing dialogue	2	2	4
Grupo Mexico S.A.B. de C.V.	Mexico	Mining & Integrated Production	Escalation	1	0	1
JDE Peet's NV	Netherlands	Food Products	Ongoing dialogue	3	2	5
Jiangxi Copper Company Limited	China	Mining & Integrated Production	Escalation	1	0	1
Kerry Group Plc	Ireland	Food Products	Ongoing dialogue	0	0	0
Kikkoman Corp.	Japan	Food Products	Ongoing dialogue	1	0	1
McCormick & Company, Incorporated	USA	Food Products	Escalation	1	0	1
Mondelez International, Inc.	USA	Food Products	Ongoing dialogue	2	0	2
Mowi ASA	Norway	Food Products	Ongoing dialogue	0	0	0
MP Materials Corp.	USA	Mining & Integrated Production	Ongoing dialogue	1	0	1
Newcrest Mining Ltd.	Australia	Mining & Integrated Production	Ongoing dialogue	0	0	0



Saudi Arabian Mining Co.	Saudi Arabia	Mining & Integrated Production	Ongoing dialogue	3	2	5
Shandong Gold Mining Co., Ltd.	China	Mining & Integrated Production	Escalation	1	0	1
Sumitomo Metal Mining Co., Ltd.	Japan	Mining & Integrated Production	Ongoing dialogue	1	1	2
The Hershey Company	USA	Food Products	Ongoing dialogue	1	1	2
Tyson Foods, Inc.	USA	Food Products	Ongoing dialogue	0	0	0
Zhaojin Mining Industry Co., Ltd.	China	Mining & Integrated Production	Escalation	1	0	1
Zhejiang Huayou Cobalt Co., Ltd.	China	Mining & Integrated Production	Escalation	1	0	1
Zijin Mining Group Co., Ltd.	China	Mining & Integrated Production	Ongoing dialogue	1	1	2

NOTE: For definitions, see p.7.



COMPANY RESPONSES RECEIVED IN Q2 2023

During Q2 2023 ISS ESG received responses from 7 of the 30 companies. The tables below provide further information on each dialogue.

FOOD PRODUCTS

Conagra Brands, Inc.		ISIN US2058871029	DOMICILE USA
SDG ALIGNMENT SDG 14: Life Below Water; SDG 15: Life On Land		SFDR PAI ALIGNMENT PAI 7: Activities negatively affecting biodiversity-sensitive areas	
ENGAGEMENT STATUS Active		ENGAGEMENT STAGE Ongoing dialogue	
ENGAGEMENT TIMELINE			
ACTION	DATE		
Company response	14 April 2023		
Friendly reminder	08 May 2023		
Company response	19 May 2023		
Company response	25 May 2023		
Engagement outlook communication	05 June 2023		
QUARTERLY SUMMARY OF INTERACTIONS			
<p>In response to the clarification enquiry sent in Q1, the company responded on 14 April, explaining that it was still gathering the information to address the questions. On 8 May, ISS ESG sent a friendly reminder, which the company responded to on 19 May, explaining that it estimated it would be in a position to provide a response in the following week. The company responded again on 25 May, providing a written response to the questions posed. An engagement outlook communication was sent on 5 June and a follow-up enquiry is scheduled for Q1 2024.</p>			
QUARTERLY SUMMARY OF OBSERVATIONS			
<p>In its 25 May response to the clarification enquiry, the company informed ISS ESG that its CSR report outlines its commitment to regenerative agriculture and its Good Agricultural Practices program, which covers aspects such as soil health, reducing water consumption, and guidelines on the use of herbicides, pesticides and fertilisers. The company also provided a range of examples of its efforts to promote positive behaviours throughout the value chain, such as a range of supplier training activities and some best practices to date in relation to some key crops. The company clarified that 100% of its RSPO-sourced palm oil is certified through the mass balance scheme, and that it does not currently have any plans to source an increased share of palm oil via the segregated or identity preserved schemes. The company stated that it does not source a lot of raw materials from certified organic farms, and provided one example of an organic tomato sauce product.</p>			
<p>ISS ESG will continue to monitor the company's progress against the objectives. The engagement dialogue going forward will focus on outstanding points such as public disclosure of its position on and</p>			



measures to promote sustainable soil and biodiversity management throughout the value chain; ambitions to source segregated and/or identity preserved RSPO-certified palm oil; and the percentage that organic raw materials and/or products represent across the business.



JDE Peet's NV		ISIN NL0014332678	DOMICILE Netherlands
SDG ALIGNMENT SDG 14: Life Below Water; SDG 15: Life On Land		SFDR PAI ALIGNMENT PAI 7: Activities negatively affecting biodiversity-sensitive areas	
ENGAGEMENT STATUS Active		ENGAGEMENT STAGE Ongoing dialogue	
ENGAGEMENT TIMELINE			
ACTION		DATE	
Follow-up enquiry		02 May 2023	
Company response		25 May 2023	
Clarification enquiry		05 June 2023	
Company response		12 June 2023	
Engagement outlook communication		22 June 2023	
QUARTERLY SUMMARY OF INTERACTIONS			
<p>As a follow-up to the previous interactions with the company, ISS ESG sent a follow-up enquiry to request an update on the progress of the engagement objectives on 2 May. The company provided a written response to the questions posed on 25 May. On 5 June, ISS ESG sent a clarification enquiry, which the company responded to on 12 June. An engagement outlook communication was sent on 22 June, and a follow-up enquiry is scheduled for Q1 2024.</p>			
QUARTERLY SUMMARY OF OBSERVATIONS			
<p>In its 25 May response, the company highlighted several projects it is involved in under its active farmer programmes with regard to the use of pesticides and fertilisers in its supply chain, including its involvement in CIRAD's "E-Coffee" industry initiative, of which it is an active member, which seeks to reduce pesticide use in coffee farming. In relation to palm oil, the company stated that it currently does not have any plans to source palm oil through the segregated or identity preserved schemes, and also that it does not intend to become an RSPO member at this stage. The company explained that it continues to work closely with suppliers, NGOs, and local government partners in Indonesia and Malaysia to support smallholders in adopting good agricultural practices. The company also iterated that since palm oil only represents 0.1% of the raw commodities it sources, its primary focus continues to be on sustainable coffee sourcing. Regarding packaging, the company highlighted that it has started reporting on its packaging intensity ratio in its Annual Report, and iterated that the optimisation of packaging materials will be covered in its scope 3 reporting going forwards. The company stated that it has integrated packaging intensity in its design processes, and that it will continue to report on packaging material usage weight. The company shared its definitions for its packaging KPIs including "designed for re-use", "designed for recycling", and "designed to be compostable". The company also explained that substances of concern are tracked in its globally managed product specifications software, and that rigorous testing is conducted by its compliance team to ensure harmful substances are not included in packaging, and that industry set limits for safety standards are being met. As regards the disclosure of organic raw materials/products, the company explained that organic ranges entail less than 1% of its total business, and that it doesn't view a greater shift to organics as a priority for the business. In its 12 June response to the clarification enquiry, the company explained that its strategy and theory of change emphasises the significance of regenerative agriculture, prosperous farmers and thriving nature, and stated that a localised approach to address long-term solutions should be embraced, rather than expecting to find a one-size-fits-all solution. The company explained that the</p>			



four locations covered by the E-Coffee programme (Brazil, Mexico, Nicaragua and Vietnam) represent two thirds of its coffee sourcing, and that the learnings from these four locations will be adaptable to other locations. Regarding palm oil, the company stated that its two suppliers involved in its in-field programmes in Malaysia and Indonesia both have long-term vested interests in further developing transparency and sustainable sourcing. The company confirmed that its definitions for its packaging KPIs are available in its 2022 Annual Report.

ISS ESG will continue to monitor the company's progress against the objectives. The engagement dialogue going forward will focus on outstanding points such as public disclosure of measures to promote sustainable soil and biodiversity management throughout the value chain; ambitions to source segregated and/or identity preserved RSPO-certified palm oil; measures to reduce the negative impacts of packaging; and the percentage that organic raw materials and/or products represent across the business.



The Hershey Company		ISIN US4278661081	DOMICILE USA
SDG ALIGNMENT SDG 14: Life Below Water; SDG 15: Life On Land		SFDR PAI ALIGNMENT PAI 7: Activities negatively affecting biodiversity-sensitive areas	
ENGAGEMENT STATUS Active		ENGAGEMENT STAGE Ongoing dialogue	
ENGAGEMENT TIMELINE			
ACTION		DATE	
Follow-up enquiry		05 June 2023	
Company response		26 June 2023	
<p>QUARTERLY SUMMARY OF INTERACTIONS</p> <p>As a follow-up to the previous interactions with the company, ISS ESG sent a follow-up enquiry to request an update on the progress of the engagement objectives on 5 June. The company responded to the questions posed on 26 June, and a clarification enquiry is scheduled for Q3.</p>			
<p>QUARTERLY SUMMARY OF OBSERVATIONS</p> <p>In its 26 June response to the follow-up enquiry, the company explained that it anticipates being able to share additional information on sugar and dairy based on its existing partnerships and programmes, but that it will take some time until there is robust data to include in its disclosures. The company stated that it does not have plans to disclose information pertaining to the use of fertiliser and pesticides, sustainable crop management, or protection against pests and diseases in the near-term, but that it is taking steps to look at its biodiversity impacts more holistically. The company also stated that it does not plan to disclose the overall percentage that organics represent, and iterated that it believes that work on regenerative agricultural practices is more pertinent to its supply chain. Regarding packaging, the company shared that it has a commitment to achieve 100% recyclable, reusable or compostable packaging by 2030, and that it has an absolute packaging reduction target of 25m pounds by 2030. The company stated that it has recently eliminated the use of PVC as a substrate of concern, and that it continues to monitor the regulatory landscape to ensure compliance with suppliers.</p> <p>ISS ESG will continue to monitor the company’s progress against the objectives. The engagement dialogue going forward will focus on outstanding points such as public disclosure of its position on and measures to promote sustainable soil and biodiversity management throughout the value chain; ambitions to source segregated and/or identity preserved RSPO-certified palm oil; measures to reduce the negative impacts of packaging; and the percentage that organic raw materials and/or products represent across the business.</p>			



MINING & INTEGRATED PRODUCTION

Freeport-McMoRan, Inc.		ISIN US35671D8570	DOMICILE USA
SDG ALIGNMENT SDG 14: Life Below Water; SDG 15: Life On Land		SFDR PAI ALIGNMENT PAI 7: Activities negatively affecting biodiversity-sensitive areas	
ENGAGEMENT STATUS Active		ENGAGEMENT STAGE Ongoing dialogue	
ENGAGEMENT TIMELINE			
ACTION		DATE	
Engagement outlook communication		14 April 2023	
Company response		24 April 2023	
Company response		25 April 2023	
Engagement outlook communication		05 May 2023	
<p>QUARTERLY SUMMARY OF INTERACTIONS</p> <p>As the company was unresponsive to the clarification enquiry sent in Q1, an engagement outlook communication enquiry was sent on 14 April. On 24 April, the company shared its 2022 Annual Report on Sustainability, and on 25 April the company responded to the questions posed in the clarification enquiry. An engagement outlook communication was sent on 5 May. A follow-up enquiry is scheduled for Q4.</p>			
<p>QUARTERLY SUMMARY OF OBSERVATIONS</p> <p>In its 25 April response to the questions posed in the clarification enquiry, the company informed ISS ESG that by the end of 2023, it aims to publish biodiversity management plans for four of its sites which were selected based on their physical footprint, local biodiversity resources and/or proximity to biodiversity resources. The company clarified that additional sites will be evaluated for such plans in the future. Concerning the biodiversity management plans at the Cerro Verde and El Abra sites, the company provided details on how these were established, referencing a historic international bank loan requirement which leveraged the International Finance Corporation’s Environmental and Social Performance Standards as criteria to evaluate risks at the Cerro Verde site. The company explained that the biodiversity management plan for its El Abra site was established after identifying important biodiversity resources in its area of influence. The company highlighted that the plans in place for these two sites will be leveraged for other sites, and explained that general steps and criteria in the development of such plans include conducting ecological baseline surveys in operational sites and areas of influence, identifying and mapping important or priority species, analysing risks and opportunities, developing and implementing mitigation measures, and monitoring the results of conservation actions. As regards a protected areas policy, the company stated that it has a commitment to respect legally designated areas, and restated its commitment to refrain from exploration in UNESCO World Heritage sites, as well as its alignment with the ICMM’s position statement on protected areas. The company explained it has received the Copper Mark for all 12 copper producing sites. The company also shared a link to its 2022 Annual Report on Sustainability.</p>			



ISS ESG will continue to monitor the company's progress against the objectives. The engagement dialogue going forward will focus on outstanding points such as public disclosure of a policy regarding operating in protected areas.



Saudi Arabian Mining Co.		ISIN SA123GA0ITH7	DOMICILE Saudi Arabia
SDG ALIGNMENT SDG 14: Life Below Water; SDG 15: Life On Land		SFDR PAI ALIGNMENT PAI 7: Activities negatively affecting biodiversity-sensitive areas	
ENGAGEMENT STATUS Active		ENGAGEMENT STAGE Ongoing dialogue	
ENGAGEMENT TIMELINE			
ACTION		DATE	
Friendly reminder		11 April 2023	
Company response		01 May 2023	
Friendly reminder		23 May 2023	
Engagement outlook communication		12 June 2023	
Company response		14 June 2023	
QUARTERLY SUMMARY OF INTERACTIONS			
<p>As the company did not provide a response to the questions posed in the clarification enquiry sent in Q1, ISS ESG sent a friendly reminder on 11 April. The company responded on 1 May, providing an update on its response. A second friendly reminder was sent on 23 May, and as the company remained unresponsive to the questions posed in the clarification enquiry, an engagement outlook communication was sent on 12 June. The company responded to the engagement outlook communication on 14 June, and an engagement outlook communication is scheduled for Q1 2024.</p>			
QUARTERLY SUMMARY OF OBSERVATIONS			
<p>In its 1 May response to the friendly reminder, the company explained that its 2022 Sustainability Report would be published in the coming weeks. In its 14 June response to the engagement outlook communication, the company stated that its annual sustainability disclosure will be published by the end of July 2023.</p> <p>ISS ESG will continue to monitor the company’s progress against the objectives. The engagement dialogue going forward will focus on outstanding points such as public disclosure of a detailed biodiversity management strategy, with particular focus on risk and impact assessments, consultation with biodiversity experts, targets, mitigation measures, monitoring, and site coverage; a policy regarding operating in protected areas; and total land disturbed and rehabilitated in line with GRI reporting requirements.</p>			



Sumitomo Metal Mining Co., Ltd.		ISIN JP3402600005	DOMICILE Japan
SDG ALIGNMENT SDG 14: Life Below Water; SDG 15: Life On Land		SFDR PAI ALIGNMENT PAI 7: Activities negatively affecting biodiversity-sensitive areas	
ENGAGEMENT STATUS Active		ENGAGEMENT STAGE Ongoing dialogue	
ENGAGEMENT TIMELINE			
ACTION		DATE	
Follow-up enquiry		12 June 2023	
Company response		30 June 2023	
<p>QUARTERLY SUMMARY OF INTERACTIONS</p> <p>As a follow-up to the previous interactions with the company, ISS ESG sent a follow-up enquiry to request an update on the progress of the engagement objectives on 12 June. The company responded to the questions posed on 30 June, and a clarification enquiry will be sent in Q3.</p>			
<p>QUARTERLY SUMMARY OF OBSERVATIONS</p> <p>In its 30 June response to the follow-up enquiry, the company highlighted its participation in the International Council on Mining and Metals (ICMM) and the adoption of the ICMM’s mining principles. The company stated that it operates with environment management and risk management systems at all sites, including environmental impact assessment of biodiversity or forestation. The company shared that it has adopted a company water policy, and explained that it will continue to consider biodiversity and other policies. With regard to protected areas, the company iterated that its subsidiaries are compliant with local laws, and highlighted the monitoring conducted by its subsidiary Coral Bay Nickel Corporation, together with the local government and NGO. The company explained that it will continue to consider other policies in the future.</p> <p>ISS ESG will continue to monitor the company’s progress against the objectives. The engagement dialogue going forward will focus on outstanding points such as public disclosure of a detailed biodiversity management strategy, with particular focus on risk and impact assessments, consultation with biodiversity experts, targets, mitigation measures, monitoring, and site coverage; and a policy regarding operating in protected areas.</p>			



Zijin Mining Group Co., Ltd.		ISIN CNE100000502	DOMICILE China
SDG ALIGNMENT SDG 14: Life Below Water; SDG 15: Life On Land		SFDR PAI ALIGNMENT PAI 7: Activities negatively affecting biodiversity-sensitive areas	
ENGAGEMENT STATUS Active		ENGAGEMENT STAGE Ongoing dialogue	
ENGAGEMENT TIMELINE			
ACTION		DATE	
Escalation letter to the Board		08 June 2023	
Company response		09 June 2023	
QUARTERLY SUMMARY OF INTERACTIONS			
<p>As the company remained unresponsive to ISS ESG’s previous outreach, the investor enquiry was escalated to the Board on 8 June. The company responded on 9 June, communicating its willingness to participate in an engagement meeting in Q3.</p>			
QUARTERLY SUMMARY OF OBSERVATIONS			
N/A			



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