



BIODIVERSITY

THEMATIC ENGAGEMENT

Q3 2023 Progress Report

Including analysis of progress during the first year of the engagement

October 2023



TABLE OF CONTENTS

INTRODUCTION.....	3
ISS ESG THEMATIC ENGAGEMENT APPROACH.....	4
ENGAGEMENT PROCESS.....	4
ENGAGEMENT OUTCOMES.....	4
REPORTING.....	4
BIODIVERSITY THEMATIC ENGAGEMENT.....	5
COMPANY SELECTION.....	5
ENGAGEMENT OBJECTIVES.....	6
FIRST YEAR OF THE BIODIVERSITY ENGAGEMENT.....	7
EVOLVING BIODIVERSITY LANDSCAPE.....	7
ENGAGEMENT RESPONSIVENESS.....	7
QUALITY OF PARTICIPATION.....	8
ENGAGEMENT OBJECTIVE PROGRESS.....	9
FOOD PRODUCTS.....	9
MINING & INTEGRATED PRODUCTION.....	10
OVERALL ENGAGEMENT SUCCESS.....	11
ENGAGEMENT DIALOGUE.....	13
CASE STUDIES.....	13
ISS ESG OBSERVATIONS.....	14
FUTURE ENGAGEMENT FOCUS.....	15
Q3 2023 ENGAGEMENT STATISTICS.....	16
ENGAGEMENT SUMMARY TABLE.....	17
COMPANY RESPONSES RECEIVED IN Q3 2023.....	21
FOOD PRODUCTS.....	21
MINING & INTEGRATED PRODUCTION.....	27



INTRODUCTION

This report presents the Biodiversity Thematic Engagement activities that were carried out by ISS ESG on behalf of participating institutional investors in Q3 2023, as well as analysis of the progress during the first year of the engagement.

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. The report includes a section providing insights from the first year of the engagement, both in terms of the biodiversity context as well as in terms of the responsiveness to and progress of the engagement. It also includes key statistics for Q3 2023, a summary of the engagement stage, number of interactions and engagement success status for all target companies; as well as details of the responses received during the period. The report includes a measurement of the progress against engagement objectives as well as the overall engagement success, based on the six-monthly data check on the target companies' improvement in their alignment with the requirements for each engagement objective.



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 calls and 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. The industry has a multitude of [nature-related dependencies](#) (such as land and soil, water, animals, and climate regulation) 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. The UN has called for [protected areas to be expanded to at least 30%](#) of terrestrial and inland water areas, and marine and coastal areas, and for at least 30% of degraded ecosystems to be restored. 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 	<ul style="list-style-type: none"> ▪ 2. Commitment to international conventions on protected areas ▪ Protected areas policy
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 	<ul style="list-style-type: none"> ▪ 3. Transparency on disturbance and rehabilitation ▪ GRI aligned disclosure for the decommissioning of mines



FIRST YEAR OF THE BIODIVERSITY ENGAGEMENT

The third quarter of 2023 marks one year since ISS ESG's Biodiversity Thematic Engagement was initiated. The following section provides observations on the evolving biodiversity landscape during the year, as well as analysis of the changes that ISS ESG has observed one year into the engagement. The section also highlights common themes emerging in the engagement dialogues held to date – including challenges shared by companies – and the focus of the engagement for the remainder of the cycle.

EVOLVING BIODIVERSITY LANDSCAPE

During the first year of the Biodiversity Thematic Engagement, the topic of biodiversity protection has continued to gain traction and interest globally. The December 2022 publication of the [Kunming-Montreal Global biodiversity framework](#) sets out the Convention on Biodiversity's vision of a world that lives in harmony with nature by 2050, with a goal to halt and reverse biodiversity loss by 2030, comprised of 23 targets. Target 15 in particular calls on all large and transnational businesses and financial institutions to assess and disclose their impacts and dependencies on biodiversity by 2030, including impacts throughout supply and value chains, and portfolios.

In an attempt to provide clarity on how impacts should be disclosed, in September 2023 the Taskforce on Nature-related Financial Disclosures (TNFD) published its [final set of recommendations](#), which are ready to be adopted following a two year development. The recommendations set out the framework for businesses and financial institutions to identify, assess, respond to and disclose their nature-related issues, aligned with and inspired by the approach from the Taskforce on Climate-related Financial Disclosures.

Running alongside disclosure initiatives is the Science Based Targets Network, which is inviting companies to prepare to submit [science based targets for nature](#) for validation from 2024, initially focusing on freshwater and land targets using its technical guidance for steps 1-3: assess, prioritise, and set targets (methodologies for steps 4 and 5 – act and track – are still in development and will be available in 2024). Biodiversity is partially covered in this first phase, with further analysis on opportunities for more comprehensive biodiversity coverage to follow after final approval of the first release.

Biodiversity loss is also a growing area of focus for investor engagement with corporate issuers. Following Finance for Biodiversity's [guide on biodiversity-related corporate engagement](#), published in April 2022, the Nature Action 100 initiative has progressed in its development, building on the learnings from Climate Action 100+. In September 2023, letters were sent to 100 companies across eight key sectors that are deemed to be systemically important in reversing nature and biodiversity loss by 2030. The [investor expectations](#) communicated to companies span six key focus areas of Ambition, Assessment, Targets, Implementation, Governance, and Engagement.

ENGAGEMENT RESPONSIVENESS

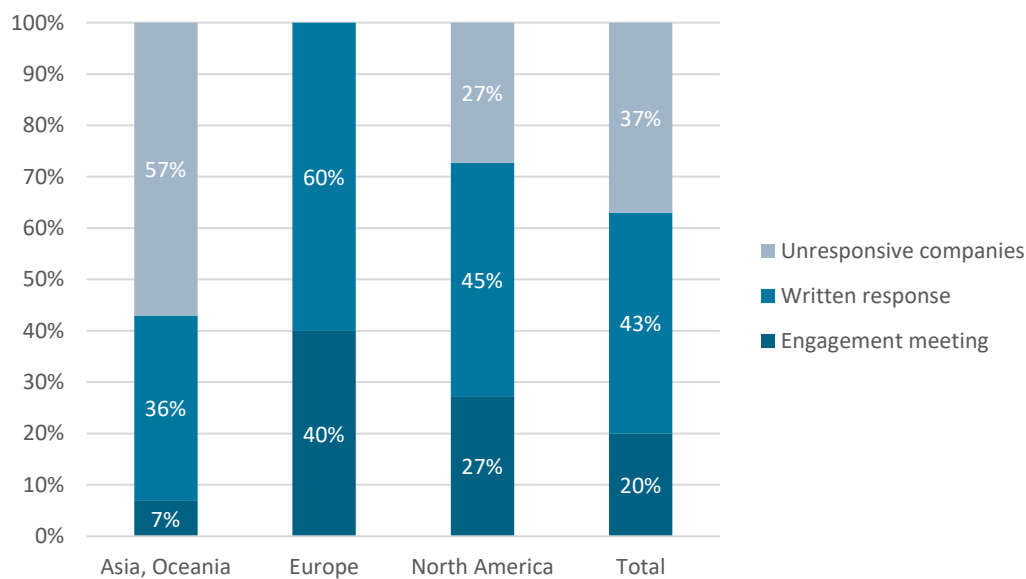
The Biodiversity Thematic Engagement was initiated in September and, for a small number of companies, in October 2022. One year into the engagement, 63% of the target companies have responded, showing willingness to participate in the engagement and discuss the issues with participating investors. The response rate differs by region (chart 1). Among the target companies



domiciled in Asia and Oceania, the response rate is 43%, while for North American companies the response rate is 73%, and among European companies it is 100%.

ISS ESG encourages companies to share their responses to the engagement questions through a (virtual) meeting, as this enables the participating investors to gain valuable insights and better understand the companies’ perspectives. One year into the engagement, 20% of the target companies have participated in the dialogue through at least one engagement meeting, and 43% have responded in writing.

Chart 1. Regional Overview of Response Rate and Type



NOTE: Due to rounding, totals may not add up to 100%.

ISS ESG implements a robust reminder and escalation process for non-responding companies, and the response rate has progressively increased throughout the year. Initially, 23% of companies responded to the engagement letter. The response rate then increased to 37% following reminder emails to the Investor Relations’ teams of the target companies; to 57% following reminder calls to Investor Relations; to 60% following escalation letters to the CEO, and to 63% following escalation letters to the Board, where it remained following the escalation letters to the CEO and Board.

ISS ESG notes that once a company enters into a dialogue, it often continues to provide updates throughout the cycle. Eight out of nine companies that provided an initial response early in the cycle and were sent a follow-up enquiry with a request to respond by Q3 2023 have provided a response or shown willingness to do so either through an engagement meeting or in writing.

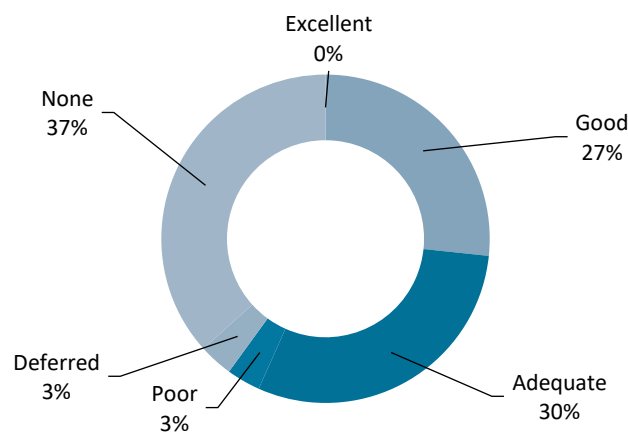
QUALITY OF PARTICIPATION

For each company response, ISS ESG assesses the quality of the participation in the engagement. The assessment considers the extent to, and depth in which, the company has addressed the engagement questions, and is separate from the measurement of progress against the engagement objectives. The assessment is dynamic over time, as ISS ESG continues to pose clarification questions where a company does not initially address all questions, or only does so in a partial manner.



For the large majority of target companies, the quality of participation one year into the engagement is assessed as positive (chart 2). In total, 57% of all target companies (89% of responding companies) are assessed as either ‘Adequate’ – meaning that they have at least partially addressed the engagement questions – or ‘Good’ – meaning that they have addressed most elements of the questions. Less than 10% of all target companies have provided responses deemed ‘Poor’ or ‘Deferred’ – meaning that they have either provided a general response which has not addressed the specific questions, or that they have acknowledged the engagement outreach but have yet to provide answers to the specific engagement questions.

Chart 2. Quality of Participation



ENGAGEMENT OBJECTIVE PROGRESS

Progress against the relevant engagement objectives for each company considers a combination of improvements in the company’s alignment with the requirements for each objective, as well as the quality of participation in the engagement.

ISS ESG notes a difference in the fulfilment of each of the engagement objectives between the two industries covered by the engagement, with Food Products companies displaying relatively limited progress on the underlying indicators while Mining & Integrated Production companies have made progress across all three engagement objectives.

FOOD PRODUCTS

Among responding companies in the Food Products industry, the key progress is that a dialogue has been established across all objectives (chart 3), and 43% of the target companies have already made progress in their alignment with at least one of the underlying indicators. An additional 14% of the target companies have demonstrated a positive quality of participation despite not having progressed against the underlying indicators, and the objectives which were not fulfilled at the initiation are now assessed at ‘Raised Awareness’.

Most of the progress beyond the establishment of a dialogue has been noted for objectives 1 and 3, related to the disclosure of a biodiversity management strategy and key metrics. Here, 21% and 29% of the target companies which had not fulfilled the objectives at the start of the engagement are now assessed as ‘Partly Achieved’, indicating that some requirements of the underlying indicators have

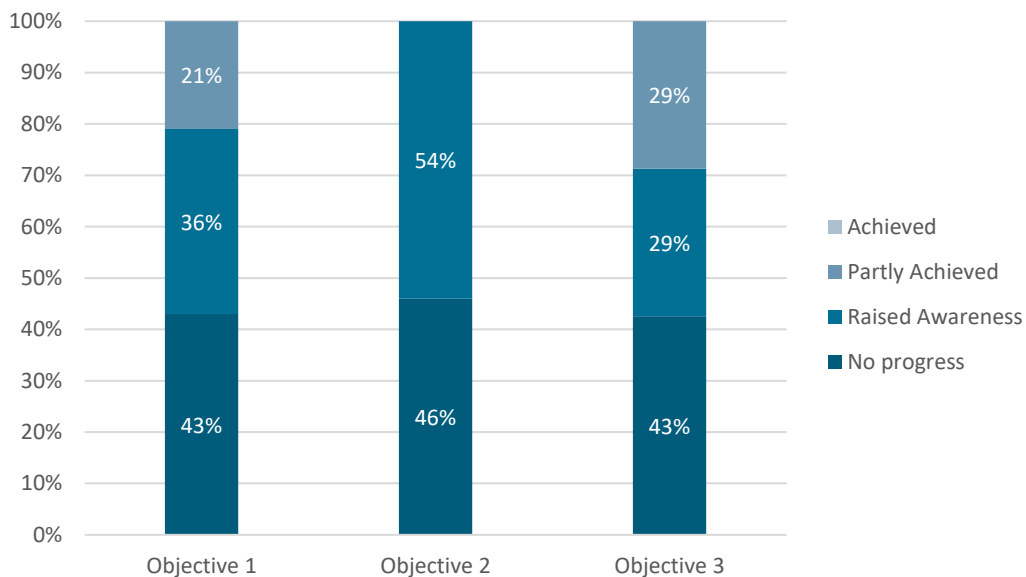


been fulfilled. The engagement objective with the highest share of companies which are assessed as ‘Partly Achieved’ is objective 3, related to the disclosure of key metrics. The share of companies for which there is no progress noted – either in terms of participation in the dialogue or in terms of alignment with the underlying indicators – is around 43%.

Looking in more detail at each specific engagement objective and the underlying requirements, ISS ESG notes the following trends:

- **Objective 1 – Disclosure of a biodiversity management strategy:** There has been an increase noted both in companies’ positions on and measures to promote soil and biodiversity management throughout the value chain, though after one year of engagement this remains unfulfilled for the majority of companies. No improvements have been noted regarding target companies’ positions on sustainable palm oil.
- **Objective 2 – Reduction of negative impacts:** No improvements have been noted regarding companies’ measures to reduce the negative impacts of packaging.
- **Objective 3 – Disclosure of key metrics:** The greatest improvement is in relation to the disclosure of the percentage of certified palm oil, for which companies have continued to progress since the initiation of the engagement; however, no progress has been noted regarding the share of raw materials/products from certified organic farming.

Chart 3. Engagement Objective Progress (Food Products)



NOTE: Due to rounding, totals may not add up to 100%.

MINING & INTEGRATED PRODUCTION

Among companies in the Mining & Integrated Production industry, ISS ESG has observed a positive trend in the progress towards all three engagement objectives since the engagement was initiated (chart 4). Engagement objective 1, in relation to the disclosure of a biodiversity management strategy, has the highest share of companies assessed as ‘Achieved’ one year into the engagement, at 25% of companies.

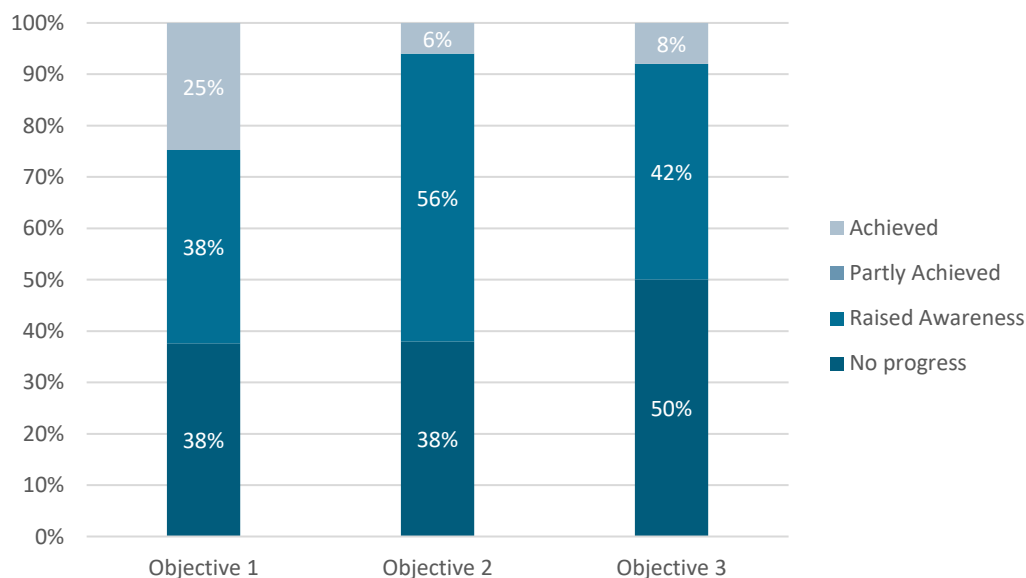


The share of target companies that have already shown progress in their alignment with at least one of the underlying indicators is 31%. An additional 38% of the target companies have demonstrated a positive quality of participation, and the objectives which were not fulfilled at the initiation are now assessed at 'Raised Awareness'. The share of companies for which there is no progress noted – either in terms of their participation in the dialogue or in terms of their alignment with the underlying indicators – is around 31%.

Looking in more detail at each specific engagement objective and the underlying requirements, ISS ESG notes the following trends:

- **Objective 1 – Disclosure of a biodiversity management strategy:** The greatest improvement has been in relation to companies setting out how they manage biodiversity impacts, with a particular focus on risk and impact assessments, targets and objectives, consultation with biodiversity experts, mitigation measures, monitoring and evaluation, and coverage.
- **Objective 2 – Commitment to international conventions on protected areas:** There has been a small increase noted in the share of companies that have explicit statements or policies to refrain from operating in designated protected areas and areas of particular importance for biodiversity.
- **Objective 3 – Transparency on disturbance and rehabilitation:** There has been a small increase noted regarding companies' disclosure of total land disturbed and rehabilitated, in line with the GRI indicator MM1 for the Mining and Metals sector.

Chart 4. Engagement Objective Progress (Mining & Integrated Production)



NOTE: Due to rounding, totals may not add up to 100%.

OVERALL ENGAGEMENT SUCCESS

The overall success and impact of the engagement with each company is an aggregate measure of the progress towards all of the relevant engagement objectives. Each company engagement is categorised in one of four levels of zero to three globes, which takes into consideration both whether a dialogue has been established and awareness of the issues has been raised, and/or whether the company has



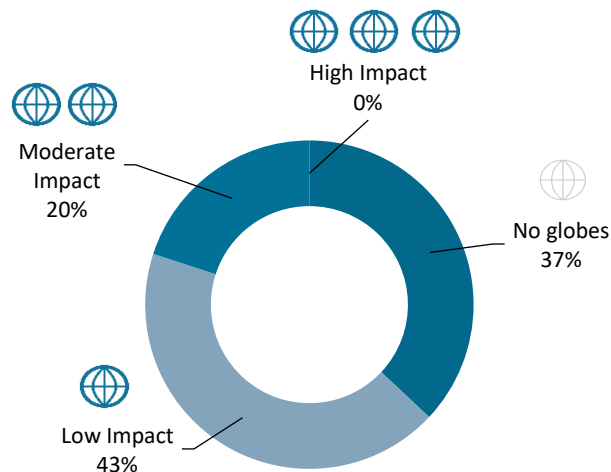
improved its alignment with the objectives – as evidenced in its public disclosures. Given the approach of combining both the participation in the dialogue and the progress towards the objectives, there is a range of different scenarios for each globe level.

One year into the engagement, ISS ESG notes an impact with the majority (63%) of target companies (chart 5). For 20% of the companies, the engagement is assessed to have a 'Moderate Impact'. This includes companies which have made progress towards at least one objective and addressed the engagement questions, or which have made progress towards two objectives or more.

For another 43% of the companies, the impact is assessed to be 'Low'. This includes companies which have addressed the engagement questions but have not yet made any progress towards any of the engagement objectives. It also includes companies which have made progress towards at least one engagement objective, even if they have not addressed the engagement questions.

The share of companies which have neither addressed the engagement questions nor demonstrated any progress towards any of the objectives, stands at 37%.

Chart 5. Engagement Success





ENGAGEMENT DIALOGUE

The following section outlines case studies of positive dialogues noted since the engagement was initiated, as well as a summary of general observations from the discussions with companies and challenges highlighted through the dialogues. Further details on the dialogue with companies are available in each respective Quarterly Progress Report, as well as the Activity Reports.

CASE STUDIES

JDE Peet's NV		ISIN NL0014332678
THEME Biodiversity (Food Products)	DOMICILE Netherlands	
SUMMARY	<p>Since the start of the engagement, ISS ESG has facilitated dialogue with JDE Peet's NV through written communication, with responses received in Q4 2022 and Q2 2023.</p> <p>During this time, JDE Peet's has shared details of how it has enhanced its position on soil and biodiversity management, notably under its Common Grounds programme targeted at coffee farmers, which includes responsible sourcing principles that refer to sustainable soil fertility management, Integrated Pest Management, a no deforestation commitment, and on-farm biodiversity. The company also disclosed several examples of the measures it has taken, as part of Common Grounds, to promote sustainable soil and biodiversity management throughout the value chain in its 2022 Annual Report, including smallholder engagement, stakeholder partnerships, farmer training, and research. Additionally, during the engagement dialogue, the company highlighted its sourcing principles for palm oil, which include a commitment to source 100% of its palm oil from RSPO-certified suppliers. This commitment is reflected in the company's 2022 Annual Report, which notes that the goal, originally set for 2025, was achieved in 2022.</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 the 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.</p>	



Freeport-McMoRan, Inc.		ISIN US35671D8570
THEME Biodiversity (Mining & Integrated Production)	DOMICILE USA	
SUMMARY	<p>Since the start of the engagement, ISS ESG has facilitated dialogue with Freeport-McMoRan, Inc. through written communication, with responses received in Q1, Q2 and Q3 2023.</p> <p>Since the engagement was initiated, the company has shared several updates regarding its biodiversity management strategy. For example, the company stated that its adoption of the mitigation hierarchy approach applies to all of its sites, including smaller mine projects in addition to new mines and major expansion projects at existing mines. Additionally, the company shared that it demonstrates continuous monitoring or evaluation of the effectiveness of its biodiversity management measures, and noted that it implements Biodiversity Action Plans at several of its sites, including Cerro Verde and El Abra, and that it has a target to formalise and disclose biodiversity management plans at significant sites by the end of 2023. These efforts were also communicated through its public disclosures, which outline the company’s approach to managing biodiversity at 100% of its sites. For example, the company conducts biodiversity risk and impact assessments and discloses the methods, tools and criteria applied. The company also discloses detailed information regarding its consultation with external biodiversity experts, and has set site-specific biodiversity targets and objectives.</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 the public disclosure of a policy regarding operating in protected areas.</p>	

ISS ESG OBSERVATIONS

The engagement dialogues have provided insights beyond what is included in companies’ disclosures, and have provided a forum for companies to highlight their biodiversity management efforts to investors. For example, regarding Food Products companies’ policies and actions towards achieving sustainable sourcing, there are often a multitude of priority commodities to report on, and companies have been able to explain complexities, for instance the differences in the types of biodiversity management practices required for different commodities and in different regions. Similarly for companies in the Mining & Integrated Production industry, it is evident that whilst companies may provide a range of examples of ecological restoration projects in an engagement dialogue, the same level of detail is not always replicated in disclosures. The same applies to publishing a policy on protected areas, which has been noted as a verbal commitment from some companies rather than as a formal written policy. The broader topic of consolidated, standardised biodiversity-related disclosures has been prevalent in the dialogues, with several companies referencing the awaited recommendations from the TNFD.



Some companies have also highlighted challenges related to biodiversity management practices. For Food Products companies, several companies have explained that there is relatively minimal demand for organic products, and that since organics tend to represent a low proportion of the company's total products or revenues, disclosing such a figure is not a priority. Also, some have noted that their biodiversity efforts are driven by materiality assessments, which, due to the nature of the industry's impact on the natural environment, may highlight other environmental challenges above those set out in the engagement objectives. For Mining & Integrated Production companies, whilst there may be examples of standalone environmental commitments or initiatives, it is clear that understanding the environmental impacts of mining activities in a comprehensive manner and for all sites remains a challenge, with some companies stressing the importance of local approaches to managing biodiversity.

FUTURE ENGAGEMENT FOCUS

For investors, it is critical that companies demonstrate both their awareness of the impacts their business activities have on natural ecosystems, but also that they collect, manage and disclose data at the appropriate scale and format. ISS ESG will continue to facilitate dialogue throughout the remainder of the engagement cycle on behalf of participating investors. This includes continuing to send reminders and escalate the enquiries for companies which have yet to respond, and continuing to request regular updates from companies that have already participated in the dialogue. The engagement dialogue will continue to highlight the value of addressing nature risks at the local level and increased public disclosures, in particular where objectives and the underlying indicators are unfulfilled. For Food Products companies, it will focus in particular on adopting a value-chain approach to mitigating biodiversity loss, and for Mining & Integrated Production companies, the focus will be on biodiversity management strategies that are informed by credible risk and impact assessments to identify the sites most critical for addressing biodiversity loss.



Q3 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.

Summary charts, as of 30 September 2023.

Chart 6. Region

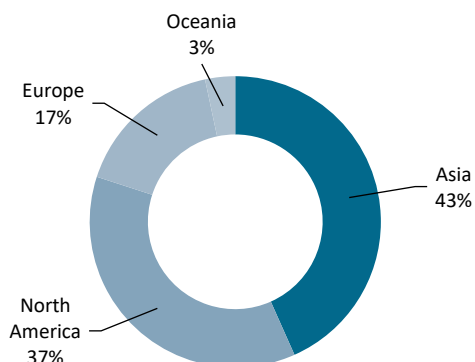


Chart 7. Industry

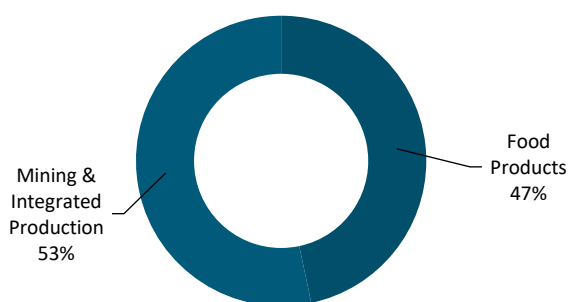
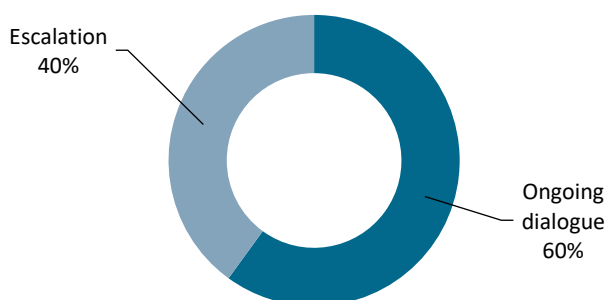







Chart 8. Engagement Stage



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.

ENGAGEMENT SUMMARY TABLE

The initiation letter was sent to the target companies on 27 September 2022 (Q3 2022), 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 2022). This table lists the number of interactions that took place during Q3 2023, as well as the engagement stage and engagement success as per 30 September 2023. Note that in Q1 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	ENGAGEMENT SUCCESS
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	0	0	0	
Barry Callebaut AG	Switzerland	Food Products	Ongoing dialogue	2	0	2	
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	0	0	0	
First Majestic Silver Corp.	Canada	Mining & Integrated Production	Ongoing dialogue	2	1	3	
First Quantum Minerals Ltd.	Canada	Mining & Integrated Production	Ongoing dialogue	1	4	5	
Foshan Haitian Flavouring & Food Co., Ltd.	China	Food Products	Escalation	1	0	1	
Freeport-McMoRan, Inc.	USA	Mining & Integrated Production	Ongoing dialogue	0	1	1	
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	0	0	0	



Jiangxi Copper Company Limited	China	Mining & Integrated Production	Escalation	1	0	1	
Kerry Group Plc	Ireland	Food Products	Ongoing dialogue	2	1	3	
Kikkoman Corp.	Japan	Food Products	Ongoing dialogue	0	0	0	
McCormick & Company, Incorporated	USA	Food Products	Escalation	1	0	1	
Mondelez International, Inc.	USA	Food Products	Ongoing dialogue	0	0	0	
Mowi ASA	Norway	Food Products	Ongoing dialogue	3	3	6	
MP Materials Corp.	USA	Mining & Integrated Production	Ongoing dialogue	4	1	5	
Newcrest Mining Ltd.	Australia	Mining & Integrated Production	Ongoing dialogue	0	0	0	
Saudi Arabian Mining Co.	Saudi Arabia	Mining & Integrated Production	Ongoing dialogue	0	0	0	
Shandong Gold Mining Co., Ltd.	China	Mining & Integrated Production	Escalation	1	0	1	



Sumitomo Metal Mining Co., Ltd.	Japan	Mining & Integrated Production	Ongoing dialogue	2	1	3	
The Hershey Company	USA	Food Products	Ongoing dialogue	4	3	7	
Tyson Foods, Inc.	USA	Food Products	Ongoing dialogue	1	0	1	
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.16.



COMPANY RESPONSES RECEIVED IN Q3 2023

During Q3 2023 ISS ESG received responses from 9 of the 30 companies. The tables below provide further information on each dialogue.

FOOD PRODUCTS

Kerry Group Plc		ISIN IE0004906560	DOMICILE Ireland
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 SUCCESS  Low Impact		ENGAGEMENT OBJECTIVE 1 Disclosure of a biodiversity management strategy Raised Awareness ENGAGEMENT OBJECTIVE 2 Reduction of negative impacts Raised Awareness ENGAGEMENT OBJECTIVE 3 Disclosure of key metrics Raised Awareness	
ENGAGEMENT TIMELINE			
ACTION		DATE	
Follow-up enquiry		22 August 2023	
Company response		13 September 2023	
Clarification enquiry		20 September 2023	
QUARTERLY SUMMARY OF INTERACTIONS 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 22 August. The company provided a written response to the questions posed on 13 September. A clarification enquiry was sent on 20 September, and an engagement outlook communication is scheduled for Q4.			
QUARTERLY SUMMARY OF OBSERVATIONS In its 13 September response, the company stated that it is aligning its disclosures with requirements under the EU Corporate Sustainability Reporting Directive, and noted that a further consideration in its future reporting would be the recommendations due to be published by the Taskforce on Nature-related Financial Disclosures. The company shared that it aims to integrate biodiversity considerations within its efforts on responsible sourcing, and shared a link to its report on Evolve, its dairy supplier sustainability programme. Regarding packaging, the company stated that it has a target to reduce its virgin plastic use			




by 2025, and explained that one of the ways in which this can be achieved is by reducing the amount of packaging per product. The company shared a link to its 2022 Sustainability Report which contains information on its packaging efforts. In relation to disclosures on the percentage that organic raw materials/produce represent across the business, the company shared that it does not plan to increase its organics range, nor does it plan to expand disclosures accordingly. Regarding the sourcing of palm oil, the company explained that in 2022, 73% of purchased volumes were supplied through refineries and other suppliers who have No Deforestation, No Peat, No Exploitation (NDPE) Implementation Reporting Framework (IRF) profiles in place, as governed by the Palm Oil Collaboration Group. For that period, the company stated that 50% of its global volumes of palm oil and the various derivatives containing palm oil, were NDPE IRF reported as Deforestation and Conversion Free.

ISS ESG's underlying data shows that the company has not progressed since the beginning of the engagement cycle.

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 the 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; the percentage that organic raw materials and/or products represent across the business; and certified palm oil.



Mowi ASA		ISIN NO0003054108	DOMICILE Norway
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	
 Low Impact		ENGAGEMENT OBJECTIVE 1 Disclosure of a biodiversity management strategy Partly Achieved ENGAGEMENT OBJECTIVE 2 Reduction of negative impacts Raised Awareness ENGAGEMENT OBJECTIVE 3 Disclosure of key metrics Raised Awareness	
ENGAGEMENT TIMELINE			
ACTION		DATE	
Follow-up enquiry		17 August 2023	
Friendly reminder		14 September 2023	
Company response		14 September 2023	
Company response		17 September 2023	
Company response		17 September 2023	
Clarification enquiry		27 September 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 17 August. On 14 September, ISS ESG sent a friendly reminder, which the company responded to on the same day, agreeing to participate in a virtual meeting. On 17 September, the company provided two written responses to the questions posed, and ISS ESG sent a clarification enquiry on 27 September. An engagement outlook communication is scheduled for Q4.</p> <p>QUARTERLY SUMMARY OF OBSERVATIONS</p> <p>In its 17 September response, the company mentioned that as part of its supplier engagement with vegetable feed raw material suppliers it covers the topics of good agricultural practices, certifications and biodiversity risks and opportunities. The company shared its updated sustainable salmon feed policy which outlines the company’s position and expectations of suppliers with regard to good agricultural practices. Some examples of such expectations include best practice with regards to the storage, use and application of agrochemicals and organic fertilisers with the aim to ensure appropriate nutrient management and</p>			




eliminate runoff linked with improper fertiliser, pesticide and herbicide use; soil and water management; the protection of biodiversity; and certifications such as ProTerra, Roundtable for Responsible Soy, and the Roundtable for Sustainable Palm Oil (RSPO). The company also noted that with regard to pesticides usage it is subject to EU regulation which outlines the highest level of a pesticide residue that is legally tolerated in feed or food. Regarding palm oil specifically, the company confirmed that it is not used in Mowi feed, but noted that its policy is that all palm oil, if used in Mowi feed, should come from certified sources, and that the RSPO's mass balance, segregated or identity preserved chain of custody models are accepted. Regarding packaging, the company shared a link to its 2022 Integrated Annual Report, in which it reports on initiatives to reduce plastic use in packaging. In its second 17 September response, the company explained that it has a target to produce 10,000 tonnes organic salmon per year, and stated that typically volumes have been at 7,000 to 8,000 tonnes per year. The company stated that its organic salmon is mostly produced in Mowi Ireland.

ISS ESG's underlying data shows that in the latest six-monthly data check, the company has improved on objective 1, in relation to its position on soil and biodiversity management throughout the value chain.

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 the 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; the percentage that organic raw materials and/or products represent across the business; and certified palm oil.



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 SUCCESS  Low Impact		ENGAGEMENT OBJECTIVE 1 Disclosure of a biodiversity management strategy Raised Awareness ENGAGEMENT OBJECTIVE 2 Reduction of negative impacts Raised Awareness ENGAGEMENT OBJECTIVE 3 Disclosure of key metrics Partly Achieved	
ENGAGEMENT TIMELINE			
ACTION		DATE	
Clarification enquiry		06 July 2023	
Friendly reminder		27 July 2023	
Company response		11 August 2023	
Company response		16 August 2023	
Clarification enquiry		28 August 2023	
Company response		31 August 2023	
Engagement outlook communication		13 September 2023	
QUARTERLY SUMMARY OF INTERACTIONS			
<p>After the company’s response to the follow-up enquiry in Q2, ISS ESG sent a clarification enquiry on 6 July. ISS ESG sent a friendly reminder on 27 July, which the company responded to on 11 August, agreeing to provide a response to the questions posed. The company provided a written response to the questions posed on 16 August. A clarification enquiry was sent on 28 August, which the company responded to on 31 August, and an engagement outlook communication was sent on 13 September. A follow-up enquiry is scheduled for Q1 2024.</p>			
QUARTERLY SUMMARY OF OBSERVATIONS			
<p>In its 16 August response, the company explained that it recognises biodiversity as an important issue, and that it is aiming to do a more holistic assessment in 2024. The company explained that one of its impact-related palm sourcing goals is to source from a 100% verified deforestation-free palm oil supply chain by 2025, noting that sourcing segregated and mass balance volumes would help it achieve this goal. As regards organics, the company stated that whilst it does offer organic offerings, it does not expect a material shift in organic sales, nor does it plan to reconsider its portfolio mix to drive an increase in</p>			




organics. The company explained that with regard to packaging it would connect with its Head of Packaging to respond to packaging-related questions. In its 31 August response, the company responded to the questions posed regarding the negative impacts of packaging. The company stated that its target (to eliminate 25 million pounds of packaging by 2030) was derived base on a 2020 baseline, and relates to specification changes and eliminations implemented through bill of material changes with total reduction impacted calculated by multiplying material use differential by sales. The company shared that this metric and reporting method is continuously reviewed to ensure impact, and to determine whether incremental reporting metrics are required for transparency. Regarding substances of concern, the company explained that it has a review of new materials, and maintains a proprietary chemical watchlist for packaging materials. The company stated that this is periodically updated through the governance process and reviewed by different groups e.g., Quality, Toxicology, Legal, and Packaging Engineering. The company explained that as chemicals of concern are discovered or new regulations are developed, risk is evaluated and reflected in the chemical watchlist accordingly. It also stated that for existing materials that contain chemicals on the watchlist, the QRC and Packaging Engineering teams work to transition to alternative materials. Additionally, the company shared that its suppliers receive the chemical watchlist to ensure compliance in their materials and supply chains.

ISS ESG's underlying data shows that while the company has progressed during this engagement cycle, it has not done so in the latest six-monthly data check.

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 the 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.



MINING & INTEGRATED PRODUCTION

First Majestic Silver Corp.		ISIN CA32076V1031	DOMICILE Canada
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 SUCCESS  Moderate Impact		ENGAGEMENT OBJECTIVE 1 Disclosure of a biodiversity management strategy Achieved ENGAGEMENT OBJECTIVE 2 Commitment to international conventions on protected areas Raised Awareness ENGAGEMENT OBJECTIVE 3 Transparency on disturbance and rehabilitation Raised Awareness	
ENGAGEMENT TIMELINE			
ACTION		DATE	
Follow-up enquiry		28 August 2023	
Friendly reminder		25 September 2023	
Company response		26 September 2023	
QUARTERLY SUMMARY OF INTERACTIONS 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 28 August. On 25 September, ISS ESG sent a friendly reminder, and the company provided a written response to the questions posed on 26 September. A clarification enquiry is scheduled for Q4.			
QUARTERLY SUMMARY OF OBSERVATIONS In its 26 September response, the company shared a link to the webpage containing its sustainability commitments. The company stated that it is committed to “reclaim disturbed land after closure, and wherever practicable, during mining operations” and to “respect legally designated protected areas and work to improve biodiversity through re-vegetation”. The company also noted that its environmental subject matter experts confirmed that it follows all guidance and requirements around the conservation			




of protected species. Regarding transparency on disturbance and rehabilitation, the company stated that a land disturbance balance, covering opening land balance, land disturbed and reclaimed during the year, as well as closing land balance, is part of its report improvement plan, and as such it is engaging internal subject matter experts on data needs for early 2024 reporting. The company stated that once it understands the data needs it will either have confirmation that it can support such reporting, or have a plan to advance the disclosure in the future.

ISS ESG's underlying data shows that while the company has progressed during this engagement cycle, it has not done so in the latest six-monthly data check.

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 the public disclosure of a policy regarding operating in protected areas and total land disturbed and rehabilitated in line with GRI reporting requirements.



First Quantum Minerals Ltd.		ISIN	DOMICILE
		CA3359341052	Canada
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	
 Low Impact		ENGAGEMENT OBJECTIVE 1 Disclosure of a biodiversity management strategy Raised Awareness ENGAGEMENT OBJECTIVE 2 Commitment to international conventions on protected areas Raised Awareness ENGAGEMENT OBJECTIVE 3 Transparency on disturbance and rehabilitation N/A	
ENGAGEMENT TIMELINE			
ACTION		DATE	
Follow-up enquiry		10 August 2023	
Company response		10 August 2023	
Company response		10 August 2023	
Company response		14 August 2023	
Engagement meeting		18 September 2023	
QUARTERLY SUMMARY OF INTERACTIONS 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 10 August. The company responded the same day, committing to provide a response to the questions posed. On 14 August, the company responded again, communicating its willingness to participate in an engagement meeting, which took place on 18 September. An engagement outlook communication is scheduled for Q4.			
QUARTERLY SUMMARY OF OBSERVATIONS In the 18 September engagement meeting, the company stated that all its sites have biodiversity action plans (BAPs), and that each site determines its action plan according to local risks and conditions. The company noted that its Group function reviews site specific plans in conjunction with experts from within the business, and stated that its disclosures are completed at Group level. The company explained that its 2022 ESG Report contained more details and examples of its biodiversity strategy, including information regarding the West Lunga National Park in Zambia where it implements regular surveys to monitor flora			




and fauna, and compensation measures. Another example provided was the company's Las Cruces site in Spain, where it has worked with local farmers to bring in controls to re-establish the presence of the Great Bustard bird. The company stated that since its environmental impact assessments are made public, it tends to receive a lot of engagement from stakeholders such as NGOs, local communities, and government authorities. The company also mentioned that its biodiversity assessments and pre-approval of concession projects also require independent third-party audits, and noted the differences required from permitting authorities in different locations. Regarding protected areas, the company noted that it is not its intention to operate in such places, but acknowledged that it does not have an explicit policy. The company stated that its policies are reviewed every two years, but that it is not currently possible to commit to a timeline regarding a policy for operating in protected areas. Additionally, the company stated that it will look at the recommendations published by the Taskforce on Nature-related Financial Disclosures to inform its reporting efforts, and also stated that it is open to feedback from investors on relevant KPIs.


ISS ESG's underlying data shows that the company has not progressed since the beginning of the engagement cycle.

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 the 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.



Freeport-McMoRan, Inc.		ISIN	DOMICILE
		US35671D8570	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	
 Moderate Impact		ENGAGEMENT OBJECTIVE 1 Disclosure of a biodiversity management strategy Achieved ENGAGEMENT OBJECTIVE 2 Commitment to international conventions on protected areas Raised Awareness ENGAGEMENT OBJECTIVE 3 Transparency on disturbance and rehabilitation N/A	
ENGAGEMENT TIMELINE			
ACTION		DATE	
Company response		15 September 2023	
<p>QUARTERLY SUMMARY OF INTERACTIONS</p> <p>After the engagement outlook communication was sent in Q2, the company responded on 15 September. A follow-up enquiry is scheduled for Q4.</p> <p>QUARTERLY SUMMARY OF OBSERVATIONS</p> <p>ISS ESG's underlying data shows that while the company has progressed during this engagement cycle, it has not done in the latest six-monthly data check.</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 the public disclosure of a policy regarding operating in protected areas.</p>			



MP Materials Corp.		ISIN US5533681012	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	
 Low Impact		ENGAGEMENT OBJECTIVE 1 Disclosure of a biodiversity management strategy Raised Awareness ENGAGEMENT OBJECTIVE 2 Commitment to international conventions on protected areas Raised Awareness ENGAGEMENT OBJECTIVE 3 Transparency on disturbance and rehabilitation Raised Awareness	
ENGAGEMENT TIMELINE			
ACTION		DATE	
Friendly reminder		17 July 2023	
Company response		17 July 2023	
Clarification enquiry		25 July 2023	
Friendly reminder		16 August 2023	
Engagement outlook communication		12 September 2023	
<p>QUARTERLY SUMMARY OF INTERACTIONS</p> <p>As the company remained unresponsive to the follow-up enquiry sent in Q2, ISS ESG sent a friendly reminder on 17 July. The company responded on the same day, providing a written response to the questions posed. ISS ESG sent a clarification enquiry on 25 July, and a friendly reminder on 16 August. ISS ESG sent an engagement outlook communication on 12 September, and a follow-up enquiry is scheduled for Q1 2024.</p> <p>QUARTERLY SUMMARY OF OBSERVATIONS</p> <p>In its 17 July response, the company stated that its Reclamation and Vegetation Plan was established pursuant to the Surface Mining and Reclamation Act (SMARA) guidelines, and was approved by both the San Bernardino County and the California Department of Conservation Division of Mine Reclamation. The company also stated that the State Water Resources Control Board requires and enforces vegetation-cover standards for multiple impoundments and other structures at the Mountain Pass site, and that it generally goes beyond regulatory requirements for such plans, which are produced in conjunction with</p>			




third-party experts. The company also shared a link to its recently-published 2022 ESG Report, explaining that it contains significantly more data than the previous iteration, and highlighted several pages that contain information relevant to the company's SMARA inspections, its recent activity, plans and potential disturbance, and areas of land that will be subject to survey as the company expands. The company stated that it does not know if it has future plans to disclose further details such as total land disturbed and rehabilitated, and confirmed that it does not operate in areas of particular importance for biodiversity.

ISS ESG's underlying data shows that the company has not progressed since the beginning of the engagement cycle.

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 the 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.



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 SUCCESS  Low Impact		ENGAGEMENT OBJECTIVE 1 Disclosure of a biodiversity management strategy Raised Awareness ENGAGEMENT OBJECTIVE 2 Commitment to international conventions on protected areas Raised Awareness ENGAGEMENT OBJECTIVE 3 Transparency on disturbance and rehabilitation N/A	
ENGAGEMENT TIMELINE			
ACTION		DATE	
Clarification enquiry		07 July 2023	
Company response		20 July 2023	
Engagement outlook communication		27 July 2023	
QUARTERLY SUMMARY OF INTERACTIONS After the company’s response to the follow-up enquiry in Q2, ISS ESG sent a clarification enquiry on 7 July. The company provided a written response to the questions posed on 20 July, and an engagement outlook communication was sent on 27 July. A follow-up enquiry is scheduled for Q1 2024.			
QUARTERLY SUMMARY OF OBSERVATIONS In its 20 July response, the company explained that it recognises the mitigation hierarchy in its environment management and risk management system, but that it is not clearly systemised. The company shared an example of how it applies mitigation principles, where it seeks to refrain from discharging harmful materials in order to reduce negative impacts on the environment. In relation to operating in protected areas, the company stated that it does not currently have a clear plan to launch new projects in areas of importance for biodiversity, and is not able to provide a timeline for implementing			




policies for protected areas. The company explained that mining businesses need to develop at scale, and that this can have a big impact on local communities and environments. The company stated that it is important to maintain a social license to operate – both regarding the environment and reducing negative impacts, and engaging with local stakeholders.

ISS ESG's underlying data shows that the company has not progressed since the beginning of the engagement cycle.

The engagement dialogue going forward will focus on outstanding points such as the 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.



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 SUCCESS  Low Impact		ENGAGEMENT OBJECTIVE 1 Disclosure of a biodiversity management strategy Raised Awareness ENGAGEMENT OBJECTIVE 2 Commitment to international conventions on protected areas Raised Awareness ENGAGEMENT OBJECTIVE 3 Transparency on disturbance and rehabilitation Raised Awareness	
ENGAGEMENT TIMELINE			
ACTION		DATE	
Engagement meeting		17 August 2023	
Engagement outlook communication		13 September 2023	
QUARTERLY SUMMARY OF INTERACTIONS			
<p>After the company confirmed in Q2 its willingness to participate in the engagement dialogue, a meeting was held on 17 August. An engagement outlook communication was sent on 13 September, and a follow-up enquiry is scheduled for Q1 2024.</p>			
QUARTERLY SUMMARY OF OBSERVATIONS			
<p>In the 17 August engagement call, the company shared information regarding its biodiversity strategy which seeks to apply the mitigation hierarchy of Avoidance, Minimisation, Restoration and Offsets. The company explained that it seeks to replant species of high biodiversity value and restore degraded land as part of its Restoration efforts, and as part of its Compensation activities it offsets negative impacts. The company highlighted some tools leveraged in its risk assessments, such as remote sensing and geographical information systems, and shared some examples of where it has worked with other</p>			



stakeholders including NGOs, local communities and conservation agencies. The company stated that it seeks to monitor sites regularly in order to understand species, and explained that each site has online environmental monitoring systems which are regulated by a third party. Additionally, the company stated that its monitoring reports are shared with the government, and data is verified by an Australian third party named Commonwealth Scientific and Industrial Research Organisation. In relation to international conventions around protected areas, the company mentioned its alignment with the Kunming Declaration and the Kunming-Montreal Global Biodiversity Framework, in addition to the Convention on Biological Diversity and the Convention on Wetlands. Regarding disclosure around the rehabilitation of mines, the company stated that it currently published the area of vegetation restored and the number of trees planted, and that it will continue expanding its public reporting. In addition, the company stated that its next ESG report would be published in April 2024, and explained that it is seeking to make more information publicly available, with each project site already required to publish reports for various stakeholders.

ISS ESG's underlying data shows that the company has not progressed since the beginning of the engagement cycle.

The engagement dialogue going forward will focus on outstanding points such as the 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.



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