

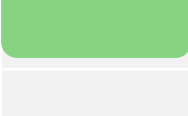

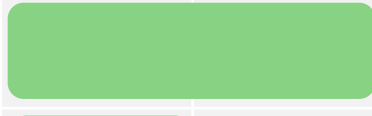





Our Engagement (1/4)

Theme	Company	Request	Explanation	Request acknowledged	Request addressed	Request met
Biodiversity	Amazon	Adopt a supply chain deforestation policy.	From Amazon's high-risk commodity commitments only Amazon's beef commitment references deforestation but does not specifically commit to eliminate deforestation related to beef.			
Biodiversity	Novozymes	Disclose Novozymes' forest related data in the CDP Forest questionnaire.	We see biodiversity related disclosures in the form of the Carbon Disclosure Project questionnaire as relevant for Novozymes.			
Biodiversity	Sekisui House	Have the origin information of the purchased wood verified by a third party.	Today, Sekisui House suppliers provide the company with origin information. However, origin information should be third party verified to be reliable.			
Biodiversity	Unilever	Report Unilever's cattle-related deforestation data and progress through the CDP Forest Questionnaire.	Unilever is currently not reporting cattle related deforestation data through the CDP Forest Questionnaire even though 13% of Unilever's revenues are currently derived from the sub-sector "Dairy Product Production".			
Climate	ABB	Increase the ambition of your Science Based Targets Initiative (SBTi) target.	At the beginning of 2023, the scope 1 & 2 target of ABB was ambitious: 80% reduction until 2030. However, the scope 3 target was unambitious: 15% reduction by 2030. The Scope 3 target has since been updated.			
Climate	ABB	Align future environmental KPIs that are linked to long term remuneration of management with your SBTi target.	ABB publishes transparent and measurable climate KPIs with clear targets for the long-term incentive plans. However, the climate targets were only based on scope 1 and 2 emissions, even though 99% of ABB's emissions are related to scope 3.			
Climate	Amazon	Report on emissions according to the Greenhouse Gas Protocol standard.	Amazon only reports scope 3 emissions for their own brand products not for other products the company sells through its platform. According to the Greenhouse Gas Protocol a company is responsible for the value chain emissions of all products sold.			
Climate	Amazon	Set science-based greenhouse gas emissions reduction targets for all your scope 3 emissions.	Amazon co-created the Climate Pledge where companies commit to reach net zero for the whole value chain by 2040. However, by only including a small part of Amazon's scope 3 emissions the company negatively effects its own as well as the Climate Pledge's reputation.			
Climate	ASML Holdings	Set an absolute GHG reduction target for 2030.	ASML is a leader in Climate Transition, including transparent and relevant connection of Climate targets with management remuneration. However, ASML only set a product energy efficiency target, but no absolute Scope 3 emissions reduction target. It is best practice to set an absolute emission reduction target as well.			


Our Engagement (2/4)

Theme	Company	Request	Explanation	Request acknowledged	Request addressed	Request met
Climate	Best Buy	Publish a credible 1.5°C-aligned Climate Transition Plan.	Several gaps in Best Buys disclosures were identified with the most relevant ones being related to its decarbonization measure, climate governance, and policy engagement.			
Climate	Jones Lang Lasalle	Have your Scope 3 emission disclosure verified by a third party.	Currently only Scope 1 and 2 emissions are third party verified, even though third-party verification of all Scopes is best practice.			
Climate	Jones Lang Lasalle	Report on measures to reduce your "Use of Sold Products" emissions, aligned with your 2030 emission reduction target.	JLL's clients' emissions (from the buildings they manage) make up 98% of total emissions, but their description of measures to address those lack detail.			
Climate	Jones Lang Lasalle	Connect your 2030 SBTi target with your long-term management remuneration and transparently communicate its weight and the conditions that must be met for payment.	Climate is a highly material issue for JLL. Connecting climate targets with management remuneration in a transparent manner with quantifiable KPIs is best practice.			
Climate	Panasonic	Define a product energy efficiency target in line with your 2031 "Use of Sold Products" target.	"Use of Sold Products" emission reduction can result from different developments. They can be a consequence of increased energy efficiency of products sold by Panasonic. However, they can also occur due to other circumstances not influenced by Panasonic, most notably by a decrease in the electricity emission intensity in the markets where Panasonic is active in. Therefore, an energy efficiency target would help investors assess how Panasonic aims to contribute to achieving its Use of Sold Products target.			
Climate	Panasonic	Connect Panasonic 2031 climate target to at least one senior executive's long-term remuneration program and transparently communicate its weight and the conditions that must be met for payment.	Panasonic's annual report 2022 states that it includes environmental contributions in addition to financial indicators to determine the performance-based compensation of Panasonic's management. However, it is not transparently disclosed how environmental considerations are factored in. It is best practice to connect remuneration arrangements to a climate related KPI, that is concrete and measurable.			
Climate	Procter & Gamble	Transparent communication of measurable KPIs that form part of the STAR award remuneration including their weight and specific targets that must be met for payment.	Procter & Gamble includes an ESG factor for its management remuneration. However, the KPIs that make up the ESG factor are not communicated in a transparent manner.			

Our Engagement (3/4)

Theme	Company	Request	Explanation	Request acknowledged	Request addressed	Request met
Climate	Sekisui House	Address your "Purchased Goods and Services" emissions by reducing the use of carbon-intensive materials.	While "Use of Sold Products" emissions have decreased, Sekisui House's "Purchased Goods and Services" emissions are increasing. They make up 35% of Sekisui House's total emissions. Those emissions are addressed through supplier engagement. Sekisui House has also reduced the use of steel, the use of cement cannot be reduced due to Japanese earthquake regulations.	Milestone met		
Climate	Sprouts Farmers Market	Submit the CDP Climate Questionnaire.	Submitting the CDP Climate Questionnaire is best practice: more than 23'000 companies have submitted environmental data through CDP in 2023. The standardized questions and data inputs allow for an objective comparison between companies that is not possible with the limited and non-standardized information found in ESG reports.			
Climate	Sprouts Farmers Market	Report on Scope 3 purchased goods and services emissions.	As a food retailer the most material GHG emissions stem from Scope 3, category 1, purchased goods and services and occur at the beginning of the value chain. Incorporating those emissions into the GHG reporting is essential.			
Climate	Sprouts Farmers Market	Set a target to reduce Scope 3 purchased goods and services emissions.	Through product placement, marketing, discounts, and other strategies food retailers have significant influence over consumers' choices. This is a food retailers' biggest lever to reduce emissions. It is thus important for food retailers to accept this responsibility and to lead consumers to more environmentally friendly choices.			
Climate	Trane Technologies	Publish the energy efficiency of your main product categories.	Information about energy efficiency and improvements thereof are more useful to investors than absolute emission reductions.	Milestone met		
Climate	Trane Technologies	Disclose which ESG-KPIs are part of the ESG Modifier (part of management remuneration), the weight each of the ESG-KPIs receives and what conditions must be met for payment.	It is unclear what weight climate performance receives in the "ESG Modifier", and which climate KPI must be met for payment.	Milestone met		
Climate	Trane Technologies	Set an absolute Scope 3 GHG reduction target for 2030.	Trane Technology's SBTi target is an intensity target. In addition, they should publish an absolute target that can help investors assess what real-world emission reductions can be expected.	Milestone met		
Climate	Vertiv	Report on Scope 3 Purchased Goods and Services and Scope 3 Use of Sold Product emissions.	According to MSCI Estimates scope 3 emissions make up 92% of Vertiv Holding's total emissions. Thereof, the two most relevant emission categories are Category 1, Purchased Goods and Services (70% of scope 3 emissions), and Category 2, Use of Sold Products (20% of scope 3 emissions).	Milestone met		

Our Engagement (4/4)

Theme	Company	Request	Explanation	Request acknowledged	Request addressed	Request met
Climate	Vertiv	Set a science-based GHG emission reduction target and have it verified by the Science Based Targets Initiative.	Having climate targets verified by SBTi is best practice. To date, more than 6000 companies have had their climate targets verified by SBTi.			
Climate & Biodiversity	Unilever	Align climate and nature KPIs of the Sustainability Progress Index (part of the Performance Share Plan) with Unilever's company targets.	Panasonics annual report 2022 states that it includes environmental contributions in addition to financial indicators to determine the performance-based compensation of Panasonic's management. However, it is not transparently disclosed how environmental considerations are factored in. It is best practice to connect remuneration arrangements to a climate related KPI, that is concrete and measurable.			
Nutrition	Unilever	Keep reporting on food waste and nutrition-related objectives.	An analysis by Planet Tracker questions if progress on food waste and nutrition targets will still be disclosed transparently in the future . At Globalance we see both topics as essential for Unilever's sustainability roadmap and encourage the company to keep disclosing on the progress of those targets.	