

# Engagement Report

as at May 2024

## 2018:

Since August: Supporting the New Plastics Economy of the **Ellen Mac Arthur Foundation**.

September: ESG Portfolio Management becomes **UN PRI Signatory**.

October: Christoph Klein becomes member of the **DVFA Sustainable Investing Commission**.

## 2019:

January: ESG Portfolio Management becomes **FNG member**.

Since February: Discussions with **KfW** to achieve a better SDG assessment by relevant ESG rating agencies. As we have seen little progress, despite good communication, we sold our positions.

Since February: Signatory of the **Montreal Carbon Pledge**.

February: ESG Portfolio Management becomes **CDP investor signatory**.

March: Co-Signatory of open letter to index providers on **controversial weapon exclusions** (lead signatory: Swiss Sustainable Finance).

Since March: supporting the **tailing dam disclosure initiative** of the Church of England (pension board).

Since April: member of the UN PRI initiative **responsible sourcing of cobalt** (subgroup: engaging with Infineon).

April – July: Applying for the **FNG designation** for sustainable funds. In November our funds (SDG Evolution Flexibel and Mayence Fair Value Bond Fonds) received the designation with three starts each (the maximum award).

May: Asking **Vonovia** to comment on high rental costs and price increases. Despite good communication and progress **we sold our positions** given Vonovia's average ESG rating.

May: Demanding **Deutsche Post** to use less sub-contractors as working conditions and service quality in the parcel distribution worsen. As we received no response, we **voted against the management and sold all positions**.

Since July: Asking **Kellogg Co.** to develop and publish a packaging strategy to reduce the usage of plastic. As we got no response, we **started a PRI collaboration**. Several investors are supporting us (total AuM ca. USD 60 bn). After several internal discussions we conducted a conference call with Kellogg Co. in March and November 2020. Kelloggs' head of sustainability and IR experts attended. We **will continue with this engagement**.

Since July: Asking **Alstom** (high ESG and SDG quality) to issue a new bond. After good communication with the management, we got a decent allocation and our desired maturity when Alstom issued at October 8<sup>th</sup> 2019.

September: We asked **Orsted** to end the usage of coal plants. The communication was helpful but the last closure will happen in several years. **We sold our positions**.

October: We asked **Iberdrola** to end the usage of nuclear plants. The communication was helpful but the last closure will happen in 2035. As we have a 0% power generation from nuclear policy we **cannot invest here**.

November: We **joined the CA100+** initiative asking the most relevant companies to work harder to reduce CO2 emissions.

December: We asked **DS Smith** to use less water and to perform more recycling. We are waiting for response and will contact again.

December: We asked **General Mills** to use less palm oil, beef and plastic packaging. We are waiting for response and will contact again.

December: We asked **Henkel** to use less palm oil and plastic packaging and to improve the disclosure on raw material sourcing. We started a constructive dialogue.

December: We asked **Deutsche Lichtmiete AG** to improve the disclosure on ESG and SDG and to achieve an MSCI ESG rating. After good communication with the company we are optimistic. In end of 2020 we are still waiting.

December: We asked **Hylea AG** to improve the disclosure on ESG and SDG and to achieve an MSCI ESG rating. After good communication with the company we are optimistic we continue the dialogue.

December 2019: We asked **Mowi ASA** to use less water and to perform more water recycling. In January 2020 Mowi issued a green bond to finance a water recycling plant. We happily bought this bond for both funds.

December: We asked **Vestas** to sell more products into EM to generate more positive impact globally. After good communication we are optimistic.

December: We asked **Icade** to invest more in green buildings and to reduce CO2 emissions of their existing property. As we did not receive a response, we **sold our entire positions**.

December: We asked **EIB** to achieve a better SDG assessment by relevant ESG rating agencies. We got little response and **sold our holdings**.

## **2020:**

February: We asked **Hylea** again to improve the communication and to get an ESG rating. Subsequently we **reduced our positions**.

March: We asked **Frosta AG** to get an ESG Rating. As the CEO strictly refused we **did not invest**, although we like the company and the sustainable products. As the CEO is the major shareholder we do not expect any change.

March: We asked **Abo Wind** to get an ESG Rating and to improve their report regarding ESG KPIs and SDG impact. We did not receive sufficient feedback, **voted against the management and sold all shares**.

April – July: Applying for the **FNG label** for sustainable funds. In November our funds (SDG Evolution Flexibel and Mayence Fair Value Bond Fonds) received the designation with three stars each (the maximum award).

June: As **Hylea** did not respond to our questions, we sold all positions.

September: We had our second PRI collaboration call with **Kellogg Co.** Kelloggs explained their updated plastic reduction plans, search for alternative materials and their cooperation with recycling companies. We will continue with this intensive and constructive engagement.

September: We asked **Henkel** to use 100% recycled paper for their packaging. Furthermore, we asked to reduce GHG emissions to meet the Paris targets.

Since September: Christoph Klein teaches **ESG seminars for Moody's Analytics**.

October: We asked **Alstom** to reduce GHG emissions to meet the Paris targets.

October: We asked **General Mills** to reduce the usage of palm oil, beef and plastic packaging. Also, to limit GHG emissions further to meet the Paris targets.

October: We asked **Schneider Electric** to reduce GHG emissions further to meet the Paris targets.

October: We asked **Sims Ltd.** to reduce GHG emissions further to meet the Paris targets and to issue a Green Bond.

November: Christoph Klein is elected to the **CFA ESG Technical Committee**

November: We participated in a PRI Collaboration Engagement call with **Mondi**. We asked Mondi to reduce plastic packaging further.

December: We asked **Vestas** to increase the share of female directors closer to 50%. As we did not receive any response and detected controversies regarding labour management and human rights, we **sold the entire positions in all funds**.

December: We asked **Scatec Solar** to enhance business ethics and practices in appointing a responsible board member and to perform regular audits in this field. We also asked for improving their whistleblower programme and employee training.

December: We asked **Mowi ASA** to reduce water stress further and to actively report about the progress in this dimension.

## **2021:**

January: We asked **Svensca Cellulosa AB** to reduce their carbon emissions further to become Paris 1.75 aligned.

January: We asked **Bell Food** to reduce their carbon emissions further to become Paris 1.75 aligned. We also asked them to reduce plastic packaging and to reduce the consumption of fresh water by actively using alternative sources.

January: We asked **Orkla ASA** to improve their product safety and quality standards and to reduce their carbon emissions further.

January: We asked **Lundbeck A/S** to improve their ethical standards, whistleblower protection and employee training and also to grow more in developing countries to increase the access to healthcare.

January: We asked **Rockwool A/S** to reduce GHG emissions. We also asked them to reduce toxic emissions and waste as much as possible. Furthermore, we asked to improve corporate governance and labour management practices.

January: We asked **Gecina SA** to improve their labour management practices and to reduce GHG emissions further to become Paris 1.75 aligned.

January: We asked **BNP Paribas SA** to improve their human capital development and to enhance access to finance in developing countries. Furthermore, we asked for strategies and investments in technology to detect potential indirect exposure to modern slavery.

February: We asked **Atos SE** to reduce their exposure to the weapons industry and to reduce GHG emissions further to become Paris 1.75 aligned.

February: We asked **7C Solarparken** to get a coverage by IMUG, MSCI ESG and right. based on science.

February: We asked **Gilead Sciences** to improve their product safety and quality standards and to reduce their carbon emissions further to become Paris 1.75 aligned.

February: We asked **General Mills** again to use less palm oil, beef and plastic packaging. We are still waiting for a response and are now considering to sell.

February: We asked **Xylem** to further reduce their emissions to make them compatible with the Paris 1.75 degree target and to increase their commitment to biodiversity.

February: We asked **Edwards Lifescience** to raise their product quality and safety standards and further reduce GHG emissions to be compatible with the Paris 1.75 degree target.

February: We asked **Nextbike** to provide more sustainability data and obtain ESG ratings. We received a constructive response on strategies and targets.

February: We asked **Telia** to further reduce its emissions to make it compatible with the Paris 1.75 degree target and to increase data security.

February: We asked **Close Brothers** to increase its SDG impact and strengthen its commitment to biodiversity.

February: We asked **Adidas** to explain possible controversies on child labour and animal welfare (furs). We are still waiting for a response and are now considering a sale.

February: We asked **Huntington** to sign the Equator Principles and to offer more financing in developing countries.

February: We asked **Red Electrica** to further reduce its emissions to be compatible with the Paris 1.75 degree target. We also asked for better protection of whistleblowers.

March: We asked **AcadeMedia** to further reduce their emissions to be compliant with the Paris 1.75 degree target.

March: We have asked **FCR Immobilien** to build more energy-efficient student housing. However, their focus is on commercial buildings in small towns. We are reviewing the SDG Impact.

March: We asked **Alliander** to further reduce their emissions to be compatible with the Paris 1.75 degree target. We also asked them to reduce or eliminate waste.

March: We asked **Givaudan** to increase diversity on its Board of Directors and Supervisory Board and to improve safety standards in the handling of chemicals.

March: We asked **ASML** to increase diversity on its Board of Directors and Supervisory Board.

March: We asked **IBM** to improve workforce planning and employee training, as mass layoffs have had a negative impact on employee satisfaction. March: We asked **Signify** to seek and exploit more opportunities in cleantech.

March: We asked **Wolters Kluwer** to further reduce its emissions to align with the Paris 1.75 degree target.

April: We asked **NVIDIA** to increase the proportion of females on the board of directors and the supervisory board.

April: We joined an engagement call with **Mondi**, to understand their circular solutions strategy and to analyse their carbon emission reductions.

May: We asked **7C Solarparken** to improve their sustainability reporting and to present evidence that none of their suppliers of solar panels is conflicting with UN global compact. The company's management was not interested and **we immediately sold our entire position.**



May: We asked **Scatec ASA** to present evidence that none of their suppliers of solar panels is conflicting with UN global compact. Scatec presented policies and actions. We remain invested.

June: We asked **AcadeMedia** to reduce GHG emissions further and to issue a green bond to finance suitable projects. We received a constructive response.

July: We asked **Vestas** to give us an update on the Lake Turkana (Kenya) controversy. We suggested to pay a compensation.

July: We asked **DS Smith** to reduce climate risks and GHG emissions further. We received an update on their progress including their latest Sustainability Report and TCFD disclosure.

September: We have asked **FCR Immobilien** again to provide more energy efficient student and social housing.

September: We asked **Kellogg Co.** for updated data on their plastic reduction, usage of alternative, degradable packaging and progress and recycling.

October: We asked **Scatec ASA** to invest in more advanced economies to reduce their overall financial and operational risks. Furthermore, we asked for enhanced prudence in future accounting and reporting.

November: We asked **Kellogg Co.** again about progress on the reduction of plastic waste. We like to continue our collaborative engagement initiative. We are waiting for a response.

November: We asked **Stora Enso** to reduce GHG emissions further and also to reduce their exposure to nuclear energy. We started selling our exposure.

December: We asked **Amgen** to reduce product quality risk and to get an ISO 9001 certification.

December: We asked **Elia** to reduce GHG emissions further.

December: We asked **Alstom** to reduce GHG emissions further.

December: We asked **Sims Ltd.** to issue a green bond and enhance safety standards (especially fire protection).

December: We asked **Gecina** to enhance employee satisfaction using annual surveys and effective engagements.

December: We asked **Mowi ASA** to issue a green bond and to reduce GHG emissions and plastic packaging.

December: We asked **Legrand** to enhance employee satisfaction offering more development opportunities.

**2022:**

January: We ask **Bell Food** to make even more efforts to reduce GHG emissions and reduce plastic packaging.

January: We ask **Gecina** to reduce GHG emissions more significantly.

February: We ask **Sims Ltd.** to further reduce GHG emissions.

February: We ask the management of **Scatec ASA** to further reduce GHG emissions and improve human capital management.

February: We again asked **FCR Immobilien** to reduce GHG emissions more significantly and to build more sustainable residential buildings.

February: We ask **IDP Education** to invest more in data security.

February: we ask **Genmab** to reduce toxic waste more significantly.

February: We ask **Gilead** management to improve product safety.

February: We have asked **Sunrun** to improve human capital management.

February: We ask **Chimerix** to improve human capital management.

February: We ask **First Solar** to improve human capital management.

February: We asked **SMA Solar** to reduce toxic waste more significantly.

February: We ask **Antofagasta** to reduce GHG emissions and toxic waste more significantly.

February: We ask **Canfor** management to reduce GHG emissions more significantly and improve occupational safety standards.

March: We ask **Alstom** to reduce GHG emissions more significantly. We like their commitment to use more renewable energy.

May: We ask **Bell Food Group** to use more degradable packaging and reduce the proportion of meat products in its range.

May: We ask **Kerry Group** to reduce packaging.

May: We ask **LEG Immobilien** to strive for sustainable building certificates (e.g. DGNB, QNB, LEED, etc.).



May: On behalf of CDP we asked **Berlin Hyp** to respond to the CDP questionnaire and to measure and deliver the required data. We received first positive feedback.

June: We asked **FCR Immobilien AG** to measure and report PAIs.

June: We asked **Orsted** (again) to close their last coal power plant. It will happen during 2023.

July: We ask **Nvidia** to do more additional due diligence to make sure the chips are not used to aid in human rights violations. Furthermore, Graphics Processing Units (GPUs) consume a substantial amount of power, and because they also run hot, even more power is required to keep them within operational temperature limits. They also use up a lot of electricity when idle but "on". We recommend that the company should look into developing an automation system that switches idle GPUs into sleep/ shutdown mode. This is in an effort to reduce NVIDIA's scope 3 carbon emissions significantly.

July: We ask **Close Brothers** to do more to developed further sustainability-related products. We recommend that the bank prioritize marketing its property finance to environmentally conscious property developers, in addition to offering sustainability consulting services to existing clients aimed at developing sustainable solutions for their business needs. The bank could offer better insurance coverage for clients who opt to upgrade or convert their vehicles to be emissions compliant as Clean Air Zones and Low Emissions Zones are being introduced throughout the UK. This would be particularly impactful to industries the bank serves i.e Agriculture, Construction, as well as Transport and Logistics to name a few that are especially carbon-intensive.

July: We contacted **Kellogg Co.** again to complete the final report for our Collaborative Initiative to Reduce Plastic Packaging. The initiative, which has been supported by several investors as well as the Ellen Mac Arthur Foundation and As You Sow, has been successful for a long time. We are waiting for response.

August: We contacted **Close Brothers** again, but got no response. We sold all positions in our funds.

August: We asked **Intel Corporation** to improve the labour conditions and human rights conditions in the entire supply chain when sourcing minerals.

September: **FCR Immobilien** informed us on their sustainable activities like implementing solar panels and building loading stations for electric vehicles. We are waiting for their reporting on relevant PAI data.

October: We asked **First Solar** to reduce GHG emissions within their production process.

October: We asked **Amgen Inc.** to increase the diversity of their board members.

October: We contacted **Edwards Lifesciences** to enhance inhouse quality testing to reduce the number of product recalls.

October: We asked **Elia Group** to reduce GHG emissions a bit faster.

October: We contacted **IBM** to manage the workforce more carefully. Forward-looking staff training could help to avoid or reduce layoffs in periods of restructuring. This should improve staff morale and retention.

## **2023:**

March: We asked **Signify** to reduce CO2 emissions more significantly.

March: We asked **Svenska Cellulosa** to reduce water pollution.

March: We asked **Alstom** to reduce CO2 emissions and improve employee satisfaction.

March: We asked **Essity** to reduce water pollution.

March: We asked **Neoen** to increase employee satisfaction.

March: We asked **Orkla** to significantly reduce the gender pay gap.

March: We asked Advanced Drainage Systems to use more renewable energy.

March: We asked **Bell Food** to significantly reduce its use of plastic.

March: We asked **Genmab** to reduce its toxic waste output.

March: We asked **ITM Power** to reduce CO2 emissions and toxic waste.

ITM Power responded and plans to use more electricity from renewable sources in the future.

March: We asked **First Solar** to improve employee satisfaction.

March: We asked **SMA Solar** to reduce toxic waste.

March: We asked **Sims** to reduce GHG emissions more significantly.

March: We asked **Covivio** to reduce GHG emissions.

March: We asked **FCR Immobilien** to submit PAI data.

FCR expects good values and promised to report transparently in a timely manner.

April: We asked **Neoen** to improve employee satisfaction. We received a helpful response from IR and HR.

November: We asked **Plug Power** to reduce toxic waste.

November: We asked **Grieg Seafood** to use more sustainable packaging and reduce plastic consumption.

November: We asked **Enphase Energy** to further reduce toxic waste emissions.

November: We asked **Plug Power** to further reduce toxic waste emissions.

December: We asked **Orkla** to use more sustainable packaging and reduce plastic consumption.

## **2024:**

January: We asked **Grieg** to strengthen compliance and training to reduce the risk of controversies in the future.

January: We asked **Mowi** to strengthen compliance and education to reduce the risk of controversy in the future.

March: We asked **Umicore** to further reduce toxic waste emissions.

March: We completely sold all positions in **FCR Immobilien** as we lacked the necessary sustainability data.

May: We asked **Enphase** to significantly increase the proportion of women in management and on the Board of Directors.

May: We asked **ONO Pharma** to significantly increase the proportion of women in management and on the Board of Directors.