

2021 Market Update

Capital Allocation, Activism, Governance, and E&S Trends

03 May 2021

Introduction

SquareWell Partners (“SquareWell”) is monitoring the 100 largest companies by market capitalization (as of March 2021) in the US and Europe to identify trends emerging from the 2021 general meeting season. Factors being reviewed include companies’ capital allocation decisions, annual general meeting (“AGM”) results, including shareholder opposition to executive pay and director elections, shareholder activism, and environmental, social, and governance (“ESG”) performance.

This first update covers 29 AGMs that took place until 23 April 2021; a second and third update will be published in late May and early July, respectively. A full list of companies subject to SquareWell’s Review is provided in the Appendix.

Key Takeaways

Based on all AGMs held as of 23 April 2021, SquareWell notes:

- As markets slowly recover from the effects of the COVID-19 crisis, companies are readjusting their dividend policies back to pre-COVID levels. Data for the 100 largest companies in Europe and US shows that **75% have increased their dividend** to be paid out of 2020 earnings compared to 2019.
- **Nine (9) companies have an activist on their register** as of April 2021. These include **Exxon Mobil Corporation** in the US and **GlaxoSmithKline plc** in the UK.
- **25 ESG-related shareholder proposals** went to a vote, of which only one was approved at **Texas Instruments**. Despite the low success rate, SquareWell notes that a number of these shareholder proposals received notable shareholder support (such as those filed at **Siemens AG, Apple Inc.**, and **Bank of America Corp.**)
- All companies allowed remote participation by shareholders, though only six companies saw an increase in shareholder participation. Notably, **19 of the 29 companies saw a decrease in shareholder participation** compared to 2020.
- Eight (8) of the 29 companies saw **at least one agenda item receiving more than 20% opposition**. These include the say-on-pay vote at **Johnson & Johnson** and the capital increase proposal at **ABB Ltd**.
- A total of 11 companies had **at least one director with 10% or more opposition**, with the most common rationale for opposition being the number of external mandates held by the director.
- **Seven (7) companies saw at least 10% opposition to their pay-related items** due to pay-for-performance disconnects, inappropriate use of discretion, and/or poor disclosure.
- With the increased attention to ESG practices and disclosures by investors, SquareWell notes increased adoption of global reporting frameworks. However, **only ten (10) of the 29 companies reviewed provide disclosures aligned to both the TCFD recommendations and SASB Standards**.



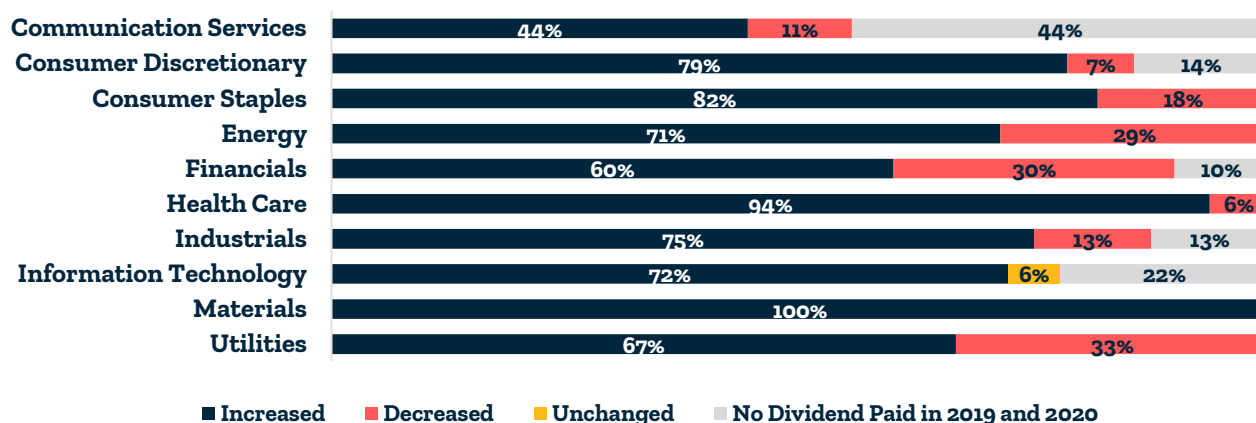
Capital Allocation

2020 saw companies either **scale back or cut their distribution to shareholders** to preserve cash to navigate the COVID-19 crisis. 2021 seems to read a different story, where companies appear to be **returning to their pre-COVID distribution policies**.

SquareWell's analysis shows that compared to 2019, 75% of the companies reviewed have increased their dividend to be paid out of 2020 earnings. Nearly all companies within the Health Care and Materials sectors reviewed increased their dividends; on the other hand, nearly one-third of the companies in the Energy, Financials, and Utilities sectors decreased their dividends

52% and 54% of European and US companies, respectively, **decreased their share buybacks in 2020 compared to 2019**. On average, these companies lowered share buybacks by 62%. Given the recovery in dividend distributions, we can expect companies to slowly resume share repurchases as well.

2020 Dividend Payments Compared to 2019.



Source: SquareWell, FactSet.

Activism & Shareholder Proposals

Hedge Fund Activism

Based on publicly available disclosures, **nine (9) companies within SquareWell's universe currently have an activist on their register**. One campaign to highlight is that at **Exxon Mobil Corporation** where the new activist, Engine No. 1, is criticizing the company's performance and its slow transition away from oil & gas. The activist has put forward four nominees at the upcoming AGM to be held on 26 May 2021. Several US pension funds, including New York State Common Retirement Fund, CalSTRS, and CalPERS, are planning to support Engine No.1 nominees. The Board seat demands from Engine No.1 are in addition to the seats gained by former ValueAct founder Jeff Ubben and Atairos Management's Michael J. Angelakis.

Among European companies, several media outlets have reported that activist hedge fund Elliott Management acquired a stake in UK pharmaceutical company **GlaxoSmithKline plc**, despite no public demands having been made so far by the activist. Although not directly attributed to Elliott's platform, several media sources cited that there may be concerns with GlaxoSmithKline's performance and its leadership.



Table 1. Activist Campaigns

Company	Activist	Demands
Walt Disney Company	Third Point LLC	Capital Allocation
Citigroup Inc.	ValueAct Capital Management	Strategy; Management
GlaxoSmithKline plc	Elliott Management	<i>No publicly disclosed demands</i>
Rio Tinto plc	Odey AM; Pentwater Capital	Corporate Governance
Intel Corporation	Third Point LLC	Strategy; Human Capital
Exxon Mobil Corporation	D. E. Shaw & Co. LP; Engine No. 1	Strategy; Board Representation
Comcast Corporation	Triun Fund Management	<i>No publicly disclosed demands</i>
ABB Ltd.	Cevian Capital	Strategy
Procter & Gamble Company	Triun Fund Management	Strategy; Board Representation

Source: SquareWell, FactSet.

ESG-Related Shareholder Proposals

12 of the companies that held their AGM as of 23 April 2021 received shareholder proposals on either social or governance matters. Surprisingly, none of the companies reviewed for SquareWell's first update received a shareholder proposal relating to the environment.

Only one of the 25 shareholder proposals filed at the 12 companies was approved. At **Texas Instruments Incorporated**, shareholders approved the proposal to allow shareholders to act by written consent. Among the other proposals, only the one filed at **Siemens AG** to allow shareholders to ask questions during the virtual meeting received more than 50% support; the proposal, however, needed a special majority to be approved.

Only four shareholder proposals received a favorable recommendation from both ISS and Glass Lewis, with **ISS recommending for 52% of shareholder proposals, compared to 40% of favorable recommendations by Glass Lewis.**

SquareWell highlights the below shareholder proposals that may be of interest to readers:

- **Walt Disney Company** received a shareholder proposal filed by Mercy Investment asking for a **report on direct and indirect lobbying**. The requested report aims to provide shareholders with increased transparency as to whether Walt Disney's lobbying activities are consistent with its stated goals and the interests of shareholders. The proponent highlights that Walt Disney spent close to \$39 million on lobbying over 2010 - 2019. In response to the proposal, Walt Disney highlighted its existing [policies](#) and [disclosures](#) which it considers to be in line with the shareholder's demand.¹
- Tara Health Foundation filed a similar shareholder proposal at **Pfizer Inc.** asking for increased transparency on Pfizer's **political contributions and policies**. The proponent highlights Pfizer's contributions to support US legislators that have an anti-abortion platform, supporting business networks that aim to rollback climate change-related regulation, etc.. Pfizer responded by stating it already provides sufficient transparency on the matter through the "Pfizer PAC and Corporate Political Contributions Report."²
- **Johnson & Johnson** received a shareholder proposal, filed by Trillium Asset Management, asking it to **conduct an audit of the racial impact** of its "corporate policies, practices, products, and services."³ A similar proposal asking for a racial equity audit was filed by CtW Investment Group at **Bank of America Corporation**,⁴ while Handlery

¹ [The Walt Disney Company, 2021 Proxy Statement, p.71.](#)

² [Pfizer, Inc. 2021 Proxy Statement, p.101.](#)

³ [Johnson & Johnson, 2021 Proxy Statement, p.110.](#)

⁴ [Bank of America Corporation, 2021 Proxy Statement, p.89.](#)



Hotels, Inc. filed a proposal at **Abbott Laboratories** asking for the disclosure of the company's plan to promote racial justice.⁵ To counter the proposals, the boards of the three companies adopted a similar approach, highlighting the steps already taken on racial justice and deeming the requests made by the proposals as unnecessary.

- Activist investor Kenneth Steiner filed shareholder proposals at both **Abbott Laboratories** and **Pfizer Inc.** asking for the **appointment of an independent board chair**.⁶ The same proposal was filed by Trillium Asset Management at **Johnson & Johnson**.⁷ Proponents claimed that appointing an independent chair would best serve the interests of shareholders, by ensuring stronger oversight of management. In response, the companies argued that their board structure already provide effective management oversight through, for example, the presence of a lead independent director.

Table 2. Shareholder Proposals.

Company	Meeting Date	Proposal	ISS Rec	GL Rec	% FOR
Visa Inc.	26-Jan-21	Amend Principles of Executive Compensation Program	AGAINST	AGAINST	5%
	26-Jan-21	Provide Right to Act by Written Consent	FOR	AGAINST	41%
Siemens AG	03-Feb-21	Amend Articles Re: Allow Shareholder Questions during the Virtual Meeting	FOR	FOR	58%
Apple Inc.	23-Feb-21	Proxy Access Amendments	FOR	AGAINST	34%
	23-Feb-21	Improve Principles of Executive Compensation Program	AGAINST	AGAINST	6%
Walt Disney Company	09-Mar-21	Report on Lobbying Payments and Policy	FOR	AGAINST	33%
	09-Mar-21	Adopt a Policy to Include Non-Management Employees as Prospective Director Candidates	AGAINST	AGAINST	6%
Novo Nordisk A/S	25-Mar-21	Initiate Plan for Changed Ownership	AGAINST	AGAINST	0%
Deutsche Telekom AG	01-Apr-21	Amend Articles Re: Shareholders' Right to Participation during the Virtual Meeting	FOR	FOR	46%
Bank of America Corp.	20-Apr-21	Request on Racial Equity Audit	AGAINST	FOR	27%
	20-Apr-21	Provide Right to Act by Written Consent	FOR	AGAINST	27%
	20-Apr-21	Amend Proxy Access Right	FOR	AGAINST	25%
	20-Apr-21	Approve Change in Organizational Form	AGAINST	AGAINST	3%
Coca-Cola Company	20-Apr-21	Report on Sugar and Public Health	AGAINST	AGAINST	9%
Johnson & Johnson	22-Apr-21	Require Independent Board Chair	FOR	FOR	43%
	22-Apr-21	Report on Civil Rights Audit	AGAINST	FOR	34%
	22-Apr-21	Report on Government Financial Support and Access to COVID-19 Vaccines and Therapeutics	FOR	AGAINST	32%
	22-Apr-21	Adopt Policy on Bonus Banking	AGAINST	FOR	23%
Pfizer Inc.	22-Apr-21	Report on Political Contributions and Expenditures	FOR	AGAINST	47%
	22-Apr-21	Report on Access to COVID-19 Products	FOR	AGAINST	28%
	22-Apr-21	Require Independent Board Chair	AGAINST	FOR	37%
Texas Instruments	22-Apr-21	Provide Right to Act by Written Consent	FOR	FOR	78%
Abbott Laboratories	23-Apr-21	Report on Racial Justice	FOR	AGAINST	39%
	23-Apr-21	Report on Lobbying Payments and Policy	AGAINST	FOR	34%
	23-Apr-21	Require Independent Board Chair	AGAINST	FOR	34%

Source: SquareWell, Insightia, ISS.

⁵ [Abbott Laboratories, 2021 Proxy Statement, p.91.](#)

⁶ [Abbott Laboratories, 2021 Proxy Statement, p.95,](#) [Pfizer, Inc. 2021 Proxy Statement, p.97.](#)

⁷ [Johnson & Johnson, 2021 Proxy Statement, p.107.](#)



2021 AGMs

AGM Formats and Participation

In 2020, companies across the world were forced to adapt their AGM format due to COVID-19. In 2021, as restrictions on large gatherings continue to apply, companies will likely be forced to hold shareholder meetings in a virtual format, without the physical presence of shareholders.

As of 23 April 2021, 29 companies held their annual meetings allowing only for the remote participation by shareholders. While all companies put in place mechanisms to allow shareholders to vote remotely, **some companies also ensured the ability of shareholders to ask questions and vote during the live webcast** (such as **Visa Inc.** and **Qualcomm Inc.**).

19 companies saw lower AGM participation in 2021 compared to 2020, while participation increased for six companies. The biggest drop in participation was at Apple Inc., where quorum decreased by six percentage points.

Table 3. 2021 AGM Formats and Participation.

Company	AGM Date	Quorum (2021)	Quorum (2020)	Quorum Trend
Costco Wholesale Corporation	21/01/2021	81%	81%	●
Visa Inc.	26/01/2021	84%	86%	●
Accenture Plc	03/02/2021	79%	81%	●
Siemens AG	03/02/2021	58%	57%	●
Apple Inc.	23/02/2021	79%	84%	●
Orsted	01/03/2021	81%	82%	●
Novartis AG	02/03/2021	60%	59%	●
Walt Disney Company	09/03/2021	82%	83%	●
Qualcomm Inc.	10/03/2021	86%	87%	●
Roche Holding Ltd	16/03/2021	85%	85%	●
Novo Nordisk A/S	25/03/2021	88%	85%	●
ABB Ltd.	25/03/2021	59%	63%	●
Daimler AG	31/03/2021	57%	53%	●
Deutsche Telekom AG	01/04/2021	69%	70%	●
Broadcom Inc.	05/04/2021	89%	92%	●
Airbus SE	14/04/2021	70%	74%	●



LVMH Moet Hennessy Louis Vuitton SE	15/04/2021	84%	86%	●
Nestle S.A.	15/04/2021	80%	80%	●
Christian Dior SE	15/04/2021	98%	99%	●
Bank of America Corp.	20/04/2021	85%	85%	●
Coca-Cola Company	20/04/2021	84%	87%	●
Adobe Inc.	20/04/2021	86%	88%	●
L'Oreal SA	20/04/2021	82%	83%	●
Johnson & Johnson	22/04/2021	83%	85%	●
Pfizer Inc.	22/04/2021	81%	85%	●
Texas Instruments Incorporated	22/04/2021	82%	89%	●
Kering SA	22/04/2021	87%	86%	●
Abbott Laboratories	23/04/2021	88%	89%	●
Sberbank Russia PJSC	23/04/2021	76%	68%	●

● Increased, ● No Change, ● Decreased

Source: SquareWell.

AGM Results

Of the companies that held their AGM as of 23 April 2021, eight (8) received shareholder **opposition of at least 20%** to at least one management-sponsored agenda item. At **ABB Ltd.** for example, a proposal for the increase in authorized capital received just over 71% support, with some investors deeming the request to be “excessive.”

Table 4. Shareholder Opposition of At Least 20%.

Company	Item	% FOR
Siemens AG	Director Election	77%
ABB Ltd.	Capital Increase	71%
Deutsche Telekom AG	Remuneration Policy	73%
Broadcom Inc.	Amendment to Stock Incentive Plan	76%
LVMH Moet Hennessy Louis Vuitton SE	Remuneration Policy	78%
Nestle S.A.	Director Election	62%
Johnson & Johnson	Say-on-Pay	57%
Abbott Laboratories	Director Election	78%

Source: SquareWell.



Director Elections

Director election proposals received notable dissent at **Costco Wholesale Corporation**, **Accenture Plc**, **Siemens AG**, **ABB Ltd.**, **Airbus SE**, **LVMH Moet Hennessy Louis Vuitton SE**, and **Nestle S.A.** At each of these companies, the lowest supported director received at least 10%, with the most common reason for opposition relating to the **director's external commitments**.

Table 5. Director Election Proposals.

Company	Director Election Vote (2021 AGM)	Reasons for Opposition
Costco Wholesale Corporation	90%	Tenure
Accenture Plc	86%	Overboarding
Siemens AG	77%	Overboarding
Novartis AG	89%	Overboarding
ABB Ltd.	82%	Overboarding
Airbus SE	84%	Overboarding
LVMH Moet Hennessy Louis Vuitton SE	80%	Overboarding
Nestle S.A.	62%	Overboarding; Attendance
Coca-Cola Company	86%	Overboarding; Tenure
Johnson & Johnson	89%	Overboarding
Abbott Laboratories	78%	Overboarding

Source: SquareWell.

Pay-Related Items

With respect to **pay-related proposals**, seven (7) companies receive at least 10% opposition.

- “**Say-on-pay**” proposals (or approval of remuneration reports in Europe): **Walt Disney Company**'s proposal received only 68.5% support mainly due to the board's poor response to year-on-year shareholder dissent on pay. **Johnson & Johnson**'s “say-on-pay” also received notable opposition due to the pay increase granted to the CEO despite the legal costs faced by the Company as a result of its role in the opioid crisis.
- Looking at **remuneration policy** proposals (which come to a vote in Europe), only **Deutsche Telekom AG** and **LVMH** received opposition of more than 10%.

Based on available investor voting rationales in 2021, the main concerns by investors raised include:

- Pay-for-performance disconnect;
- Pay Quantum;
- Inappropriate use of discretion (including one-off awards);
- Rigor of performance targets set and length of performance period;
- Poor disclosure surrounding bonus payments (retrospective disclosure); and
- Generous pay packages for to new executives (in comparison to their predecessor).



Table 6. Say on Pay / Remuneration Report Proposals (At Least 10% Opposition In 2021).

Company	Say on Pay / Remuneration Report (2021)	Say on Pay / Remuneration Report (2020)	Rationale for Opposition (2021)
Walt Disney Company	69%	54%	Lack of responsiveness to shareholder dissent; Rigor of performance targets
LVMH	83%	86%	Poor disclosure; Rigor of performance targets
Nestle S.A.	87%	90%	Pay-for-Performance Concerns
Adobe Inc.	88%	93%	Vesting below median performance; Excessive Severance Payments; Poor Disclosure
Johnson & Johnson	57%	93%	ESG Controversy
Texas Instruments Incorporated	88%	91%	Pay-for-Performance Concerns

Source: SquareWell.

Table 7. Remuneration Policy Proposals (At Least 10% Opposition In 2021).

Company	Remuneration Policy (2021)	Rationale for Opposition (2021)
Deutsche Telekom AG	73%	One-Off Award
LVMH	78%	Poor Disclosure; Severance Payments

Source: SquareWell.

ESG Reporting & Performance

Investor demands for increased transparency on companies' ESG performance – and climate change in particular – are continuously increasing. SquareWell reviewed the disclosure practices of the top European and US companies against the **Task Force on Climate-Related Financial Disclosure (TCFD)**, the **Sustainability Accounting Standards Board (SASB)**, and whether they provide disclosures to **CDP**.

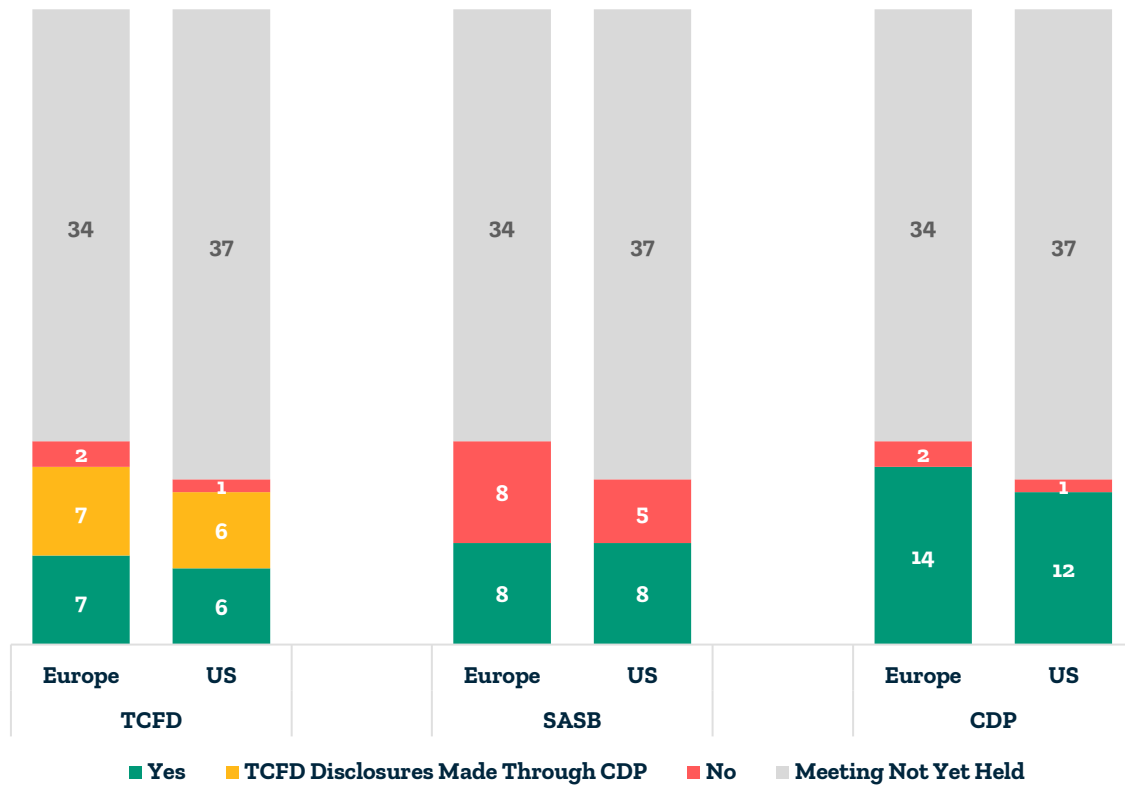
TCFD is becoming the de facto basis for climate-related reporting, with a recent review by SquareWell showing that **29 out of the 30 world's largest asset managers by AUM supporting the TCFD framework**. Among the companies reviewed, seven and six European and US companies, respectively provide TCFD-aligned disclosures in their reporting, while the same number of companies report TCFD-related information as part of their responses to CDP.

SquareWell's review shows that the adoption of **SASB among European companies is growing**, despite being originally considered as an initiative more popular with US companies. Of the European companies reviewed so far, 50% provide disclosures aligned to SASB Standards by providing a GRI-SASB content index.

Only ten (10) companies out of 29 reviewed with AGMs as of 23 April 2021, provide disclosures aligned to both the TCFD recommendations and SASB Standards, in addition to having provided responses to the CDP's climate change questionnaire. These include **Siemens AG** and **Novartis AG** in Europe, and **Apple Inc.** and **Pfizer Inc.** in the US.



ESG Reporting & Initiatives at Top European and US Companies (AGMs Held as of 23 April 2021)



Source: SquareWell, CDP.

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Appendix

Table 8. Top 50 US Companies by Market Capitalization (As of March 2021).

Company	Market Cap ('000)	Country	GICS Sector	Price % Chg - 2020	Ownership Category
Apple Inc.	\$2,037,907	US	Information Technology	81%	Widely Held
Microsoft Corporation	\$1,774,231	US	Information Technology	41%	Widely Held
Amazon.com, Inc.	\$1,548,829	US	Consumer Discretionary	76%	Principal Shareholder
Alphabet Inc.	\$1,288,685	US	Communication Services	31%	Controlled
Facebook, Inc.	\$699,553	US	Communication Services	33%	Controlled
Berkshire Hathaway Inc.	\$596,031	US	Financials	2%	Controlled
Tesla Inc	\$586,749	US	Consumer Discretionary	743%	Principal Shareholder
JPMorgan Chase & Co.	\$465,904	US	Financials	-9%	Widely Held
Johnson & Johnson	\$437,135	US	Health Care	8%	Widely Held
Walmart Inc.	\$385,009	US	Consumer Staples	21%	Controlled
Visa Inc.	\$363,833	US	Information Technology	16%	Widely Held
UnitedHealth Group Incorporated	\$358,333	US	Health Care	19%	Widely Held
Mastercard Incorporated	\$357,520	US	Information Technology	20%	Principal Shareholder
Procter & Gamble Company	\$338,763	US	Consumer Staples	11%	Widely Held
Walt Disney Company	\$335,552	US	Communication Services	25%	Widely Held
Bank of America Corp.	\$330,737	US	Financials	-14%	Principal Shareholder
Home Depot, Inc.	\$325,490	US	Consumer Discretionary	22%	Widely Held
NVIDIA Corporation	\$321,117	US	Information Technology	122%	Widely Held
PayPal Holdings Inc	\$276,011	US	Information Technology	117%	Widely Held
Intel Corporation	\$261,999	US	Information Technology	-17%	Widely Held
Comcast Corporation	\$252,285	US	Communication Services	17%	Controlled
Verizon Communications Inc.	\$243,447	US	Communication Services	-4%	Widely Held
Exxon Mobil Corporation	\$243,002	US	Energy	-41%	Widely Held
Coca-Cola Company	\$232,056	US	Consumer Staples	-1%	Widely Held
Netflix, Inc.	\$227,626	US	Communication Services	67%	Widely Held
Adobe Inc.	\$224,957	US	Information Technology	52%	Widely Held
Cisco Systems, Inc.	\$221,728	US	Information Technology	-7%	Widely Held
AT&T Inc.	\$218,151	US	Communication Services	-26%	Widely Held
Abbott Laboratories	\$216,534	US	Health Care	26%	Widely Held
Chevron Corporation	\$205,968	US	Energy	-30%	Widely Held
Oracle Corporation	\$205,106	US	Information Technology	22%	Controlled
Pfizer Inc.	\$204,272	US	Health Care	-1%	Widely Held
PepsiCo, Inc.	\$199,845	US	Consumer Staples	9%	Widely Held
Merck & Co., Inc.	\$198,124	US	Health Care	-10%	Widely Held
salesforce.com, inc.	\$194,119	US	Information Technology	37%	Principal Shareholder
Broadcom Inc.	\$192,972	US	Information Technology	39%	Principal Shareholder
AbbVie, Inc.	\$188,360	US	Health Care	21%	Widely Held
Thermo Fisher Scientific Inc.	\$180,582	US	Health Care	43%	Widely Held
Eli Lilly and Company	\$178,593	US	Health Care	28%	Principal Shareholder
Texas Instruments Incorporated	\$171,846	US	Information Technology	28%	Widely Held
NIKE, Inc.	\$169,730	US	Consumer Discretionary	40%	Controlled
McDonald's Corporation	\$169,506	US	Consumer Discretionary	9%	Widely Held
Danaher Corporation	\$161,781	US	Health Care	45%	Principal Shareholder
Wells Fargo & Company	\$158,917	US	Financials	-44%	Widely Held
Costco Wholesale Corporation	\$157,608	US	Consumer Staples	28%	Widely Held
T-Mobile US, Inc.	\$153,437	US	Communication Services	72%	Controlled
Honeywell International Inc.	\$152,231	US	Industrials	20%	Widely Held
Union Pacific Corporation	\$150,259	US	Industrials	15%	Widely Held
Citigroup Inc.	\$149,410	US	Financials	-23%	Widely Held
Qualcomm Inc.	\$149,123	US	Information Technology	73%	Widely Held

Source: SquareWell, FactSet, MSCI.



Table 9. Top 50 European Companies by Market Capitalization (As of March 2021).

Company	Market Cap ('000)	Country	GICS Sector	Price % Chg - 2020	Ownership Category
LVMH	\$329,484	France	Consumer Discretionary	34%	Controlled
Nestle S.A.	\$322,883	Switzerland	Consumer Staples	9%	Widely Held
Roche Holding Ltd	\$282,195	Switzerland	Health Care	8%	Controlled
ASML Holding NV	\$254,880	Netherlands	Information Technology	64%	Principal Shareholder
Novartis AG	\$216,474	Switzerland	Health Care	0%	Widely Held
L'Oreal SA	\$215,095	France	Consumer Staples	28%	Controlled
Accenture Plc	\$185,926	Ireland	Information Technology	24%	Widely Held
Prosus N.V.	\$178,885	Netherlands	Consumer Discretionary	45%	Controlled
Medtronic Plc	\$160,636	Ireland	Health Care	3%	Widely Held
Volkswagen AG Pref	\$155,009	Germany	Consumer Discretionary	-5%	Controlled
Royal Dutch Shell Plc	\$151,650	UK	Energy	-40%	Principal Shareholder
SAP SE	\$150,729	Germany	Information Technology	-2%	Principal Shareholder
Unilever PLC	\$148,372	UK	Consumer Staples	4%	Widely Held
Linde plc	\$146,917	Ireland	Materials	24%	Widely Held
Siemens AG	\$137,826	Germany	Industrials	23%	Widely Held
AstraZeneca PLC	\$133,660	UK	Health Care	-1%	Widely Held
Sanofi	\$125,114	France	Health Care	-4%	Principal Shareholder
Novo Nordisk A/S	\$123,732	Denmark	Health Care	22%	Controlled
Total SE	\$122,956	France	Energy	-22%	Widely Held
HSBC Holdings Plc	\$117,272	UK	Financials	-34%	Widely Held
Hermes International SCA	\$117,158	France	Consumer Discretionary	44%	Controlled
Anheuser-Busch InBev SA/NV	\$108,356	Belgium	Consumer Staples	-15%	Controlled
Christian Dior SE	\$107,975	France	Consumer Discretionary	8%	0
Allianz SE	\$104,081	Germany	Financials	1%	Widely Held
Industria de Diseno Textil, S.A.	\$102,949	Spain	Consumer Discretionary	-10%	Controlled
Enel SpA	\$101,740	Italy	Utilities	28%	Principal Shareholder
Diageo plc	\$97,532	UK	Consumer Staples	-7%	Widely Held
Deutsche Telekom AG	\$95,976	Germany	Communication Services	13%	Controlled
Rio Tinto plc	\$94,153	UK	Materials	25%	Principal Shareholder
Daimler AG	\$92,764	Germany	Consumer Discretionary	29%	Widely Held
GlaxoSmithKline plc	\$90,702	UK	Health Care	-22%	Widely Held
Airbus SE	\$90,060	Netherlands	Industrials	-25%	Principal Shareholder
British American Tobacco p.l.c.	\$89,297	UK	Consumer Staples	-14%	Principal Shareholder
Sberbank Russia PJSC	\$86,929	Russia	Financials	-11%	Controlled
Kering SA	\$84,430	France	Consumer Discretionary	11%	Controlled
Schneider Electric SE	\$84,251	France	Industrials	41%	Widely Held
BP p.l.c.	\$84,198	UK	Energy	-44%	Widely Held
Iberdrola SA	\$83,314	Spain	Utilities	39%	Widely Held
Rosneft Oil Co.	\$80,364	Russia	Energy	-19%	Controlled
Air Liquide SA	\$77,316	France	Materials	16%	Widely Held
BASF SE	\$75,664	Germany	Materials	6%	Widely Held
BNP Paribas SA	\$74,495	France	Financials	-11%	Widely Held
Chubb Limited	\$72,170	Switzerland	Financials	-1%	Widely Held
Gazprom PJSC	\$71,374	Russia	Energy	-31%	Controlled
EssilorLuxottica SA	\$70,956	France	Consumer Discretionary	2%	Controlled
Atlas Copco AB	\$70,824	Sweden	Industrials	28%	Principal Shareholder
Orsted	\$67,362	Denmark	Utilities	99%	Controlled
Deutsche Post AG	\$66,742	Germany	Industrials	31%	Principal Shareholder
Adyen NV	\$66,295	Netherlands	Information Technology	184%	Principal Shareholder
ABB Ltd.	\$65,678	Switzerland	Industrials	16%	Principal Shareholder

Source: SquareWell, FactSet, MSCI.



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