









# Boston Common Asset Management

September 2022

Company	Engagement Focus	Action	Recommendation
	Human Rights, Human Rights Due Diligence, Eco-Efficiency	<ul style="list-style-type: none"> <li>Set a target to increase female leaders by 15% to be 30% overall in Japan by March 2023.</li> <li>Focus on providing technical &amp; corporate culture training with supervisors to professionalize human resources although there is still a challenge recruiting female engineers in Japan.</li> </ul>	<ul style="list-style-type: none"> <li>Set a mid-term target of increasing women in management at all levels for 2025 or 2030.</li> </ul>
	Biodiversity Assessment	<ul style="list-style-type: none"> <li>Added 3 KPIs to its Board Directors and Managing Directors performance evaluation (volume of water savings, CO2 emissions reduction volume, &amp; waste reduction volume) but the implementation is less than a year.</li> </ul>	<ul style="list-style-type: none"> <li>Consider extending these to other managers in next 12-24 months and more explicitly link to executive and board compensation.</li> </ul>
	WBA Digital Inclusion, Ethical AI	<ul style="list-style-type: none"> <li>Established an Ethical AI policy in 2019.</li> </ul>	<ul style="list-style-type: none"> <li>Expand transparency on the use of AI in its R&amp;D and how the policy is implemented.</li> <li>Adopt a group level privacy policy and produce a transparency report detailing government requests for user information.</li> </ul>
	Financed Emissions, Sustainable Finance	<ul style="list-style-type: none"> <li>Established a Sustainable Investing and Lending Policy and targets to reduce investment and credit balance in GHG emitting industries by 50% by the end of March 2030.</li> </ul>	<ul style="list-style-type: none"> <li>Disclose more information on how assessment feeds into business decisions.</li> <li>Explore tools on biodiversity for real estate portfolio.</li> <li>Consider joining PCAF to assist in calculating financed emissions for different asset classes.</li> </ul>
	Biodiversity/ Deforestation, Responsible Sourcing	<ul style="list-style-type: none"> <li>Made progress on its raw materials sourcing with the use of sustainable palm oil and reduction of paper in packaging but only scored 26% under the 2021 Forest 500 on their overall approach.</li> </ul>	<ul style="list-style-type: none"> <li>Review the TNFD (Taskforce for Nature-related Financial Disclosure), the FSDA Investor Expectations, and Forest 500 to inform next steps on commodity specific-risk assessment, including setting biodiversity targets (for 2025), and enhance transparency on policies and implementation.</li> </ul>
	Human Rights Approach, Climate	<ul style="list-style-type: none"> <li>Established board level oversight of its sustainability approach.</li> <li>Conducted a gender pay gap assessment in 2019 to bring contract worker pay in line with full time employees</li> </ul>	<ul style="list-style-type: none"> <li>Establish a process to set explicit ESG KPIs in performance evaluation and remuneration for board and executives within the next 12 to 24 months.</li> </ul>
	WBA Digital Inclusion, Ethical AI	<ul style="list-style-type: none"> <li>Does not currently have a standalone Ethical AI policy.</li> </ul>	<ul style="list-style-type: none"> <li>Consult with SK Telecom and model their Ethical AI policy and engage with the WBA Digital Inclusion benchmark to better understand emerging practices and expectations on digital human rights.</li> </ul>
	WBA Digital Inclusion, Ethical AI	<ul style="list-style-type: none"> <li>Increased focused on women recruitment for technical roles and training</li> <li>Has a standalone policy on Ethical AI in Korean</li> </ul>	<ul style="list-style-type: none"> <li>Disclose a standalone policy in English to improve transparency and align with the WBA Digital Inclusion KPI.</li> </ul>

Japanese companies; Korean companies