

Q4 2022

CORPORATE ENGAGEMENT SNAPSHOT

Nintendo entering early stages of workplace culture improvement

Meeting objective(s): Exploration and relationship-building (it was our first engagement with the company); focus on workplace culture, DEI.

As a Japan-based company with operations globally, Nintendo faces unique circumstances among peers when it comes to managing workplace culture and DEI matters. In Japan, for example, women make up only 5% of Nintendo's management. Nintendo acknowledged they have work to do in these areas to meet increasing expectations of global stakeholders. We expressed that it's fine to have a flexible DEI program that works for each region (Japan, U.S., Europe, Australia), but we want to see greater disclosure around accountability and around their process for addressing workplace concerns. Nintendo said they are reviewing their relationship with contract workers, which has been criticized recently in the U.S.

Next steps: We will determine specific areas for improvement and share ideas at our next meeting.

New CEO of Johnson & Johnson has big shoes to fill

Meeting objective(s): Understand JNJ's plan for living up to its credo; discuss pricing and access.

We joined a small group of investors for a two-hour meeting with senior executives at JNJ, in part to hear from the new CEO on how he intends to continue upholding the values and expectations of the company's credo. We pressed for greater transparency around drug pricing, a notoriously complex topic. We learned the company is examining ways to address rising inequality in the U.S. and what role they can play in improving health equity, for example, by investing in non-profits that support community health.

Next steps: The investor group is seeking a follow-up meeting to hear more on JNJ's drug pricing.

Aggressive emissions target from Canadian Natural Resources

Meeting objective(s): Press for more ambitious and detailed net-zero targets.

As a co-lead for the CA100+ engagement with Canadian Natural Resources, we have been pushing the company to keep pace with its peers when it comes to climate strategy. A core focus of our dialogue over the years has been a request for more ambitious, corporate-wide emissions reduction targets, and on November 30, the company announced they are targeting a 40% reduction in absolute scope 1 and 2 emissions by 2035. This is a welcome change and a fairly aggressive target. Companies in the sector have traditionally been reluctant to set targets for *absolute* emissions, preferring the more common metric of emissions *intensity*. This commitment from one of Canada's biggest O&G companies will further shift the conversation to the need for absolute reductions.

Next steps: We look forward to engaging the company on their plans for achieving this target.

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