



**SHAREHOLDERS
for CHANGE**

PANDEMIC EXTRACTIVISM

**AN ANALYSIS OF AGGRESSIVE CAPITAL
ALLOCATION STRATEGIES BY LISTED
COMPANIES RECEIVING STATE AID
DURING THE COVID-19 PANDEMIC**

UPDATED EDITION - AUGUST 2022

CREDITS

A study commissioned by SfC - Shareholders for Change and co-financed by SfC members Etica Sgr, fair-finance Vorsorgekasse and Friends Provident Foundation.

Authors: Michele Rabasco (University of Milano-Bicocca, Department of Economics) and Mauro Meggiolaro (Merian Research), under the supervision of Alessandro Santoro, professor of public economics at the University of Milano-Bicocca, Department of Economics).

This research is part of a research agreement with DEMS, University of Milano Bicocca, that we warmly thank for providing the data as well as further assistance. We thank Professor Alessandro Santoro for precious discussion.

PANDEMIC EXTRACTIVISM

An analysis of aggressive capital allocation strategies by listed companies receiving state aid during the Covid-19 pandemic

Foreword	5
Introduction to the new edition	6
Abstract	7
1. Introduction	9
2. Analysed data and Methodology	12
• 2.1 Indicators	13
• 2.2 Rules to identify aggressive behaviour	14
3. Results	16
Section 4	18
• 4.1 Profiles of the 7 most ‘aggressive’ companies receiving State Aid related to the Covid-19 pandemic. Proposed questions for engagement	18
• 4.2 Profiles of the 7 most ‘aggressive’ companies receiving State Aid non related to the Covid-19 pandemic. Proposed questions for engagement	25
• 4.3 Profiles of ‘aggressive’ companies not receiving or not disclosing State Aid. Proposed questions for engagement	32
Appendix	43

“A company’s capital allocation decisions define the long-term sustainability of its performance. These decisions are even more crucial since the Covid-19 pandemic. Tracking metrics such as investments in R&D, dividends, buyback, CEO pay gap and tax payments helps predict companies’ exposure to reputational risks. In addition, we can infer how these companies have used public resources granted during the pandemic.

This is the first report to identify those companies most exposed to capital allocation related risks. It also offers guidance to investors by suggesting monitoring and engagement questions to pose to at-risk companies.”

Aldo Bonati, Corporate Engagement and Networks Manager, **Etica Funds**

“Friends Provident Foundation is one of the sponsors of this research because our foundation has always been concerned with distortions in the allocation of corporate capital.

In 2021 we funded the Fair Pay FTSE database t, covering Exec pay ratios, gender pay gaps, Living Wage accreditation and union recognition at the UK’s FTSE 100. Interestingly, some of the UK companies that score very low are also among the most ‘aggressive’, in terms of capital allocation, in this report.”*

Colin Baines, Investment Engagement Manager, **Friends Provident Foundation**

“fair-finance is constantly striving to improve the sustainability profile of its investment portfolios also through the engagement with companies included in our funds’ portfolios and the asset managers who manage them.

We supported this report because ‘aggressiveness’ in corporate capital allocation is not only a problem for shareholders. It can also become a problem for workers and communities, which - as the research shows - may be deprived of public resources to serve private interests.”

Rainer Ladentrog, Marketing Manager **fair-finance Gruppe**

* <https://equalitytrust.org.uk/fair-pay-campaign/fair-pay-ftse>

The purpose of this note is to provide some clarifications and updates on the findings of the report “Pandemic Extractivism: An Analysis Of Aggressive Capital Allocation Strategies By Listed Companies – Receiving – State Aid During the Covid-19 Pandemic”, published in April 2022.

In the study, the indicator used to investigate the dividend distribution policy, namely the DNIR ratio (identified as payout ratio) is calculated as “total cash dividends paid to shareholders + dividends paid to minorities” (henceforth dividends paid) and the “net profit (loss) attributable to shareholders”, both extracted from the 2020 Annual Report data.

Clearly, dividends paid in 2020 are part of the net profits recorded in the 2019 profit and loss account, so there is a time gap between the decision to pay the dividend and the accounting period to which it refers. Nevertheless, such a decision is a relevant one because it was taken during the pandemic crisis and thus, at least to some extent, can be considered as a symptom of “aggressiveness” in capital allocation.

This choice also depended on the fact that we did not have access to additional information, which was not available to us at the time we wrote the report, about cases where a proposed dividend might be withdrawn or reduced at a later moment in time.

Having clarified this, in order to provide more precise conclusions, we deem it necessary to report those companies, identified as “aggressive” in dividend

distribution, which did not propose dividends for the year 2020, due to the COVID-19 pandemic.

These companies are:

- UNIBAIL-RODAMCO-WESTFIELD,
- TUI AG,
- AMADEUS IT GROUP, S.A.
- DELTA AIR LINES, INC.
- COMPASS GROUP PLC

In addition, the importance of the TSEr indicator, which is calculated as the absolute value of treasury shares held (at their value) by the company in relation to total equity, has been downgraded in this updated edition of the report. In order not to provide misleading indications, the TSEr indicator was reconsidered as a complementary indication to the TSc indicator, i.e., the rate of change in the value of treasury shares between 2019 and 2020. Therefore, we do not consider it as an element in itself to provide a signal of aggressiveness but just when the value of treasury shares between 2019 and 2020 has been increased.

According to these evaluations, the updated version of the report involves the following main modifications:

- 1) in the profiles attached to the report, companies that did not propose dividends pertaining to 2020 results have been highlighted, while all other companies are asked to indicate whether they have implemented measures to

limit dividend distributions pertaining to 2020 results;

- 2) the historical dividend trends have been better specified;
- 3) INTERNATIONAL CONSOLIDATED AIRLINES GROUP has been removed from the list of aggressive companies. As specified in their annual report (IAG annual report and accounts 2020 pg. 35, 169) the dividend under the year 2020 refers to the withholding tax payable on the 2019 interim dividend, which had been proposed in 2019. This withholding tax legally had to be paid. It was paid in January 2020, a month before the outbreak of Covid-19 in Europe. Furthermore, a final dividend for 2019, initially proposed by the Board in February 2020, was withdrawn on 2 April 2020 as a result of the negative financial impact of Covid-19. Moreover, the company was found aggressive in the TSEr indicator but the value of treasury shares between 2019 and 2020 has been reduced in the end. The removal of IAG from the list was the result of a constructive dialogue with the company;
- 4) E.ON SE has been excluded from the list of aggressive companies because, although the company was found aggressive in the TSEr indicator, the value of treasury shares between 2019 and 2020 has not increased;
- 5) the final results have been updated.

ABSTRACT

We defined a universe of approx. 320 listed companies in Europe and North America, based on: a) their presence in the most relevant national or global stock market indices; b) the preferences indicated by the members of Shareholders for Change (SfC). Most part of the analysed companies are blue chips with a relatively good ESG profile.

We identified a set of indicators to assess the behaviour of these companies with respect to: a) employment trends; b) dividend payments; c) stock buyback programs; d) share of subsidiaries in aggressive tax planning (ATP) countries.

We defined sectorial and geographical percentiles or thresholds to identify capital allocation behaviours that we considered as relatively 'aggressive': e.g. significant cuts in the workforce, very high payout ratios, high volume and frequency of share buyback programs, high share of subsidiaries in ATP countries, hinting at possible income shifting strategies.

Based on our methodology and using data from the 2020 financial reports, we found that, in 2020, almost a third of the

analysed companies were 'aggressive' in at least one of the considered indicators and that 24 of them were 'aggressive' in more than one indicator.

We then focussed on these 24 companies, first by extending the analysis to the last three financial years (2018, 2019, 2020), to understand if the 'aggressive' behaviours represent a trend or are limited to 2020, secondly by studying three additional aspects of corporate management, such as: the investment in research and development activities, executive remuneration and profits generated by subsidiaries located in ATP countries.

Finally, we investigated whether the 24 'relatively aggressive' companies (in terms of capital allocation) obtained State aid, related to the Covid-19 pandemic, in 2020. We looked for this information primarily in financial reports, by checking: a) if the companies reported according to the GRI (Global Reporting Initiative) Disclosure 201-4: "Financial assistance received from government"; b) if they disclosed this information independently of GRI standards. Although

17 companies (71%) reported in accordance to the GRI standards, only 6 of them (25%) disclosed information according to the Disclosure 201-4. In the end, we found that 14 of the 24 (58%) 'relatively aggressive companies' obtained State aid in 2020. For 7 of them (29%) government assistance was directly attributable to the COVID-19 pandemic. The results are summarised in the table below and will be the basis of a new engagement project by SfC, with the following key goals:

- questioning the receipt of state aid in presence of an 'aggressive' capital allocation strategy;
- improving companies' accountability on the use of State aid;
- improving companies' transparency on received State aid;
- questioning practices of 'aggressive' capital allocation (in general).

The engagement project will be launched during the 2022 AGM season and continue throughout 2023.

Company name	Country	Score	GRI 201-4	State Aid	State Aid Covid-19
ESSILORLUXOTTICA	France	8	N	Y	Y
BP PLC	UK	7.5	N	n. d.	n. d.
ENEL SPA	Italy	6.5	Y	Y	n. d.
UNIBAIL-RODAMCO-WESTFIELD	France	6.5	N	Y	Y
AZIMUT HOLDING SPA	Italy	6	N	n. d.	n. d.
PHARMA MAR S.A.	Spain	6	N	Y	n. d.
AT&T INC.	USA	5.5	N	n. d.	n. d.
TUI AG	Germany	5.5	N	Y	Y
FERROVIAL SA	Spain	5	Y	Y	n. d.
THE SWATCH GROUP LTD.	Switzerland	5	N	n. d.	n. d.
CELLNEX TELECOM S.A.	Spain	5	Y	Y	n. d.
VIVENDI SE	France	4.5	N	n. d.	n. d.

Company name	Country	Score	GRI 201-4	State Aid	State Aid Covid-19
AMADEUS IT GROUP, S.A.	Spain	4	Y	N	N
KOHL'S CORPORATION	USA	4	N	n. d.	n. d.
NATURGY ENERGY GROUP, S.A.	Spain	4	N	Y	n. d.
NATWEST GROUP PLC	UK	4	N	N	N
PERNOD RICARD	France	4	N	n. d.	n. d.
DELTA AIR LINES, INC.	USA	4	N	Y	Y
SIEMENS AG	Germany	4	N	n. d.	n. d.
UNICREDIT SPA	Italy	4	N	Y	Y
COMPASS GROUP PLC	UK	3.5	N	Y	Y
COLTENE HOLDING AG	Switzerland	2	N	Y	Y
LINDE PLC	Ireland	2	Y	Y	n. d.
UNION PACIFIC CORP	USA	2	Y	Y	n. d.

Table 1: Ranking of companies with 'aggressive' capital allocation strategies by decreasing level of aggressiveness (maximum possible score 13, minimum 0).

N = no; Y = yes; n.d. = non disclosed

Note: we evidenced companies that adopted relatively 'aggressive' capital allocation strategies (according to our analysis) while receiving State aid for the Covid-19 pandemic or in general. It is important to note that the ranking is based on the observed sample (323 companies) and should not be understood as an absolute rating attributed to the companies.

1. INTRODUCTION

The Covid-19 pandemic has affected both society and the economy. The actions taken by most countries to tackle the health emergency (e.g., lockdown) spilled over into the economic sphere causing a global economic contraction. To support businesses facing the unforeseen consequences of this crisis, national and supranational institutions have provided aid.

The aim of this research is to assess the behaviour of a sample of companies in relation to the receipt of **State aid** by investigating their capital allocation and tax planning choices.

Capital allocation concerns the activity of distributing and investing the financial resources of a company in the different business units.

For the purposes of this paper, we focussed on three ways of deploying these resources: investments in the workforce, dividend payouts and share buyback programs. We interpreted the decision to reduce the workforce and the use of ‘aggressive’ dividend payout or share buyback schemes as actions that favour short-term interests rather than preserving the firms’ operations in the long run. Moreover, we considered these behaviours as potentially incompatible with obtaining State aid.

Tax planning, on the other hand, refers to all the actions implemented with the aim of minimising a company’s tax burden. This practice, while legal, may be carried out in contradiction to the intent of the law. When this happens, it is usually referred to as “aggressive tax planning” (henceforth ATP). The European Commission, in its recommendation of December 2012, defines ATP as the practice of “*taking advantage of the technicalities of a tax system or of mismatches between two or more tax systems for the purpose of reducing tax liability.*”

In this paper, we consider the decision

to locate subsidiaries in a country characterised by an aggressive tax planning as one of the main symptoms of ATP, albeit not the only one.

In order to evaluate capital allocation and fiscal planning choices, we identified five indicators: 1) the change in employee numbers (EMc); 2) the ratio of dividends distributed to net income (DNIR); 3) the change in the stock of treasury shares (TSc) and 4) the ratio of the stock of treasury shares to equity (TSEr), both a proxy of share buyback programmes; as well as 5) the percentage of group companies located in ATP countries (ATPr). We called these ‘**main indicators**’.

Through these indicators, we first identified those corporate groups that, during 2020, acted *dissimilarly* to others in the same industry or in the same country, then we assessed to what extent these dissimilarities could be associated with potential ‘aggressive’ behaviours.

Finally, we selected the corporate groups identified as most ‘aggressive’ to study them more accurately; we first looked at the trend of the above mentioned indicators from 2018 to 2020 to understand if such behaviours represented a trend or are limited to 2020 (and can be linked to the effects of the crisis due to Covid-19 pandemic); then we assessed the investment in research and development (R&D), analysed executive remuneration as well as the profitability of subsidiaries located in ATP countries.

To do that, we identified three additional indicators: 1) the ratio of R&D expenditures to cash flow (RDCFr); 2) the ratio of CEO remuneration to (average) labour costs (EXCEr) and 3) the net income per employee at subsidiaries located in ATP countries (NIEATPr)². We called these ‘**aggravating indicators**’.

Specifically, we considered as additional signals of ‘aggressiveness’ a low use of

cash flow to finance R&D; an excessively high ratio of CEO remuneration to average labour costs and excessively high profits per employee in ATP countries.

The last part of the research consisted in checking if the corporate groups identified as most ‘aggressive’ in terms of capital allocation received any State aid in 2020, as a consequence of the Covid-19 pandemic. To this purpose, we analysed the companies’ financial reports. First of all we checked if they disclosed information according to the GRI (Global Reporting Initiative) Disclosure 201-4, that asks companies to report the total monetary value of financial assistance received from any government during the reporting period, including: “*tax relief and tax credits, subsidies, investment grants, research and development grants, and other relevant types of grant, awards, royalty holidays, financial assistance from Export Credit Agencies (ECAs), financial incentives, other financial benefits received or receivable from any government for any operation.*”³

Since only 6 of the 24 most ‘aggressive’ companies disclosed information according to the GRI Disclosure 201-4, we checked if they disclosed this information independently of GRI standards. In the end, we found that 7 companies received State aid as consequence of the Covid-19 pandemic in 2020 while adopting ‘aggressive’ capital allocations strategies, such as paying high dividends, implementing significant staff cuts or launching share buyback programmes.

As responsible, long-term investors we consider that ‘aggressive’ capital allocation behaviour is not compatible with obtaining State aid. This is particularly true in presence of a pandemic emergency where, more than ever, it would be more appropriate to invest in the sustain-

¹ <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32012H0772&rid=5>

² The reason why these indicators have not been incorporated into the main indicators set is due to both theoretical and practical reasons. Given that investments in R&D characterises some sectors more than others, it was decided not to extend its analysis to the entire universe, in order not to penalise companies for which this activity is not an essential part of the business. The exclusion of EXCEr and NIEATPr is motivated by the limited ability to find the data needed to conduct the analysis on the entire reference universe.

³ From GRI 201: ECONOMIC PERFORMANCE 2016 (pg.12) available at <https://www.globalreporting.org/standards/media/1039/gri-201-economic-performance-2016.pdf>

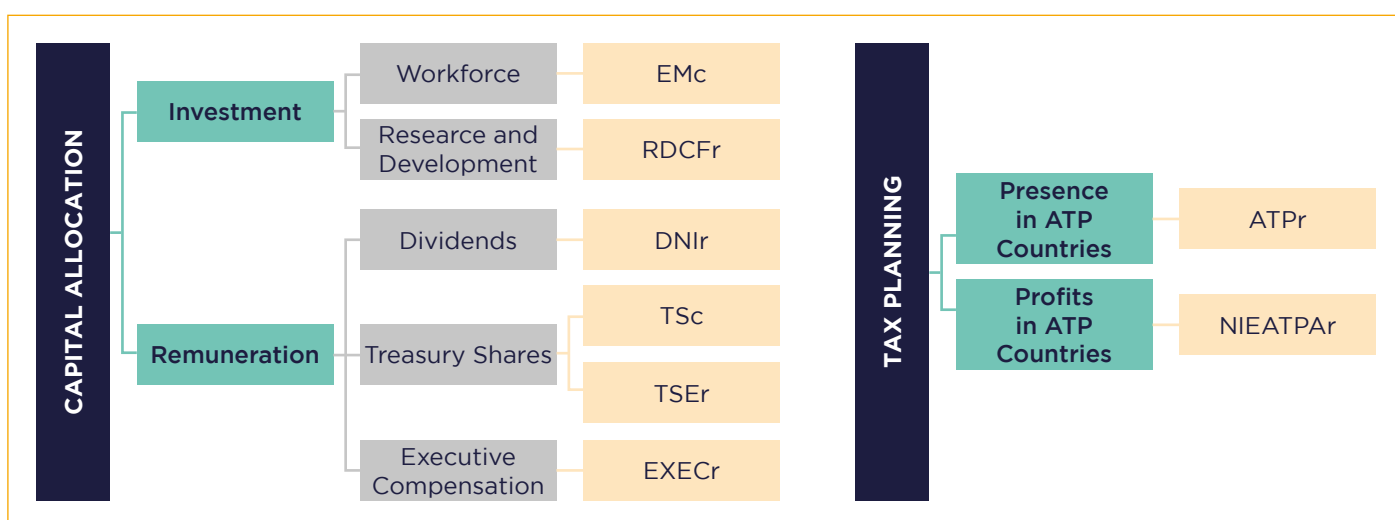
able, long-term development and resilience of companies and not in the creation of short-term value for shareholders. For this reason, based on the results of this report, SfC - Shareholders for Change will engage the eight above mentioned companies, asking for more accountability in the use of public resources.

SfC may decide to engage some of the other companies identified as 'aggressive', in particular those that received State aid for other purposes (not related to the Covid-19 pandemic).

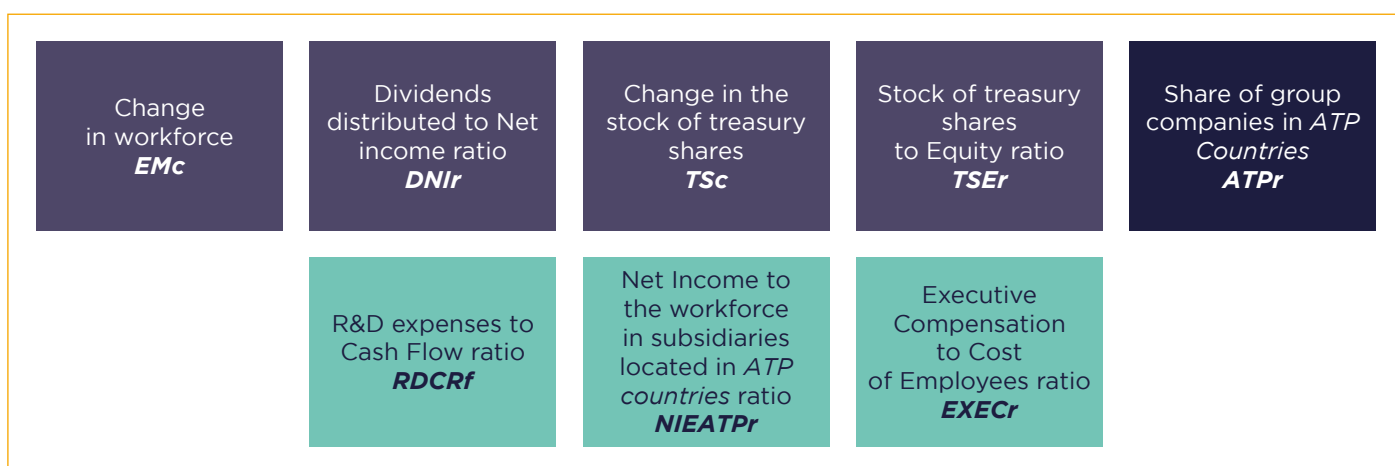
The aim of SfC engagement will be to draw the attention of companies and investors to the issue of **State aid**, its dis-

closure and, more in general, the impact of 'aggressive' capital allocation policies on the long-term value of companies (also irrespective of the obtaining of State aid).

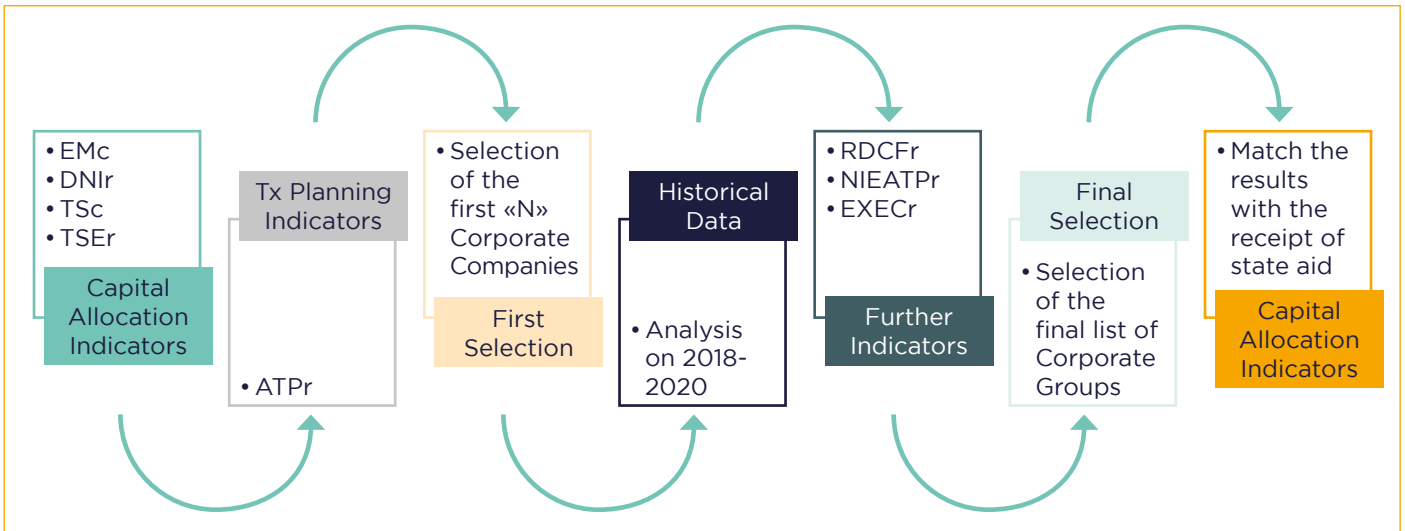
FIGURE 1. THE MAIN STEPS OF THE RESEARCH
Identification of a set of indicators for evaluating capital allocation and fiscal planning



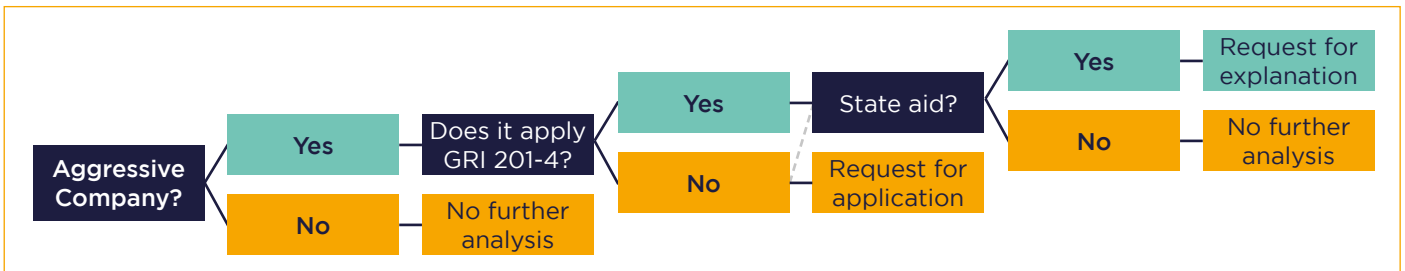
Indicators - details



Workflow



State aid investigation



2. ANALYSED DATA AND METHODOLOGY

We used data from the Orbis database⁴. We first identified the Global Ultimate Owners (GUOs)⁵ for a list of 323 companies, provided by SfC, then we reconstructed the group of all subsidiaries belonging to the same GUO.

Since one of the aims of our analysis was to investigate tax planning choices, we needed to formulate a list of ATP (Aggressive Tax Planning) countries. We started from the 12 countries identified

purposes by the European Council in the official journal of the organisation (European Council, 2021). These countries are: *American Samoa, Anguilla, Barbados, Fiji, Guam, Palau, Panama, Samoa, Seychelles, Trinidad and Tobago, U.S. Virgin Islands*, and *Vanuatu*. We added the *Cayman Islands* and *Oman*, which were present until the previous revision. Then, we integrated the list with *Belgium, Cyprus, Hungary, Luxem-*

lands, as these countries show at least 13 of the 33 indicators of *aggressive tax planning* in the Report on Structures of Aggressive Tax Planning and Indicators by the European Commission (Meldgaard et al. 2016). Finally, we completed our list including *Switzerland* and *Ireland*, following the list prepared by Tørsløv (2018)⁶.

FIGURE 2. ATP COUNTRIES



as non-cooperative jurisdictions for tax purposes, *Switzerland, Latvia, Malta, and the Netherlands*.

⁴ Orbis is a commercial database by the electronic publishing firm, Bureau Van Dijk.

⁵ Orbis defines a GUO as the shareholder with the highest total (direct plus indirect) percentage of ownership. Starting from GUOs, it is easily possible to reconstruct the corporate groups.

⁶ References are:

- Council conclusions on the revised EU list of non-cooperative jurisdictions for tax purposes, European Council, 2021 [Online]"
- Meldgaard, H., Bundgaard, J., & Weber, K. D. (2016). Study on Structures of Aggressive Tax Planning and Indicators: Final Report. Publications Office of the European Union. Taxation Papers No. 61-2015
- Tørsløv, T. R., L. S. Wier, and G. Zucman, 2018: The missing profits of nations. Working paper 24701, National Bureau of Economic Research.
- Borrotti M., Rabasco M., Santoro A. (2022), Using Accounting Information to Predict Aggressive Tax Placement Decisions by European Groups. Working Paper No. 488, CefES, University of Milano-Bicocca, Department of Economics, Management and Statistics.

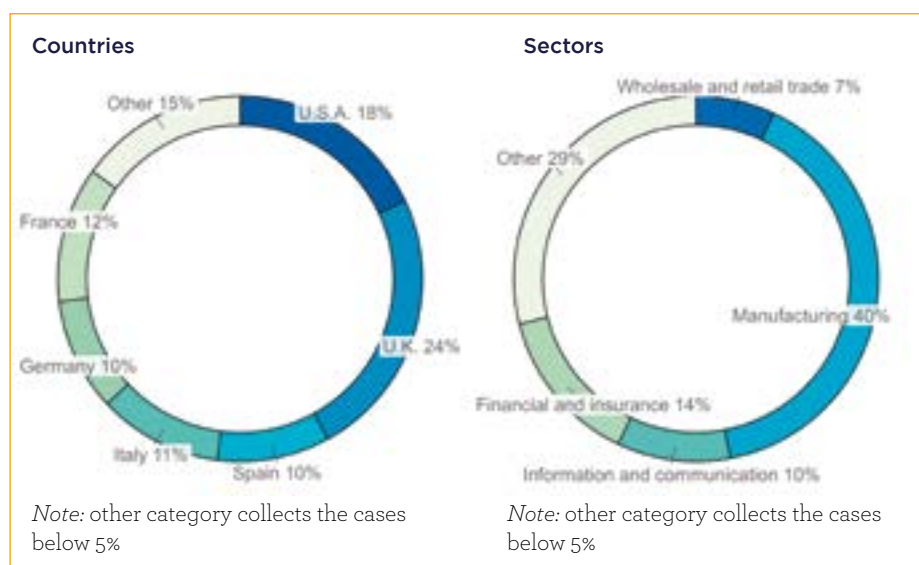
Together with those countries that are usually defined as “tax havens” (mainly islands in the Atlantic or Pacific) we also considered as ATPs some European countries in which the risk of establishing companies to implement *aggressive* tax planning is deemed as particularly high.

Figure 3 shows the distribution of analysed (parent) companies by country and by sector. 85% of them is based in one of the following countries: France, Germany, Italy, Spain, United Kingdom (UK) and United States of America (USA). The distribution of analysed parent companies within the industries is highly asym-

metrical: 40% is represented by manufacturing activities, 14% by financial and insurance activities, and the remaining 46% is distributed across 10 other sectors, all with a percentage that does not exceed 10%. This is due to the fact that the analysed universe was defined according to the preferences of SfC members.

FIGURE 3.

COMPOSITION OF THE ANALYSED UNIVERSE (BREAKDOWN BY COUNTRY AND SECTOR)



2.1 INDICATORS

In the following Table we provide a summary of the main indicators we used, including the ratios we created.

Main indicators

Formula	Code	Meaning	Note
$EMc = (NE_{2020} - NE_{2019}) / NE_{2019}$	NE	Number of employees	Average number or number at the end of fiscal year, depending on reporting methodology.
$DNIr = D_{2020} / NI_{2020}$	D	Total Cash Dividends Paid	Cash dividends paid to shareholders + dividends paid to non-controlling interests (NCI).
	NI	Net Profit (Loss)	Net Profit (Loss) attributable to shareholders.
$TSc = (TS_{2020} - TS_{2019}) / TS_{2019}$ $TSEr = TS_{2020} / (E_{2020} + TS_{2020})$	TS	Treasury shares (stock)	Absolute value of own shares held by the company.
	E	Equity	Total Equity.
$ATPr = ATP / TOT$	ATP	Number of companies in ATP (Aggressive Tax Planning) countries within the Corporate Group	As at the data extraction date.
	TOT	Total of companies within the Corporate Group	

Aggravating indicators

Formula	Code	Meaning	Note
$RDCFr = R\&D_{2020} / CF_{2020}$	R&D	Research & Development Expenses	
	CF	Cash Flow	Net Income + Depreciation.
$NIEATPr = NI_{atp_2019} / NE_{atp_2019}$	NI_atp	Net Income of subsidiaries located in ATPs	
	NE_atp	Number of employees in subsidiaries located in ATP country	Average number of employees or number of employees at the end of fiscal year, depending on reporting methodology.
$EXECr = EX_{2020} / EC_{2020}$	EX	CEO Remuneration	Total CEO Remuneration.
	EC	Employees' costs (mean)	Total Employees' costs.

Table 2: Main and aggravating indicators.

Note: the analysis on subsidiaries in ATP countries was carried out on data from 2019 because it was considered more useful to use the results obtained by the subsidiaries in a regular year, rather than in an 'emergency' year characterised by the pandemic, such as 2020.

When non updated to 2020, data for 2019 have been used to calculate EXECr.

In the following Table we show the coverage of each of the main indicators with respect to the 323 analysed companies. Coverage depends on the amount of data we were able to collect during the construction of the dataset used in this research

Indicator	Meaning	Coverage (%)
EMc	Workforce Change	98
DNlr	Dividends Paid to Net Income	91
TSc	Treasury Share Change	56
TSEr	Treasury Share to Equity	56
ATPr	Companies in ATP to Total	82

Table 3: Coverage of main indicators.

2.2 RULES TO IDENTIFY AGGRESSIVE BEHAVIOUR

The procedure we adopted to interpret the results of the main indicators as signals of 'aggressive' behaviours is as follows:

- we grouped companies according to the **sector** they belong to or the **country** where the parent resides;
- if a group contained *enough* observations, we built a **distribution** of the value for each indicator, otherwise a **threshold** was set;
- we identified a set of rules to *translate* the results from the indicators into

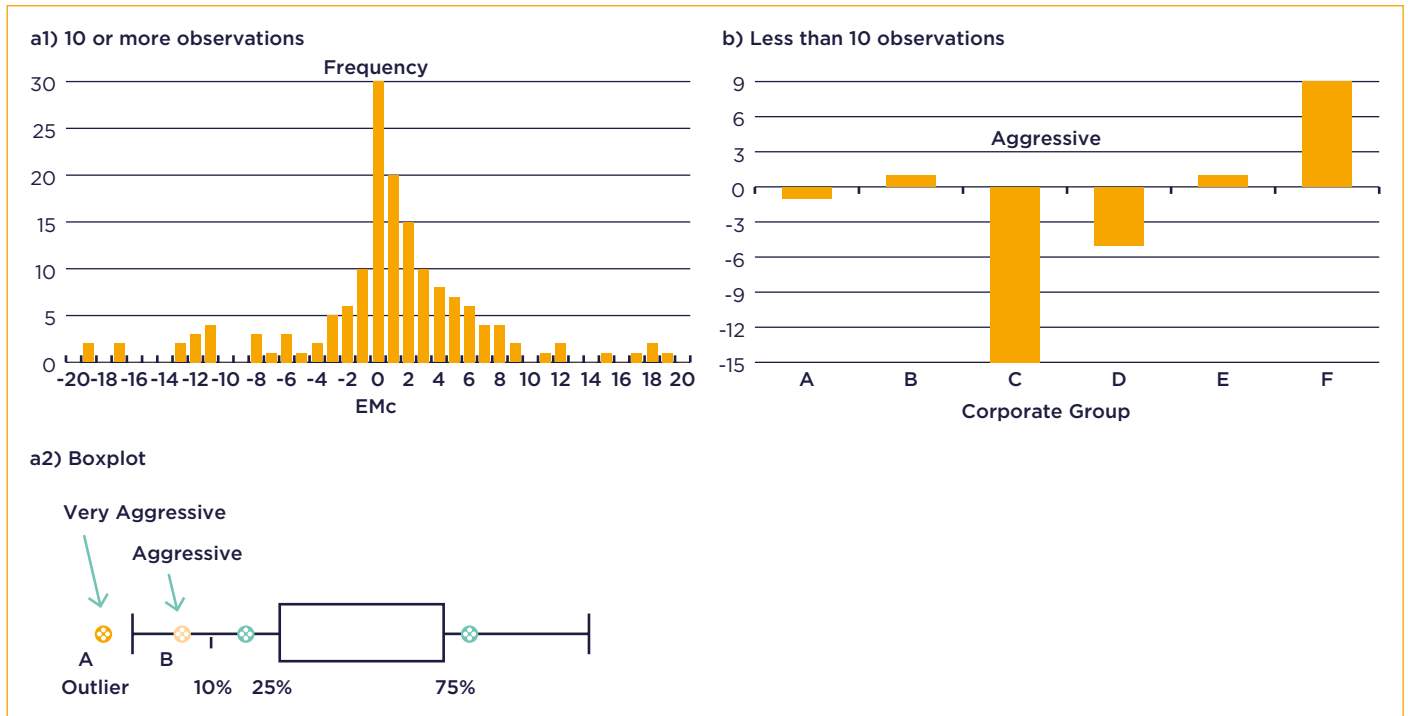
signals of 'aggressiveness' in terms of capital allocation. Our choice was to consider 10 available cases as sufficient to regard a distribution as meaningful;

- the use of statistical distributions (when there were more than ten cases observed per sector or country) or thresholds (when there were fewer than ten cases) allowed us to identify a number of 'outliers' with particularly aggressive behaviours in terms of capital allocation;

- for all major indicators we set deciles percentiles or thresholds to identify both 'aggressive' and 'very aggressive' behaviours as shown in **Figure 3**.

Figure 4 shows an example of the methodology used to identify aggressive behaviours applied to the EMc indicator.

FIGURE 4. EXAMPLE OF DISTRIBUTION AND THRESHOLD ANALYSIS FOR EMC



Note: if the sector or country contains at least 10 observations (a1), a distribution of values is applied. The box plot allows you to visualise how the corporate groups are positioned with respect to the distribution of the data. The outliers identify 'very aggressive' behaviour (Corporate Group A), while the values that lie below 10% of the distribution identify 'aggressive behaviour' (Corporate Group B). The box plot (a2) allows you to visualise the distribution of the data. If the sector or country contains fewer than 10 observations (b), the corporate groups, whose value associated with the indicator is lower than the 10% threshold, are considered 'aggressive' (in the example, only corporate group C). The data used are not the actual data but were specifically generated for the purpose of ensuring better visualisation.

Main indicator	Definition of aggressive behaviour
EMc (negative change in employee numbers)	Distribution: Negative outliers (very aggressive); < 10th percentile (aggressive) Threshold: < -10% (aggressive)
DNIR (dividends distributed to net income)	Distribution: Positive outliers (very aggressive); > 90th percentile (aggressive) Threshold: > 75% (aggressive)
	Dividend distributed at loss (very aggressive)
TSc (positive change in the stock of treasury shares)	Distribution: Outlier (very aggressive); > 90th percentile (aggressive) Threshold: > 50% (aggressive)
	Distribution: Outlier (very aggressive); > 90th percentile (aggressive) Threshold: > 20% (aggressive)
TSEr (Stock of treasury shares to Equity)	
ATPr (percentage of companies in ATP countries)	Distribution: > 90th percentile (aggressive)

Table 4: Main indicators. Definition of aggressive behaviour.

3. RESULTS

This section shows the main results of our research. Based on our approach, we found that 97 companies (30%) showed at least one signal of ‘aggressiveness’. Here are the main results:

- 1) around 10% of companies showed signs of ‘aggressiveness’ in the reduction of their workforce;
- 2) around 20% showed signs of ‘aggressiveness’ in the distribution of dividends (most of them distributing dividends at a loss);
- 3) despite a large amount of missing data (See Table 3), the observations available allow us to assess that around 8% of companies have significantly increased the stock of own shares (a proxy of share buyback programmes and an ‘aggressive’ behaviour for the purpose of this analysis);
- 4) although the location of subsidiaries in ATP countries is only one of the

many risk factors regarding tax planning choices, we found that around 8% of the companies in our dataset are located in aggressive tax planning countries;

- 5) **24 companies** showed more than one signal of ‘aggressiveness’.

In the following table we list all 24 companies that showed more than one sign of aggressiveness. For each main indicator, “very aggressive” (2 check marks, score 1.5) and ‘aggressive’ (1 check mark, score 1) behaviours were indicated – if present – both in relation to the sector the companies belong to, and in relation to the country where they are based. The final score is the sum of the partial scores. For example, EssilorLuxottica was ‘aggressive’ in cutting its workforce relative to its industry (1 point); “very aggressive” in paying dividends relative to its

industry (1.5 points); ‘very aggressive’ in buying treasury stock relative to its industry (1.5 points); ‘aggressive’ in cutting its workforce relative to the country where it is based (1 point); ‘very aggressive’ in paying dividends relative to country (1.5 points); ‘very aggressive’ in buying treasury stock relative to country (1.5 points). The final score is: 1+1,5+1,5+1+1,5+1,5= 8.

The monitoring part of the table contains information on reporting (GRI in general and GRI 201-4 in particular), on the obtaining of State aid in general and related to the Covid-19 pandemic. For each monitoring indicator we simply indicated “N” for “no”, “Y” for “yes” and “-” for “not available” or “non disclosed”.

The details of companies’ aggressive behaviours are illustrated in the profiles of Section 4.

	MAIN Indicators										AGGR. Indicators*			Monitoring			
	Industry				Country				ATPr	Score	RDCFr	EXECr	NIE ATPr	GRI	GRI 201-4	State Aid	StateAid Covid-19
Company name	EMC	DNir	TSc	TSEr	EMC	DNir	TSc	TSEr	ATPr	Score	RDCFr	EXECr	NIE ATPr	GRI	GRI 201-4	State Aid	StateAid Covid-19
ESSILORLUXOTTICA	✓	✓ ✓	✓ ✓		✓	✓ ✓	✓ ✓			8				N	N	Y	Y
BP PLC	✓	✓ ✓		✓	✓	✓ ✓		✓ ✓		7.5				Y	N	-	-
ENEL SPA	✓	✓ ✓	✓			✓ ✓	✓ ✓			6.5		a		Y	Y	Y	-
UNIBAIL-RODAMCO-WESTFIELD	✓	✓ ✓	◻ ◻	◻ ◻	✓ ✓	✓ ✓	◻ ◻	◻ ◻	✓	6.5				N	N	Y	Y
AZIMUT HOLDING SPA			✓ ✓	✓ ✓			✓ ✓	✓ ✓		6				Y	N	-	-
PHARMA MAR S.A.			✓ ✓	✓ ✓			✓ ✓	✓ ✓		6				Y	N	Y	-
AT&T INC.	✓	✓ ✓		*		✓ ✓	✓ ✓			5.5	a			N	N	-	-
TUI AG	✓	✓ ✓	◻ ◻	◻ ◻	✓ ✓	✓ ✓	◻ ◻	◻ ◻		5.5				N	N	Y	Y
FERROVIAL SA	✓	✓ ✓			✓	✓ ✓				5			a	Y	Y	Y	-
THE SWATCH GROUP LTD.	✓	✓ ✓			✓	✓ ✓			*	5				N	N	-	-

CELLNEX TELECOM S.A.		✓ ✓				✓ ✓	✓	✓	5				Y	Y	Y	-
VIVENDI SE			✓ ✓				✓ ✓	✓ ✓	4.5				Y	N	-	-
AMADEUS IT GROUP, S.A.	✓	✓ ✓				✓ ✓			4				Y	Y	N	N
KOHL'S CORPORATION	✓	✓ ✓		x		✓ ✓			4		a		N	N	-	-
NATURGY ENERGY GROUP, S.A.	✓	✓ ✓				✓ ✓			4				Y	N	Y	-
NATWEST GROUP PLC	✓	✓ ✓				✓ ✓		x	4				Y	N	N	N
PERNOD RICARD		✓ ✓	✓			✓ ✓			4				N	N	-	-
DELTA AIR LINES, INC.		✓ ✓		x	✓	✓ ✓			4				N	N	Y	Y
SIEMENS AG	✓ ✓				✓ ✓			✓	4				Y	N	-	-
UNICREDIT SPA		✓ ✓			✓	✓ ✓			4				Y	N	Y	Y
COMPASS GROUP PLC		✓			✓	✓ ✓			3.5			a	Y	N	Y	Y
COLTENE HOLDING AG		✓	✓					x	2				N	N	Y	Y
LINDE PLC						✓	✓	x	2	a			Y	Y	Y	-
UNION PACIFIC CORP				x	✓			✓	2				Y	Y	Y	-

Table 5: Summary of results for all companies with at least two signals of 'aggressiveness'.

Legend: ✓✓ = Very Aggressive (1,5), ✓ = Aggressive (1), x = Excluded, ◻ = missing data, (Empty) = Not Aggressive, Y = yes, N = no, - = non disclosed, a = aggravating

* (Empty) = Not Aggressive or missing

Note: we evidenced companies that adopted relatively 'aggressive' capital allocation strategies (according to our analysis) while receiving State aid for the Covid-19 pandemic or in general. It is important to note that the ranking is based on the observed sample (323 companies) and should not be understood as an absolute rating attributed to the companies⁷.

⁷ It should be emphasised that the obtained results depend, to a certain degree, both on the amount of data at our disposal, for each group, and on the methodological choices made (e.g. the weight given to the indicators, the exclusions made in order to maintain comparability of the results, etc.).

In the context of the purpose of the work, i.e. to identify signs of "aggressiveness" on the part of companies, the above has two implications:

- 1) The score should NOT be understood as a way to rank groups according to detected "aggressiveness", but simply as an alert indicating "how aggressive the group was, based on the available data and the methodology used";
- 2) It is appropriate to evaluate a signal of "aggressiveness", emerging from a distribution, with its point value, in order to achieve a better interpretation of the result. This is possible by consulting the individual profiles of the groups analysed. In most of the cases analysed, however, the "aggressive" behaviour emerging from the use of a distribution coincides with a punctual value of the indicator which confirms its critical nature.

SECTION 4

4.1 PROFILES OF THE 8 MOST 'AGGRESSIVE' COMPANIES RECEIVING STATE AID RELATED TO THE COVID-19 PANDEMIC. PROPOSED QUESTIONS FOR ENGAGEMENT

Listed from most to least aggressive⁸.

1. ESSILORLUXOTTICA

Company	Industry	Country	Fiscal year	Score
ESSILORLUXOTTICA	Manufacturing	France	January - December 2020	8

Aggressive capital allocation in 2020	Aggressive compared to sector	Aggressive compared to country	Aggressive compared to a threshold
Job cuts between 5% and 10%	p	p	
Payout ratio > 100%	p	p	
Increase in treasury share stock (value): around 200%	p	p	
Aggressive Tax Planning		no	
State Aid		yes	
State Aid Covid-19		yes	
GRI		no	
GRI 201-4		no	

• Summary and historical analysis

In 2020 we noted a significant reduction in the **workforce**, a very high **payout** ratio, computed as dividends and/or interim dividends paid in 2020 (cash flow) on 2020 results, and a large increase in **treasury share stock (value)**. A historical analysis is not considered useful as the group is the result of a merger between Essilor and Luxottica at the end of 2018.

• State aid

As reported in the Annual Report 2020, the Group has benefited, in some jurisdictions, from governmental grants and other forms of governmental assistance for approximately **€137 million**. Those subsidies refer to various governmental

schemes on labor costs granted following the periods of reduced operating activity and do not include amounts directly paid to employees through those governmental support schemes⁹.

• Questions

• According to our research, your company has shown an 'aggressive' capital allocation strategy in the last fiscal year (2020), significantly reducing its workforce as well as paying dividends and/or interim dividends in 2020 (cash flow), with a high payout ratio and increasing its treasury shares' stock by around 200%. How do you think that this strategy is in line with a sustainable management of the company, especially in presence of a pandemic emergency?

- How do you think that this strategy is compatible with obtaining State aid for the pandemic?
- Have you taken any measures to limit the distribution of dividends pertaining to the year 2020?
- EssilorLuxottica declares that its performance indicators are also inspired by the GRI Standards. However, the company does not disclose information according to the same standards. Why doesn't your company prepare its annual report in accordance with the GRI Sustainability Reporting Standards issued by the GRI - Global Reporting Initiative in 2016?
- Would you commit to reporting according to the GRI, in particular for what concerns the standard 201-4: "Financial assistance received from government"?

⁸ All data refer to 2020. If companies received State-Aid in 2021, this is not accounted for in the research.

⁹ https://www.essilorluxottica.com/sites/default/files/documents/2021-05/ESSI_DEU_2020_MEL_UK_030521_0.pdf

2. UNIBAIL-RODAMCO-WESTFIELD (URW)

Company	Industry	Country	Fiscal year	Score
UNIBAIL-RODAMCO-WESTFIELD (URW)	Other service activities	France	January - December 2020	6.5

Aggressive capital allocation in 2020	Aggressive compared to sector	Aggressive compared to country	Aggressive compared to a threshold
Job cuts > 10% Dividends paid in 2020 (Loss in 2020) No dividend distribution pertaining to the 2020 results		p	p
Aggressive Tax Planning	More than 15 % subsidiaries in ATP countries		
State Aid	yes		
State Aid Covid-19	yes		
GRI	no		
GRI 201-4	no		

• Summary and historical analysis

The analysis shows a significant reduction in the **workforce** in 2020, following a substantial stability in 2019 (compared to 2018). During 2020 (ended with a loss), dividends and/or interim dividends have been paid. However, the group has decided to suspend the payment of a dividend for its fiscal year 2020 (Annual Report 2020, pag. 7). The payout ratio in 2019 (dividends and/or interim dividends paid in 2019 on 2019 results) was high as well (75%). Data on 2018 is not comparable as it is impacted by the acquisition of Australia's Westfield in June 2018.

• State aid

Unibail-Rodamco-Westfield is one of the largest commercial real estate companies in Europe. According to what is reported in the company's 2020 annual report, the company benefited from state subsidies granted to tenants in 11 different countries (Annual Report 2020, pag. 101¹⁰). "In Sweden, Denmark, Czech Republic and Slovakia, the government created state subsidy programs focused

specifically on supporting retail tenants. URW helped its tenants getting access to these subsidies whenever possible" (pag. 20). It is not clear how much these indirect aid measures impacted on the company's financial results in 2020.

• Questions

- Has your company benefited from State Aid, in any form, in 2020 and 2021, as a consequence of the Covid-19 pandemic? If yes, in which form and for which amount?
- Has your company benefited from State Aid, in any form, in 2020 and 2021, regardless of the Covid-19 pandemic? If yes, in which form and for which amount?
- According to our research, your company has shown an 'aggressive' capital allocation strategy in 2020, significantly reducing its workforce as well as paying dividends and/or interim dividends in 2020 (cash flow). How do you think that this strategy is in line with a sustainable management of the company, especially in presence of a pandemic emergency?

- How much have the state aid measures granted to tenants in a number of different countries impacted on your 2020 financial results?
- Why doesn't your company prepare its annual report in accordance with the GRI Sustainability Reporting Standards issued by the GRI - Global Reporting Initiative?
- Would you commit to reporting according to the GRI, in particular for what concerns the standard 201-4: "Financial assistance received from government"?
- According to our research, your company has more than 15% of its subsidiaries in aggressive tax planning countries. Would you provide country by country data for these companies? (these should include turnover, taxable profits before tax, corporate tax paid, tangible assets and number of employees for each jurisdiction)
- Would you commit to publish CbCr data in the next group financial statements? If no, why?

¹⁰ <https://www.annreports.com/unibail-rodamco-westfield/unibail-rodamco-westfield-ar-2020.pdf>

3. TUI

Company	Industry	Country	Fiscal year	Score
TUI AG	Administrative and support service activities	Germany	October - September 2020	5.5

Aggressive capital allocation in 2020	Aggressive compared to sector	Aggressive compared to country	Aggressive compared to a threshold
Job cuts > 10% Dividends paid in 2020 (Loss in 2020) No dividend distribution pertaining to the 2020 results		p	p
Aggressive Tax Planning		no	
State Aid		yes	
State Aid Covid-19		yes	
GRI		no	
GRI 201-4		no	

• Summary and historical analysis

Data show a significant reduction in the **workforce** in 2020, after increases in the previous two years. During 2020 (ended with a loss), dividends and/or interim dividends have been paid. However, the group has decided to suspend the dividend distribution pertaining to the 2020 results (2020 Annual Report, pg. 99).

• State aid

TUI AG secured a separate credit facility of **€ 1.8 bn** from KfW (German government-owned bank), granted in the framework of the German government's state aid scheme (2020 Annual Report, page 208)¹¹. On 29 September 2020 TUI AG concluded a framework agreement with

the German Economic Stabilisation Fund concerning the grant of stabilisation measures, which stipulates **various requirements for the remuneration of the members of the Executive Board during the utilisation of stabilisation measures** (2020 Annual Report, page 130). In 2020 TUI AG was awarded government grants for a total of **€142.2 m** (€5.5 m in 2019, 2020 Annual Report, page 175). The government grants include in particular grants for wages and salaries as well as social security contributions directly reimbursed to the company.

• Questions

• According to our research, your company has shown an 'aggressive' capital allocation strategy in 2020, signifi-

cantly reducing its workforce as well as paying dividends and/or interim dividends in 2020 (cash flow). How do you think that this strategy is in line with a sustainable management of the company, especially in presence of a pandemic emergency?

- How do you think that paying dividends at a loss is compatible with obtaining State aid for the pandemic?
- Why doesn't your company prepare its annual report in accordance with the GRI Sustainability Reporting Standards issued by the GRI - Global Reporting Initiative?
- Would you commit to reporting according to the GRI, in particular for what concerns the standard 201-4: "Financial assistance received from government"?

¹¹ https://www.tuigroup.com/damfiles/default/tuigroup-15/en/investors/6_Reports-and-presentations/Reports/2020/TUI_GB20_Gesamt_Englisch_geschuetzt.pdf-291242015c777df3b4485ed846e40048.pdf

4. DELTA AIR LINES

Company	Industry	Country	Fiscal year	Score
DELTA AIR LINES, INC.	Transportation and storage	U.S.A.	January - December 2020	4

Aggressive capital allocation in 2020	Aggressive compared to sector	Aggressive compared to country	Aggressive compared to a threshold
Job cuts > 10% Dividends paid in 2020 (Loss in 2020) No dividend distribution pertaining to the 2020 results	p	p p	
Aggressive Tax Planning		no	
State Aid		yes	
State Aid Covid-19		yes	
GRI		no	
GRI 201-4		no	

• Summary and historical analysis

Workforce shows a significant reduction in 2020, but not during the previous two years. During 2020 (ended with a loss), dividends and/or interim dividends have been paid, albeit in a very limited amount. However, the group suspended the future dividends due to the impact of the pandemic (Delta Airlines, Annual Report 2020 (Form 10-K), pg. 45). The **pay-out** ratio for the past two years is well below the threshold we have considered to define “aggressiveness” (75%).

• State aid

In April 2020, Delta Airlines entered into an agreement with the U.S. Department of the Treasury to receive emergency support through the CARES Act payroll support program, which totalled \$5.6 billion. The support payments were conditioned on Delta’s agreement to comply with a variety of conditions, including to refrain from conducting involuntary employee layoffs or furloughs through September 30, 2020. **The support payments consisted of \$4.0 billion in a grant and \$1.6 billion in an unsecured 10-year low interest loan.**

In return, Delta issued to the U.S. Department of the Treasury warrants to acquire

more than 6.7 million shares of Delta common stock, which represented approximately 1% of the company’s outstanding shares¹².

Finally, the CARES Act also provides for deferred payment of the employer portion of social security taxes through the end of 2020, with 50% of the deferred amount due December 31, 2021, and the remaining 50% due December 31, 2022. This provided Delta with approximately \$200 million of additional liquidity during 2020.

On December 27, 2020, an additional Covid-19 support bill was enacted into law, which extends the payroll support program of the CARES Act and provides an additional \$15 billion in grants and loans to be used for airline employee wages, salaries and benefits. In January 2021, we entered into a payroll support program extension agreement with the U.S. Department of the Treasury. We expect to receive **\$2.9 billion** in payroll support payments. The expected support payments consist of approximately \$2.0 billion in grants and \$830 million in an unsecured 10-year low interest loan¹³.

• Questions

- Which amount of State Aid has your company received, in any form, in the

years 2020 and 2021 as a consequence of the Covid-19 pandemic?

- The support payments by the US Department of Treasury, in 2020, were conditioned on Delta’s agreement to comply with a variety of conditions, including to refrain from conducting involuntary employee layoffs or furloughs through September 30, 2020. Did you conduct employee layoffs after September 30? In which percentage of the total workforce?
- Why doesn’t your company prepare its annual report in accordance with the GRI Sustainability Reporting Standards issued by the GRI - Global Reporting Initiative in 2016?
- Would you commit to reporting according to the GRI, in particular for what concerns the standard 201-4: “Financial assistance received from government”?
- According to our research, your company has shown an ‘aggressive’ capital allocation strategy in 2020, significantly reducing its workforce as well as paying dividends and/or interim dividends in 2020 (cash flow). How do you think that this strategy is in line with a sustainable management of the company, especially in presence of a pandemic emergency?

¹² Delta Airlines, Annual Report 2020 (Form 10-K), pag. 32, <https://bit.ly/3LPoh87>

¹³ Delta Airlines, Annual Report 2020 (Form 10-K), pag. 32, <https://bit.ly/3LPoh87>

5. UNICREDIT

Company	Industry	Country	Fiscal year	Score
UNICREDIT SPA	Financial and insurance activities	Italy	January - December 2020	4

Aggressive capital allocation in 2020	Aggressive compared to sector	Aggressive compared to country	Aggressive compared to a threshold
Job cuts between 1% and 5% Dividends paid in 2020 (Loss in 2020)	p	p	
Aggressive Tax Planning		no	
State Aid		yes	
State Aid Covid-19		yes	
GRI		yes	
GRI 201-4		no	

• Summary and historical analysis

The results show a significant reduction in the **labor force** in 2020 compared to other groups in the same country. The reduction of **workforce**, while not excessive in percentage terms, has persisted over the past three fiscal years. During 2020 (ended with a loss), dividends and/or interim dividends have been paid (cash flow). However, high pay-out ratios (>75%) were not reported during the previous two years.

• State aid

In 2020 Unicredit was granted €33m in public funding from Italian State agencies, in particular “Istituto Nazionale della Previdenza Sociale” (National Social Security Institute). This does not seem to be related to the Covid-19 pandemic (2020 Annual Report, pages 258-260)¹⁴.

“Following the Covid-19 emergency, Decree Law No.18/2020 (so-called “Cura Italia”) was introduced, providing special measures to mitigate the effects of Cov-

id-19 for taxpayers. In particular, the Art.55, on the basis of the disposal of non-performing loans to legal entities not belonging to the Group carried out in 2020, gives the possibility to convert into tax credits components previously not admitted, specifically the DTAs (deferred tax assets) on Tax Losses Carried Forward (TCLF) and excess related to the “Aiuto alla Crescita Economica” (ACE) even if these DTAs are not recognised in the financial statements. Pursuant to the mentioned Law Decree, €110 million of DTAs were converted into tax credits during 2020” (2020 Annual Report, page 713).

• Questions

- Has your company benefited from State Aid, in any form, in 2020 and 2021, as a consequence of the Covid-19 pandemic? If yes, in which form and for which amount?
- Has your company benefited from State Aid, in any form, in 2020 and 2021, regardless of the Covid-19 pandemic? If yes, in which form and for which amount?

- According to our research, your company has shown an ‘aggressive’ capital allocation strategy in 2020, significantly reducing its workforce as well as paying dividends and/or interim dividends in 2020 (cash flow). How do you think that this strategy is in line with a sustainable management of the company, especially in presence of a pandemic emergency?
- How do you think that this strategy is compatible with obtaining State aid for the pandemic?
- Have you taken any measures to limit the distribution of dividends pertaining to the year 2020?
- Your annual report is prepared in accordance with the GRI Sustainability Reporting Standards issued by the GRI - Global Reporting Initiative. Why don’t you disclose any data regarding the standard 201-4 (Financial assistance received from government)?
- Would you commit to disclosing information according to the 201-4 GRI standard?

¹⁴ <https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/investors/financial-reports/2020/4Q20/2020-Annual-Report-and-Accounts.pdf>

6. COMPASS GROUP

Company	Industry	Country	Fiscal year	Score
COMPASS GROUP PLC	Accommodation and food service activities	U.K.	October - September 2020	3.5

Aggressive capital allocation in 2020	Aggressive compared to sector	Aggressive compared to country	Aggressive compared to a threshold
Job cuts between 5% and 10% Dividends paid in 2020 (cash flow) No dividend distribution pertaining to the 2020 results		p p	p
Aggressive Tax Planning		no	
State Aid		yes	
State Aid Covid-19		yes	
GRI		yes	
GRI 201-4		no	

• Summary and historical analysis

Workforce shows a significant reduction in 2020. During 2020, the group paid an amount of dividends (cash flow) at a very high ratio with respect to the 2020 results. However, the Board decided not to recommend an interim or a final dividend for the year ended 30 September 2020 (Annual Report 2020, pg. 37). We also underline that the group also appears to own a subsidiary in an ATP country that shows a very large **net income per employee ratio** in 2019.

• State aid

In its Annual Report 2020 Compass Group Plc states that “the Group proactively managed its working capital, applying for government support packages such as temporary wage subsidy schemes and tax payment deadline extensions where possible”.

“In March, the Group obtained a £600 million limit under the Bank of England’s Covid Corporate Financing Facility (CCFF). This was drawn down in March and repaid in June”.

“In May we obtained waivers of the leverage covenant test in our US Private

Placement agreements for the September 2020 and March 2021 test dates. The interest cover covenant test has also been waived for September 2020 and reset at more than or equal to 3x on a six months proforma basis for March 2021¹⁵”.

“Where operations have been at reduced capacity or unable to open and redeployment has not been possible, our businesses have made use of government wage subsidy schemes as appropriate, such as Kurzarbeit in Germany, the CJRS in the UK, Activité Partielle in France and the NOW Scheme in the Netherlands. Additionally, local support has been provided through employee assistance programmes and hardship funds¹⁶”.

£63 million of government grants were received in 2020: “These relate to government support under temporary wage subsidy schemes available in different countries. The Group does not have any unfulfilled obligations relating to these support programmes¹⁷”.

• Questions

• As reported in your Annual Report 2020, Compass Group received State Aid in many forms and in different

countries in 2020. Which is the total amount of State Aid received in 2020? Can you provide us with a breakdown for each form of aid?

- Did you receive State Aid also in 2021? If yes, for which total amount? Can you provide us with a breakdown for each form of aid?
- Why have you paid very high dividends to shareholders in 2020 (computed as dividends and/or interim dividends paid in 2020 (cash flow) on 2020 results) while receiving a large amount of State Aid for the Covid-19 pandemic?
- Your annual report is prepared in accordance with the GRI Sustainability Reporting Standards issued by the GRI – Global Reporting Initiative in 2016. Why don’t you disclose any data regarding the standard 201-4 (Financial assistance received from government)?
- Would you commit to disclosing information according to the 201-4 GRI standard?

¹⁵ https://www.compass-group.com/content/dam/compass-group/corporate/Investors/Annual-reports/CompassGroupPLC_AnnualReport2020_FINAL.pdf, page 42

¹⁶ https://www.compass-group.com/content/dam/compass-group/corporate/Investors/Annual-reports/CompassGroupPLC_AnnualReport2020_FINAL.pdf, page 51

¹⁷ https://www.compass-group.com/content/dam/compass-group/corporate/Investors/Annual-reports/CompassGroupPLC_AnnualReport2020_FINAL.pdf, page 217

7. COLTENE HOLDING

Company	Industry	Country	Fiscal year	Score
COLTENE HOLDING AG	Human health and social work activities	Switzerland	January - December 2020	4

Aggressive capital allocation in 2020	Aggressive compared to sector	Aggressive compared to country	Aggressive compared to a threshold
Payout > 100% Treasury share stock (value): +100%			p p
Aggressive Tax Planning	Excluded		
State Aid	yes		
State Aid Covid-19	yes		
GRI	no		
GRI 201-4	no		

• Summary and historical analysis

Historically, the pay-out ratio, computed as dividends and/or interim dividends paid (cash flow) in 2020/2019/2018 on 2020/2019/2018 results, turned out to be high (>75%). The value of the company's **treasury shares** doubled in 2020. However, the low value of it in 2019 and the low value of the **ratio of treasury shares to equity** reduce the criticality of the result.

In any case, the repurchase of shares was mainly done to support share-based compensation.

• State aid

As reported in the company's Annual Report 2020, "Due to the Covid-19 pandemic, COLTENE Group Management was forced to take various personnel-related measures. As an immediate action, all but a few temporary employment contracts were terminated at the

start of the second quarter. The rationale was to avoid eliminating any permanent positions while bringing production capacities into line with lower demand. In countries where short-time work arrangements are possible, reduced employee hours were requested for a five-month period. In the US, part of the workforce was placed on temporary layoff (furlough) to save on payroll, and in Canada, COLTENE claimed public subsidies during intermittent months to help cover some personnel expenses¹⁸."

• Questions

- Your company claimed public subsidies related to the Covid-19 pandemic in Canada in 2020. Which was the amount of such subsidies?
- Did Coltane receive any other Covid-related public subsidies in 2020? If yes, in which form and for which amount?

- Did Coltane receive any Covid-related public subsidies in 2021? If yes, in which form and for which amount?
- Why doesn't your company prepare its annual report in accordance with the GRI Sustainability Reporting Standards issued by the GRI - Global Reporting Initiative in 2016?
- Would you commit to reporting according to the GRI, in particular for what concerns the standard 201-4: "Financial assistance received from government"?
- According to our research, your company has shown an 'aggressive' capital allocation strategy in the last years (high payout ratios). How do you think that this strategy is in line with a sustainable management of the company, especially in presence of a pandemic emergency?
- Have you taken any measures to limit the distribution of dividends pertaining to the year 2020?

¹⁸ https://global.coltene.com/fileadmin/Data/Annual-Report-2020/Coltene_Annual_Report_2020_EN.pdf

4.2 PROFILES OF THE 7 MOST 'AGGRESSIVE' COMPANIES RECEIVING STATE AID NON RELATED TO THE COVID-19 PANDEMIC. PROPOSED QUESTIONS FOR ENGAGEMENT

Listed from most to least aggressive¹⁹.

1. ENEL

Company	Industry	Country	Fiscal year	Score
ENEL SPA	Electricity, gas, steam and air conditioning supply	Italy	January - December 2020	6.5

Aggressive capital allocation in 2020	Aggressive compared to sector	Aggressive compared to country	Aggressive compared to a threshold
Job cuts between 1% and 5%	p		
Payout ratio > 100%	p	p	
Increase in treasury share stock (value): + 200%			p
Aggressive Tax Planning	no		
State Aid	yes		
State Aid Covid-19	not disclosed		
GRI	yes		
GRI 201-4	yes		

• Summary and historical analysis

In 2020, a reduction in the **workforce** emerges compared to other groups operating in the same sector. However, this reduction does not appear to be very large in an absolute sense, nor have there been any signs of 'aggressiveness' to this regard during the previous two years. The pay-out ratio (dividends and/or interim dividends paid in 2020 on 2020 results and dividends and/or interim dividends paid in 2019 on 2019 results) turned out to be high (>100%). The value of **treasury shares** in stock has tripled during the last year, but that was because it started from a very low value in 2019. In any case, the repurchase of shares was mainly done to support share-based compensation.

Moreover, we consider as relevant the **ratio between the CEO remuneration and the average of the total labor costs** (> than 50 times, data from 2019).

• State aid

The GRI standard 201-4, disclosed in the company's sustainability report 2020, reports about public grants received in 2020 for a total amount of €6.7m (€11.2m in 2019)²⁰. It is not clear if any of these subsidies were awarded due to the Covid-19 pandemic or not.

Moreover, the annual report 2020, reports "operating grants" for €12m and "grants for environmental certificates" for €342m, as well as "capital grants (electricity and gas business) for €24n²¹.

• Questions

- Has your company benefited from State Aid, in any form, in 2020 and 2021, as a consequence of the Covid-19 pandemic? If yes, in which form and for which amount?
- According to our research, your company has shown an 'aggressive' capital allocation strategy in 2020, paying dividends and/or interim dividends in 2020 (cash flow), with a high payout ratio. How do you think that this strategy is in line with a sustainable management of the company, especially in presence of a pandemic emergency?
- Have you taken any measures to limit the distribution of dividends pertaining to the year 2020?

¹⁹ All data refer to 2020. If companies received State-Aid in 2021, this is not accounted for in the research.

²⁰ https://www.enel.com/content/dam/enel-com/documenti/investitori/sostenibilita/2020/sustainability-report_2020.pdf

²¹ https://www.enel.com/content/dam/enel-com/documenti/investitori/informazioni-finanziarie/2020/annuali/en/integrated-annual-report_2020.pdf

2. PHARMA MAR

Company	Industry	Country	Fiscal year	Score
PHARMA MAR S.A.	Manufacturing	Spain	January - December 2020	6

Aggressive capital allocation in 2020	Aggressive compared to sector	Aggressive compared to country	Aggressive compared to a threshold
Increase in value of the treasury stock more than 1000% Treasury shares stock (value) to Equity: around 17%	p p	p p	
Aggressive Tax Planning		no	
State Aid		yes	
State Aid Covid-19		not disclosed	
GRI		yes	
GRI 201-4		no	

• Summary and historical analysis

The data show a very large increase in the value of the **stock of treasury shares** in 2020 compared to previous years. Moreover, the **ratio of this value to equity** is particularly high compared to companies operating in the same sector (or country).

• State aid

As of 31 December 2020, the Group had debt balances with official authorities for a total of **€22,192,000**, (€26,106 thousand in 2019), of which €17,571 thousand were non-current (€21,223 thousand in 2019) and €4,621 thousand were current (€4,883 thousand in 2019). This

item refers mainly to funding from official authorities consisting of loans and advances that are interest-free (or at substantially below market rates) and are repayable in seven years, after a three-year grace period, to finance research and development projects (Annual Report 2020, page 132)²².

• Questions

- Has your company benefited from State Aid, in any form, in 2020 and 2021, as a consequence of the Covid-19 pandemic? If yes, in which form and for which amount?
- According to our research, your company has shown an 'aggressive' capital allocation strategy in 2020, through its

treasury shares program share buy-back). How do you think that this strategy is in line with a sustainable management of the company, especially in presence of a pandemic emergency?

- How do you think that this strategy is compatible with obtaining State aid to finance research and development projects?
- Your sustainability report is prepared in accordance with the GRI Sustainability Reporting Standards issued by the GRI – Global Reporting Initiative in 2016. Why don't you disclose any data regarding the standard 201-4 (Financial assistance received from government)?
- Would you commit to disclosing information according to the 201-4 GRI standard?

²² <https://pharmamar.com/wp-content/uploads/2021/10/ANNUAL-REPORT-2020.pdf>

3. FERROVIAL

Company	Industry	Country	Fiscal year	Score
FERROVIAL SA	Construction	Spain	January - December 2020	5

Aggressive capital allocation in 2020	Aggressive compared to sector	Aggressive compared to country	Aggressive compared to a threshold
Job cuts > 10%		p	p
Dividends paid in 2020 (Loss in 2020)		p	p
Aggressive Tax Planning		no	
State Aid		yes	
State Aid Covid-19		not disclosed	
GRI		yes	
GRI 201-4		yes	

• Summary and historical analysis

During 2020, data show a significant reduction in the **workforce**. The data for 2019 and 2018 confirm this behavior, although the change in the previous two years was less significant. During 2020, the group paid dividends and/or interim dividends, while closing the year at a loss. The same happened in 2018. The pay-out ratio, calculated as dividends and/or interim dividends paid (cash flow) in 2019 on 2019 results turned out to be high (>75%). In addition, the group controls a subsidiary in an ATP country that shows a very high **net income per employee ratio** in 2019.

• State aid

The company discloses information in according with the GRI 201-4 standard. In 2020 it received capital grants from government bodies amounting at €1.245bn. The grants relate entirely to infrastructure projects in the Toll Roads Division²³.

• Questions

- Your company received capital grants from government bodies amounting at €1.245bn in 2020. Has your company benefited from State Aid, in any form, in 2020 and 2021, as a consequence of the Covid-19 pandemic? If yes, in which form and for which amount?
- According to our research, your company has shown an 'aggressive' capital allocation strategy in the past three years, in particular due to paying dividends and/or interim dividends in 2020 (cash flow) and job cuts of more than 10% of the total workforce in 2020. How do you think that this strategy is in line with a sustainable management of the company, especially in presence of a pandemic emergency?
- Have you taken any measures to limit the distribution of dividends pertaining to the year 2020?

²³ <https://static.ferrovial.com/wp-content/uploads/2021/02/18235845/integrated-annual-report-2020.pdf>

4. CELLNEX TELECOM

Company	Industry	Country	Fiscal year	Score
CELLNEX TELECOM S.A.	Information and communication	Spain	January - December 2020	5

Aggressive capital allocation in 2020	Aggressive compared to sector	Aggressive compared to country	Aggressive compared to a threshold
Dividends paid in 2020 (Loss in 2020) Increase in treasury share stock (value): around 100%	p	p p	
Aggressive Tax Planning	More than 30% subsidiaries in ATP countries		
State Aid	yes		
State Aid Covid-19	not disclosed		
GRI	yes		
GRI 201-4	yes		

• Summary and historical analysis

During 2020 (ended with a loss), dividends and/or interim dividends have been paid. The same happened during 2019 and 2018. The value of the company's **treasury shares** doubled in 2020. However, the low value of it in 2019 and the low value of the **ratio of treasury shares to equity** reduce the criticality of the result. We report a high **ratio of companies from ATP countries** belonging to the group.

• State aid

Cellnex reports in its 2020 Integrated Annual Report that it has received public subsidies (GRI 201-4) in 2020, although they wouldn't be significant:

"There hasn't been significant financial assistance received from government"²⁴.

• Questions

- As reported in your Integrated Annual Report, your company benefited from State Aid in 2020. In which form and for which amount?
- Did Cellnex receive State Aid in 2021 too? If yes, in which form and for which amount?
- Was the State Aid you received linked to the Covid-19 pandemic?
- According to our research, your company has shown an 'aggressive' capital allocation strategy in the past years, paying dividends and/or interim dividends in 2020 (cash flow). How do you think that this strategy is in line with

a sustainable management of the company, especially in presence of a pandemic emergency

- Have you taken any measures to limit the distribution of dividends pertaining to the year 2020?
- According to our research, your company has more than 30% of its subsidiaries in aggressive tax planning countries. Would you provide country by country data for these companies? (these should include turnover, taxable profits before tax, corporate tax paid, tangible assets and number of employees for each jurisdiction?)
- Would you commit to publish CbCr data in the next group financial statements? If no, why?

²⁴ <https://www.cellnexus.com/content/uploads/2021/03/Informe%20Anual%20Integrado%202020%20web%20con%20informe%20ENG.pdf>

5. NATURGY

Company	Industry	Country	Fiscal year	Score
NATURGY ENERGY GROUP, S.A.	Electricity, gas, steam and air conditioning supply	Spain	January-December 2020	4

Aggressive capital allocation in 2020	Aggressive compared to sector	Aggressive compared to country	Aggressive compared to a threshold
Job cuts between 5% and 10%	p		
Dividends paid in 2020 (Loss in 2020)	p	p	
Aggressive Tax Planning	no		
State Aid	yes		
State Aid Covid-19	not disclosed		
GRI	yes		
GRI 201-4	no		

• Summary and historical analysis

During 2020, data show a significant reduction in the **workforce**. Data for 2019 and 2018 confirm this trend. During 2020, the group paid dividends and/or interim dividends, while closing the year at a loss. The same happened in 2018. The pay-out ratio, calculated as dividends paid in 2019 (cash flow) and results in 2019, turned out to be high (>100%).

• State aid

As stated in the company's consolidated annual accounts 2020²⁵ (page 367), "no capital grants have been received in

2020 (Euros 14 million in 2019). Euros 1 million in operating subsidies were received in 2020 (Euros 1 million in 2019)".

• Questions

- Has your company benefited from State Aid, in any form, in 2020 and 2021, as a consequence of the Covid-19 pandemic? If yes, in which form and for which amount?
- According to our research, your company has shown an 'aggressive' capital allocation strategy in 2020, significantly reducing its workforce as well as paying dividends and/or interim dividends in 2020 (cash flow). How do you think that this strategy is in line

with a sustainable management of the company, especially in presence of a pandemic emergency?

- Have you taken any measures to limit the distribution of dividends pertaining to the year 2020?
- Your annual report is prepared in accordance with the GRI Sustainability Reporting Standards issued by the GRI - Global Reporting Initiative in 2016. Why don't you disclose any data regarding the standard 201-4 (Financial assistance received from government)?
- Would you commit to disclosing information according to the 201-4 GRI standard?

²⁵ https://www.naturgy.com/en/shareholders_and_investors/the_company/annual_reports

6. LINDE

Company	Industry	Country	Fiscal year	Score
LINDE PLC	Manufacturing	Ireland	January - December 2020	4

Aggressive capital allocation in 2020	Aggressive compared to sector	Aggressive compared to country	Aggressive compared to a threshold
Pay-out ratio > 75% Increase in treasury share stock (value): around 70%			p p
Aggressive Tax Planning	Excluded		
State Aid	yes		
State Aid Covid-19	not disclosed		
GRI	yes		
GRI 201-4	yes		

• Summary and historical analysis

During the last two years the pay-out ratio computed as dividends and/or interim dividends paid (cash flow) in 2020 on results in 2020 and dividends and/or interim dividends paid (cash flow) in 2019 on results in 2019, turned out to be high (> 75%). During the past two years (2020 and 2019) there has been a sharp increase in the value of the **stock of treasury shares**. Moreover, we underline that **the share of Cash Flow allocated to R&D expenditures** in 2020 was lower than 5%.

• State aid

In its Sustainable Development Report 2020²⁶ (page 49), Linde reports in ac-

cordance with the GRI 201-4 standard “Financial assistance received from government”, stating that: “The government is not present in Linde’s shareholding structure. Linde periodically receives grants from government entities (e.g., the Department of Energy in the U.S., Department of Research and Education BMBF/ Department of Economy BMWI in Germany) to sponsor innovation. Linde also periodically receives local, state, country or regional economic development incentives related to capital investments”. **The total amount of State aid in 2020 is not disclosed.**

• Questions

- How much State aid did you receive in 2020 and 2021?

- Has your company benefited from State Aid, in any form, in 2020 and 2021, as a consequence of the Covid-19 pandemic? If yes, in which form and for which amount?
- According to our research, your company has shown an ‘aggressive’ capital allocation strategy in 2020 (paying dividends and/or interim dividends in 2020 (cash flow), which were found to be in a high ratio to the 2020 results, relevant increase of treasury shares). How do you think that this strategy is in line with a sustainable management of the company, especially in presence of a pandemic emergency?
- Have you taken any measures to limit the distribution of dividends pertaining to the year 2020?

²⁶ <https://www.att.com/help/affordable-connectivity-program/>

7. UNION PACIFIC CORPORATION

Company	Industry	Country	Fiscal year	Score
UNION PACIFIC CORP	Transportation and storage	U.S.A.	January - December 2020	2

Aggressive capital allocation in 2020	Aggressive compared to sector	Aggressive compared to country	Aggressive compared to a threshold
Job cuts > 10%		p	
Treasure shares stock (value) to equity: around 70%		p	
Aggressive Tax Planning		no	
State Aid		yes	
State Aid Covid-19		not disclosed	
GRI		yes	
GRI 201-4		yes	

• Summary and historical analysis

Looking at the last two fiscal years, the data shows a significant reduction in **workforce**. Moreover, although no signs of aggressiveness in the repurchase of treasury shares have emerged, the value of treasury shares between 2019 and 2020 has increased and the ratio of treasury stock to equity has been high in the past three years.

• State aid

On its sustainability report 2020, Union Pacific Corporation states, in accord-

ance to GRI-Standard 201-4, that “it does not obtain significant financial assistance from governments”²⁷ (pag. 136). The total amount of financial assistance from governments is however not disclosed.

• Questions

- Has your company benefited from State Aid, in any form, in 2020 and 2021, as a consequence of the Covid-19 pandemic? If yes, in which form and for which amount?
- Has your company benefited from State Aid, in any form, in 2020 and

2021, regardless of the Covid-19 pandemic? If yes, in which form and for which amount?

- According to our research, your company has shown an ‘aggressive’ capital allocation strategy in the last couple of years, significantly reducing its workforce reducing its workforce and maintaining a high ratio of treasury shares to equity. How do you think that this strategy is in line with a sustainable management of the company, especially in presence of a pandemic emergency?

²⁷ https://www.up.com/cs/groups/public/@uprpr/@corprel/documents/up_pdf_nativedocs/pdf_up_2020_build_america_rep.pdf

4.3 PROFILES OF ‘AGGRESSIVE’ COMPANIES NOT RECEIVING OR NOT DISCLOSING STATE AID. PROPOSED QUESTIONS FOR ENGAGEMENT

Listed in alphabetical order.

1. AMADEUS IT GROUP

Company	Industry	Country	Fiscal year	Score
AMADEUS IT GROUP, S.A.	Information and communication	Spain	January - December 2020	4

Aggressive capital allocation in 2020	Aggressive compared to sector	Aggressive compared to country	Aggressive compared to a threshold
Job cuts between 5% and 10% Dividends paid in 2020 (Loss in 2020) No dividend distribution pertaining to the 2020 results	p p	p	
Aggressive Tax Planning		no	
State Aid		no	
State Aid Covid-19		no	
GRI		yes	
GRI 201-4		yes	

• Summary and historical analysis

Workforce shows a significant reduction in 2020 compared to corporate groups in the same sector. However, this reduction comes after increases during the previous two years. During 2020, the group paid dividends and/or interim dividends. The financial year ended with a loss. “Considering the 2020 financial results due to the COVID-19 pandemic, Amadeus’ Board of Directors agreed to not distribute dividends pertaining to the 2020” (Amadeus Global Report 2021, pg.149). Moreover, the group did not

show any aggressive behavior in dividends distribution during the previous two years.

• State aid

Amadeus has not received any subsidy from any public institution during year 2020²⁸ (GRI 201-4).

• Questions

• According to our research, your company has shown an ‘aggressive’ capital allocation strategy in 2020, significantly reducing its workforce as well

as paying dividends and/or interim dividends in 2020 (cash flow). How do you think that this strategy is in line with a sustainable management of the company, especially in presence of a pandemic emergency?

²⁸ Amadeus, Non-financial information 2020, pag. 64 (GRI Indicator 201-4). <https://bit.ly/3sykLWU>

2. AT&T

Company	Industry	Country	Fiscal year	Score
AT&T INC.	Information and communication	U.S.A.	January - December 2020	5.5

Aggressive capital allocation in 2020	Aggressive compared to sector	Aggressive compared to country	Aggressive compared to a threshold
Job cuts between 5% and 10%	p		
Dividends paid in 2020 (Loss in 2020)	p	p	
Increase in treasury share stock (value) between 30% and 40%		p	
Aggressive Tax Planning	no		
State Aid	not disclosed		
State Aid Covid-19	not disclosed		
GRI	no		
GRI 201-4	no		

• Summary and historical analysis

Workforce shows a significant reduction in both 2020 and 2019 after an increase in 2018. **Dividends** were distributed at a loss in 2021 (on 2020 results). During 2020, the group paid dividends and/or interim dividends. The financial year ended with a loss. The pay-out ratio, calculated as dividends and or interim dividends paid (cash flow) in 2019 on results in 2019 turned out to be high (>100%). The **stock (value) of treasury share** is increasing in the last two years. Moreover, **the share of Cash Flow allocated to R&D expenditures** in 2020 was lower 5%.

• State aid

AT&T's customers benefited from the EBB (Emergency Broadband Benefit), a temporary US federal program designed to help eligible households pay for internet and wireless services during the COVID-19 pandemic. The Affordable Connectivity Program (ACP) extended and modified the EBB, starting December 31, 2021²⁹.

• Questions

- How has your company benefited from the EBB and ACP programs during the Covid-19 pandemic?

- Have these programs helped acquiring new clients?
- Have you taken any measures to limit the distribution of dividends pertaining to the year 2020?
- Has AT&T benefited from any other forms of State aid in 2020 and 2021? If yes, which and for which amount?
- Why doesn't your company prepare its annual report in accordance with the GRI Sustainability Reporting Standards issued by the GRI - Global Reporting Initiative in 2016?
- Would you commit to reporting according to the GRI, in particular for what concerns the standard 201-4: "Financial assistance received from government".

²⁹ <https://www.att.com/help/affordable-connectivity-program/>

3. AZIMUT HOLDING

Company	Industry	Country	Fiscal year	Score
AZIMUT HOLDING SPA	Financial and insurance activities	Italy	January - December 2020	6

Aggressive capital allocation in 2020	Aggressive compared to sector	Aggressive compared to country	Aggressive compared to a threshold
Increase in treasury share stock (value) between 150% and 200%	p	p	
Treasury shares to Equity between 5% and 10%	p	p	
Aggressive Tax Planning	no		
State Aid	not disclosed		
State Aid Covid-19	not disclosed		
GRI	yes		
GRI 201-4	no		

• Summary and historical analysis

The data for 2020 show a sharp increase in the value of the stock of **treasury shares** after two years of decrease. Moreover, in 2020, the **ratio of this value to equity** is particularly high compared to companies operating in the same sector (or country).

• State aid

We haven't found any reference to State Aid related to the Covid-19 pandemic granted to the company in the 2020 financial year.

• Questions

- Has your company benefited from State Aid, in any form, in 2020 and 2021, as a consequence of the Covid-19 pandemic? If yes, in which form and for which amount?
- Your annual report is prepared in accordance with the GRI Sustainability Reporting Standards issued by the GRI - Global Reporting Initiative in 2016. Why don't you disclose any data regarding the standard 201-4 (Financial assistance received from government)?
- Would you commit to disclosing information according to the 201-4 GRI standard?

4. BP

Company	Industry	Country	Fiscal year	Score
BP PLC	Manufacturing	United Kingdom	January - December 2020	8

Aggressive capital allocation in 2020	Aggressive compared to sector	Aggressive compared to country	Aggressive compared to a threshold
Job cuts between 5% and 10% Dividends paid in 2020 (Loss in 2020) Treasury share value over equity between 10% and 15%	p p	p p p	
Aggressive Tax Planning	no		
State Aid	not disclosed		
State Aid Covid-19	not disclosed		
GRI	yes		
GRI 201-4	no		

• Summary and historical analysis

Workforce shows a significant reduction in 2020. There was a reduction in staff also during 2019, albeit smaller. During 2020, the group paid dividends and/or interim dividends. The financial year ended with a loss. The pay-out ratio, calculated as dividends and or interim dividends paid (cash flow) in 2019 on results in 2019 turned out to be high (>100%). **Treasury share stock (value)** does not show large changes in 2020 however, the weight of the **stock of own shares on equity** is significant compared to the groups investigated in the same countries.

• State aid

We haven't found any reference to State Aid granted to BP plc during the pandemic in public available documents.

• Questions

- Has your company benefited from State Aid, in any form, in 2020 and 2021, as a consequence of the Covid-19 pandemic? If yes, in which form and for which amount?
- According to our research, your company has shown an 'aggressive' capital allocation strategy in the last two fiscal years, significantly reducing its workforce as well as paying dividends and/or interim dividends (cash flow) in 2020. How do you think that this strat-

egy is in line with a sustainable management of the company, especially in presence of a pandemic emergency?

- Have you taken any measures to limit the distribution of dividends pertaining to the year 2020?
- How will BP profit from the UK Downstream Oil Resilience Bill that will be approved in 2022?
- BP does report its financial data in accordance with the GRI - Global Reporting Initiative³⁰. However, it does not disclose any information regarding the 201-4 standard ("Financial assistance received from government"). Why?
- Would you commit to disclosing information on the 201-4 standard in the future?

³⁰ <https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/sustainability/group-reports/bp-gri-reporting-index-2020.pdf>

5. KOHL'S CORPORATION

Company	Industry	Country	Fiscal year	Score
KOHL'S CORPORATION	Wholesale and retail trade	U.S.A.	February - January 2021	4

Aggressive capital allocation in 2020	Aggressive compared to sector	Aggressive compared to country	Aggressive compared to a threshold
Job cuts between 5% and 10%	p		
Dividends paid in 2020 (Loss in 2020)	p	p	
Aggressive Tax Planning	no		
State Aid	not disclosed		
State Aid Covid-19	not disclosed		
GRI	no		
GRI 201-4	no		

• Summary and historical analysis

During 2020, data show a significant reduction in the **workforce**. The data for 2019 confirm this behavior, although the change was less significant. During 2020, the group paid dividends and/or interim dividends. The financial year ended with a loss, however **the payout ratio** of the previous two years was at levels considered not excessive (< 75%). We underline a very high **CEO-to-employee remuneration ratio**. In this case, this indicator represents the pay ratio between the chief executive and median employees³¹.

• State aid

We haven't found any reference to State Aid related to the Covid-19 pandemic

granted to the company in the 2020 financial year.

• Questions

- Has your company benefited from State Aid, in any form, in 2020 and 2021, as a consequence of the Covid-19 pandemic? If yes, in which form and for which amount?
- According to our research, your company has shown an 'aggressive' capital allocation strategy in 2020, significantly reducing its workforce as well as paying dividends and/or interim dividends in 2020 (cash flow). How do you think that this strategy is in line with a sustainable management of the company, especially in presence of a pandemic emergency?

- Have you taken any measures to limit the distribution of dividends pertaining to the year 2020?
- Why doesn't your company prepare its annual report in accordance with the GRI Sustainability Reporting Standards issued by the GRI - Global Reporting Initiative in 2016?
- Would you commit to reporting according to the GRI, in particular for what concerns the standard 201-4: "Financial assistance received from government"?

³¹ Source: <https://aflcio.org/>

6. NATWEST GROUP

Company	Industry	Country	Fiscal year	Score
NATWEST GROUP PLC	Financial and insurance activities	U.K.	January - December 2020	4

Aggressive capital allocation in 2020	Aggressive compared to sector	Aggressive compared to country	Aggressive compared to a threshold
Job cuts between 1% and 5%	p		
Dividends paid in 2020 (Loss in 2020)	p	p	
Aggressive Tax Planning		no	
State Aid		no	
State Aid Covid-19		no	
GRI		yes	
GRI 201-4		no	

• Summary and historical analysis

Data show a reduction in the **workforce** during the last three years. During 2020, the group paid dividends and/or interim dividends, while closing the year at a loss. The pay-out ratio, calculated as dividends and/or interim dividends paid in 2019 (cash flow) on 2019 results turned out to be high (>100%).

• State aid

In its Annual Report and Accounts 2020³² (pag. 343), the company states that “no public subsidies were received during the period”.

• Questions

- According to our research, your company has shown an ‘aggressive’ capital allocation strategy in 2020, significantly reducing its workforce as well as paying dividends and/or interim dividends in 2020 (cash flow). How do you think that this strategy is in line with a sustainable management of the company, especially in presence of a pandemic emergency?
- Have you taken any measures to limit the distribution of dividends pertaining to the year 2020?
- Your sustainability report³³ is prepared in accordance with the GRI Sustainability Reporting Standards is-

sued by the GRI – Global Reporting Initiative in 2016. Why don’t you disclose any data regarding the standard 201-4 (Financial assistance received from government)?

- Would you commit to disclosing information according to the 201-4 GRI standard?

³² <https://investors.natwestgroup.com/-/media/Files/R/RBS-IR-V2/results-center/19022021/natwest-group-annual-report-accounts-2020-v1.pdf>

³³ <https://investors.natwestgroup.com/-/media/Files/R/RBS-IR-V2/esg-docs/esg-supplement-2020.pdf>

7. PERNOD RICARD

Company	Industry	Country	Fiscal year	Score
PERNOD RICARD	Manufacturing	France	July - June 2020	4

Aggressive capital allocation in 2020	Aggressive compared to sector	Aggressive compared to country	Aggressive compared to a threshold
Pay-out ratio > 100%	p	p	
Increase in value of the treasury stock: around 70%	p		
Aggressive Tax Planning	no		
State Aid	not disclosed		
State Aid Covid-19	not disclosed		
GRI	No		
GRI 201-4	No		

• Summary and historical analysis

The pay-out ratio, computed as dividends and/or interim dividends paid in 2020 (cash flow) on results in 2020, turned out to be high (>100%). Its value in the previous two years was well below the level we considered as 'excessive' (75%). In 2020 there was a significant increase in the value of **treasury stock**.

• State aid

We haven't found any reference to State Aid related to the Covid-19 pandemic granted to the company in the 2020 financial year.

• Questions

- Has your company benefited from State Aid, in any form, in 2020 and 2021? If yes, in which form and for which amount?
- Why doesn't your company prepare its annual report in accordance with the GRI Sustainability Reporting Standards issued by the GRI - Global Reporting Initiative in 2016?
- Would you commit to reporting according to the GRI, in particular for what concerns the standard 201-4: "Financial assistance received from government"?
- According to our research, your company showed an 'aggressive' capital

allocation strategy in 2020, distributing a high amount of dividends (in 2021) in % of 2020 profits (>100%) and significantly increasing its treasury stock (around 70%). How do you think that this strategy is in line with a sustainable management of the company, especially in presence of a pandemic emergency?

- Have you taken any measures to limit the distribution of dividends pertaining to the year 2020?

8. SIEMENS

Company	Industry	Country	Fiscal year	Score
SIEMENS AG	Manufacturing	Germany	January - December 2020	4

Aggressive capital allocation in 2020	Aggressive compared to sector	Aggressive compared to country	Aggressive compared to a threshold
Job cuts > 10% Treasury shares to Equity around 10%	p	p p	
Aggressive Tax Planning	no		
State Aid	not disclosed		
State Aid Covid-19	not disclosed		
GRI	yes		
GRI 201-4	no		

• Summary and historical analysis

Although no signs of aggressiveness in the repurchase of treasury shares have emerged, the value of treasury shares between 2019 and 2020 increased. It should also be noted that the weight of the stock of treasury shares to Equity in 2020 is high (with respect to corporate groups in the same country) and increasing compared to the two previous years.

• State aid

We haven't found any reference to State Aid related to the Covid-19 pandemic granted to the company in the 2020 financial year.

• Questions

- Has your company benefited from State Aid, in any form, in 2020 and 2021, as a consequence of the Covid-19 pandemic? If yes, in which form and for which amount?
- Has your company benefited from State Aid, in any form, in 2020 and 2021, regardless of the Covid-19 pandemic? If yes, in which form and for which amount?
- Your sustainability report³⁴ is prepared in accordance with the GRI Sustainability Reporting Standards issued by the GRI - Global Reporting Initiative in 2016. Why don't you disclose any data regarding the standard 201-4 (Financial assistance received from government)?
- Would you commit to disclosing information according to the 201-4 GRI standard?

³⁴ <https://assets.new.siemens.com/siemens/assets/api/uuid:13f56263-0d96-421c-a6a4-9c10bb9b9d28/sustainability2020-en.pdf>

9. THE SWATCH GROUP

Company	Industry	Country	Fiscal year	Score
THE SWATCH GROUP LTD.	Manufacturing	Switzerland	January - December 2020	5

Aggressive capital allocation in 2020	Aggressive compared to sector	Aggressive compared to country	Aggressive compared to a threshold
Job cuts > 10%	p	p	
Dividends paid in 2020 (Loss in 2020)	p	p	
Aggressive Tax Planning	excluded		
State Aid	not disclosed		
State Aid Covid-19	not disclosed		
GRI	no		
GRI 201-4	no		

• Summary and historical analysis

During 2020, data show a significant reduction in the **workforce**. The data for 2019 confirm this behavior. During 2020 (ended with a loss), dividends and/or interim dividends were paid (cash flow). The value of the **payout** ratio for the previous two years is below the level we considered to be aggressive (75%).

• State aid

We haven't found any reference to State Aid related to the Covid-19 pandemic granted to the company in the 2020 financial year.

• Questions

- Has your company benefited from State Aid, in any form, in 2020 and 2021, as a consequence of the Covid-19 pandemic? If yes, in which form and for which amount?
- Has your company benefited from State Aid, in any form, in 2020 and 2021, regardless of the Covid-19 pandemic? If yes, in which form and for which amount?
- Why doesn't your company prepare its annual report in accordance with the GRI Sustainability Reporting Standards issued by the GRI - Global Reporting Initiative?
- Would you commit to reporting accord-

ing to the GRI, in particular for what concerns the standard 201-4: "Financial assistance received from government"?

- According to our research, your company has shown an 'aggressive' capital allocation strategy in 2020, significantly reducing its workforce as well as paying dividends and/or interim dividends in 2020 (cash flow). How do you think that this strategy is in line with a sustainable management of the company, especially in presence of a pandemic emergency?
- Have you taken any measures to limit the distribution of dividends pertaining to the year 2020?

10. VIVENDI

Company	Industry	Country	Fiscal year	Score
VIVENDI SE	Information and communication	France	January - December 2020	4.5

Aggressive capital allocation in 2020	Aggressive compared to sector	Aggressive compared to country	Aggressive compared to a threshold
Increase in treasury share stock (value): between 250% and 300% Treasury share stock (value) to equity: around 13%	p	p p	
Aggressive Tax Planning	no		
State Aid	not disclosed		
State Aid Covid-19	not disclosed		
GRI	yes		
GRI 201-4	no		

• Summary and historical analysis

In 2020, data shows a very high increase in the value of treasury shares stock, which, together with the evidence of a very high incidence (and growing in the last three years) of such shares to equity, may suggest an “aggressive” use of share buyback plans.

• State aid

We haven’t found any reference to State Aid related to the Covid-19 pandemic granted to the company in the 2020 financial year.

• Questions

- Has your company benefited from State Aid, in any form, in 2020 and 2021, as a consequence of the Covid-19 pandemic? If yes, in which form and for which amount?
- Has your company benefited from State Aid, in any form, in 2020 and 2021, regardless of the Covid-19 pandemic? If yes, in which form and for which amount?
- Your annual report is prepared in accordance with the GRI Sustainability Reporting Standards issued by the GRI – Global Reporting Initiative. Why

don’t you disclose any data regarding the standard 201-4 (Financial assistance received from government)?

- Would you commit to disclosing information according to the 201-4 GRI standard?
- According to our research, your company has shown an ‘aggressive’ capital allocation strategy in 2020, significantly increasing its treasury shares stock (a proxy of share buyback programs). How do you think that this strategy is in line with a sustainable management of the company, especially in presence of a pandemic emergency?

APPENDIX

List of analysed companies (in alphabetical order).

Corporate Group	Industry	Country
3I GROUP PLC	Financial and insurance activities	U.K.
A2A S.P.A.	Electricity, gas, steam and air conditioning supply	Italy
ABBVIE INC.	Manufacturing	U.S.A.
ACCENTURE PUBLIC LIMITED COMPANY	Professional, scientific and technical activities	Ireland
ACCIONA SA	Construction	Spain
ACERINOX SA	Manufacturing	Spain
ACS ACTIVIDADES DE CONSTRUCCION Y SERVICIOS, S.A.	Construction	Spain
ADIDAS AG	Manufacturing	Germany
ADMIRAL GROUP PLC	Financial and insurance activities	U.K.
ADOBE INC	Information and communication	U.S.A.
ADVANCED MICRO DEVICES INC	Manufacturing	U.S.A.
AENA S.M.E, S.A.	Transportation and storage	Spain
AGILENT TECHNOLOGIES INC	Manufacturing	U.S.A.
AIR FRANCE - KLM	Transportation and storage	France
AIRBUS SE	Manufacturing	Netherlands
ALBEMARLE CORP	Manufacturing	U.S.A.
ALEXION PHARMACEUTICALS INC	Manufacturing	U.S.A.
ALLIANZ SE	Financial and insurance activities	Germany
ALMIRALL S.A	Manufacturing	Spain
ALSTOM	Manufacturing	France
AMADEUS IT GROUP, S.A.	Information and communication	Spain
AMDOCS LIMITED	Information and communication	Guernsey (U.K.)
AMERICAN WATER WORKS COMPANY, INC.	Water supply	U.S.A.
AMPLIFON SPA	Manufacturing	Italy
ANALOG DEVICES INC	Manufacturing	U.S.A.
ANGLO AMERICAN PLC	Mining and quarrying	U.K.
ANTOFAGASTA PLC	Mining and quarrying	U.K.
APPLIED MATERIALS INC	Manufacturing	U.S.A.
APTIV PLC	Manufacturing	Jersey (U.K.)
ARCELORMITTAL SA	Manufacturing	Luxembourg
ASSTEAD GROUP PLC	Administrative and support service activities	U.K.
ASSICURAZIONI GENERALI SPA	Financial and insurance activities	Italy
ASTRAZENECA PLC	Manufacturing	U.K.
AT&T INC.	Information and communication	U.S.A.

Corporate Group	Industry	Country
ATLANTIA S.P.A.	Transportation and storage	Italy
ATOS SE	Information and communication	France
AUTO TRADER GROUP PLC	Wholesale and retail trade	U.K.
AUTODESK INC	Information and communication	U.S.A.
AVAST PLC	Information and communication	U.K.
AVIVA PLC	Financial and insurance activities	U.K.
AXA SA	Financial and insurance activities	France
AZIMUT HOLDING SPA	Financial and insurance activities	Italy
B&M EUROPEAN VALUE RETAIL S.A.	Wholesale and retail trade	Luxembourg
BAE SYSTEMS PLC	Manufacturing	U.K.
BANCA MEDIOLANUM SPA	Financial and insurance activities	Italy
BANCO BILBAO VIZCAYA ARGENTARIA SA	Financial and insurance activities	Spain
BANCO BPM SPA	Financial and insurance activities	Italy
BANCO DE SABADELL SA	Financial and insurance activities	Spain
BANCO SANTANDER SA	Financial and insurance activities	Spain
BANK OF NEW YORK MELLON CORPORATION	Financial and insurance activities	U.S.A.
BANKINTER SA	Financial and insurance activities	Spain
BARCLAYS PLC	Financial and insurance activities	U.K.
BARRATT DEVELOPMENTS PLC	Construction	U.K.
BASF SE	Manufacturing	Germany
BAXTER INTERNATIONAL INC	Manufacturing	U.S.A.
BAYER AG	Manufacturing	Germany
BAYERISCHE MOTOREN WERKE AG	Manufacturing	Germany
BECTON, DICKINSON AND COMPANY	Manufacturing	U.S.A.
BERKELEY GROUP HOLDINGS (THE) PLC	Construction	U.K.
BHP GROUP PLC	Mining and quarrying	U.K.
BIOGEN INC.	Manufacturing	U.S.A.
BNP PARIBAS	Financial and insurance activities	France
BOUYGUES	Construction	France
BP PLC	Manufacturing	U.K.
BPER BANCA S.P.A.	Financial and insurance activities	Italy
BREMBO SPA	Manufacturing	Italy
BRITISH AMERICAN TOBACCO PLC	Manufacturing	U.K.
BRITISH LAND COMPANY PLC (THE)	Real estate activities	U.K.
BT GROUP PLC	Information and communication	U.K.

Corporate Group	Industry	Country
BUNZL PLC	Manufacturing	U.K.
BURBERRY GROUP PLC	Manufacturing	U.K.
BUZZI UNICEM S.P.A.	Manufacturing	Italy
CAIXABANK, S.A.	Financial and insurance activities	Spain
CAMPBELL SOUP CO	Manufacturing	U.S.A.
CANADIAN PACIFIC RAILWAY LIMITED	Transportation and storage	Canada
CAPGEMINI	Information and communication	France
CARREFOUR	Wholesale and retail trade	France
CELLNEX TELECOM S.A.	Information and communication	Spain
CF INDUSTRIES HOLDINGS, INC.	Manufacturing	U.S.A.
CIE AUTOMOTIVE S.A.	Manufacturing	Spain
CISCO SYSTEMS INC	Manufacturing	U.S.A.
CLOROX CO	Manufacturing	U.S.A.
CNH INDUSTRIAL N.V	Manufacturing	Netherlands
COCA-COLA HBC AG	Manufacturing	Switzerland
COGNIZANT TECHNOLOGY SOLUTIONS CORP	Information and communication	U.S.A.
COLTENE HOLDING AG	Human health and social work activities	Switzerland
COMPAGNIE DE SAINT-GOBAIN	Manufacturing	France
COMPAGNIE GENERALE DES ETABLISSEMENTS MICHELIN	Manufacturing	France
COMPASS GROUP PLC	Accommodation and food service activities	U.K.
CONAGRA BRANDS, INC.	Manufacturing	U.S.A.
CONTINENTAL AG	Manufacturing	Germany
COVESTRO AG	Manufacturing	Germany
CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK SA	Financial and insurance activities	France
CRH PLC	Manufacturing	Ireland
CRODA INTERNATIONAL PLC	Manufacturing	U.K.
CSX CORP	Transportation and storage	U.S.A.
CVS HEALTH CORPORATION	Wholesale and retail trade	U.S.A.
DAIMLER AG	Manufacturing	Germany
DANONE	Manufacturing	France
DASSAULT SYSTEMES	Information and communication	France
DCC PLC	Wholesale and retail trade	Ireland
DEERE & CO	Manufacturing	U.S.A.
DELIVERY HERO SE	Wholesale and retail trade	Germany

Corporate Group	Industry	Country
DELTA AIR LINES, INC.	Transportation and storage	U.S.A.
DEUTSCHE BANK AG	Financial and insurance activities	Germany
DEUTSCHE BOERSE AG	Financial and insurance activities	Germany
DEUTSCHE LUFTHANSA AG	Transportation and storage	Germany
DEUTSCHE POST AG	Transportation and storage	Germany
DEUTSCHE TELEKOM AG	Information and communication	Germany
DEUTSCHE WOHNEN SE	Real estate activities	Germany
DEXUS	Other service activities	Australia
DIAGEO PLC	Manufacturing	U.K.
DIASORIN S.P.A.	Manufacturing	Italy
DOLLAR GENERAL CORP	Wholesale and retail trade	U.S.A.
DORMAKABA HOLDING AG	Manufacturing	Switzerland
DS SMITH PLC	Manufacturing	U.K.
E.ON SE	Electricity, gas, steam and air conditioning supply	Germany
EDWARDS LIFESCIENCES CORP	Manufacturing	U.S.A.
EL CORTE INGLES SA	Wholesale and retail trade	Spain
EMERSON ELECTRIC CO	Manufacturing	U.S.A.
ENAGAS SA	Electricity, gas, steam and air conditioning supply	Spain
ENEL SPA	Electricity, gas, steam and air conditioning supply	Italy
ENGIE	Electricity, gas, steam and air conditioning supply	France
ENI S.P.A.	Mining and quarrying	Italy
ENTAIN PLC	Arts, entertainment and recreation	Isle Of Man (U.K.)
ERG SPA	Manufacturing	Italy
ESSILORLUXOTTICA	Manufacturing	France
EUROFINS SCIENTIFIC SE	Professional, scientific and technical activities	Luxembourg
EVRAZ PLC	Mining and quarrying	U.K.
EXPERIAN PLC	Professional, scientific and technical activities	Jersey (U.K.)
FERGUSON PLC	Wholesale and retail trade	Jersey (U.K.)
FERRARI N.V.	Manufacturing	Netherlands
FERROVIAL SA	Construction	Spain
FINECOBANK BANCA FINECO SPA	Financial and insurance activities	Italy
FLUTTER ENTERTAINMENT PUBLIC LIMITED COMPANY	Arts, entertainment and recreation	Ireland
FRESENIUS MEDICAL CARE AG & CO. KGAA	Manufacturing	Germany
FRESENIUS SE & CO. KGAA	Manufacturing	Germany
GALENICA AG	Human health and social work activities	Switzerland

Corporate Group	Industry	Country
GENERAL MILLS INC	Manufacturing	U.S.A.
GLAXOSMITHKLINE PLC	Manufacturing	U.K.
GLENCORE PLC	Mining and quarrying	Jersey (U.K.)
GRIFOLS S.A.	Manufacturing	Spain
HALMA PLC	Manufacturing	U.K.
HARGREAVES LANSDOWN PLC	Financial and insurance activities	U.K.
HASBRO INC	Manufacturing	U.S.A.
HEIDELBERGCEMENT AG	Manufacturing	Germany
HENKEL AG & CO.	Manufacturing	Germany
HERA SPA	Electricity, gas, steam and air conditioning supply	Italy
HERMES INTERNATIONAL	Manufacturing	France
HIKMA PHARMACEUTICALS PLC	Manufacturing	U.K.
HSBC HOLDINGS PLC	Financial and insurance activities	U.K.
IBERDROLA SA	Electricity, gas, steam and air conditioning supply	Spain
IMPERIAL BRANDS PLC	Manufacturing	U.K.
INDRA SISTEMAS SA	Information and communication	Spain
INDUSTRIA DE DISEÑO TEXTIL SA (INDITEX)	Manufacturing	Spain
INDUSTRIAS PENOLES S.A.B. DE C.V.	Mining and quarrying	Mexico
INFINEON TECHNOLOGIES AG	Manufacturing	Germany
INFORMA PLC	Information and communication	U.K.
INFRASTRUTTURE WIRELESS ITALIANE S.P.A.	Information and communication	Italy
INMOBILIARIA COLONIAL SOCIMI, S.A.	Real estate activities	Spain
INTACT FINANCIAL CORP	Financial and insurance activities	Canada
INTEL CORP	Manufacturing	U.S.A.
INTERCONTINENTAL HOTELS GROUP PLC	Accommodation and food service activities	U.K.
INTERMEDIATE CAPITAL GROUP PLC	Financial and insurance activities	U.K.
INTERNATIONAL CONSOLIDATED AIRLINES GROUP, S.A	Transportation and storage	Spain
INTERPUMP GROUP SPA	Manufacturing	Italy
INTERTEK GROUP PLC	Professional, scientific and technical activities	U.K.
INTESA SANPAOLO	Financial and insurance activities	Italy
ITALGAS S.P.A.	Financial and insurance activities	Italy
JD SPORTS FASHION PLC	Wholesale and retail trade	U.K.
JOHNSON MATTHEY PLC	Manufacturing	U.K.
JONES LANG LASALLE INC	Real estate activities	U.S.A.

Corporate Group	Industry	Country
JUST EAT TAKEAWAY.COM N.V	Information and communication	Netherlands
KANSAS CITY SOUTHERN	Transportation and storage	U.S.A.
KBC GROEP NV/ KBC GROUPE SA	Financial and insurance activities	Belgium
KERING	Wholesale and retail trade	France
KINGFISHER PLC	Wholesale and retail trade	U.K.
KOHL'S CORPORATION	Wholesale and retail trade	U.S.A.
L'AIR LIQUIDE SOCIETE ANONYME POUR L'ETUDE ET L'EXPLOITATION DES PROCESSES GEORGES CLAUDE	Manufacturing	France
L'OREAL	Manufacturing	France
LAND SECURITIES GROUP PLC	Real estate activities	U.K.
LEGAL & GENERAL GROUP PLC	Financial and insurance activities	U.K.
LEGRAND	Manufacturing	France
LEONARDO S.P.A.	Manufacturing	Italy
LEVI STRAUSS & CO.	Manufacturing	U.S.A.
LINDE PLC	Manufacturing	Ireland
LLOYDS BANKING GROUP PLC	Financial and insurance activities	U.K.
LOGITECH INTERNATIONAL SA	Manufacturing	Switzerland
LONDON STOCK EXCHANGE GROUP PLC	Financial and insurance activities	U.K.
LOWE'S COMPANIES, INC.	Wholesale and retail trade	U.S.A.
LVMH MOET HENNESSY LOUIS VUITTON	Manufacturing	France
MAPFRE SA	Financial and insurance activities	Spain
MAXINGVEST AG	Professional, scientific and technical activities	Germany
MAYR-MELNHOF KARTON AG	Manufacturing	Austria
MEDIOBANCA - BANCA DI CREDITO FINANZIARIO SOCIETA PER AZIONI	Financial and insurance activities	Italy
MEDTRONIC PUBLIC LIMITED COMPANY	Manufacturing	Ireland
MELIA HOTELS INTERNATIONAL, S.A.	Accommodation and food service activities	Spain
MELROSE INDUSTRIES PLC	Professional, scientific and technical activities	U.K.
MERCK KGAA	Manufacturing	Germany
MERLIN PROPERTIES SOCIMI , SA	Other service activities	Spain
MICRON TECHNOLOGY INC	Manufacturing	U.S.A.
MICROSOFT CORPORATION	Information and communication	U.S.A.
MINOR INTERNATIONAL PCL	Accommodation and food service activities	Thailand
MONCLER S.P.A.	Manufacturing	Italy
MONDELEZ INTERNATIONAL, INC.	Manufacturing	U.S.A.
MONDI PLC	Manufacturing	U.K.

Corporate Group	Industry	Country
MORRISON (WM) SUPERMARKETS PLC	Wholesale and retail trade	U.K.
MOTOROLA SOLUTIONS, INC.	Manufacturing	U.S.A.
MTU AERO ENGINES AG	Manufacturing	Germany
MUNCHENER RUCKVERSICHERUNGS-GESELLSCHAFT AKTIENGESELLSCHAFT IN MUNCHEN	Financial and insurance activities	Germany
NATIONAL GRID PLC	Electricity, gas, steam and air conditioning supply	U.K.
NATURGY ENERGY GROUP, S.A.	Electricity, gas, steam and air conditioning supply	Spain
NATWEST GROUP PLC	Financial and insurance activities	U.K.
NEXI SPA	Financial and insurance activities	Italy
NEXT PLC	Wholesale and retail trade	U.K.
NOMAD FOODS LIMITED	Manufacturing	Virgin Islands (British)
NORFOLK SOUTHERN CORP	Transportation and storage	U.S.A.
NVIDIA CORP	Manufacturing	U.S.A.
OCADO GROUP PLC	Wholesale and retail trade	U.K.
ORANGE	Information and communication	France
ORPEA	Human health and social work activities	France
OWENS CORNING	Manufacturing	U.S.A.
PEARSON PLC	Information and communication	U.K.
PENNON GROUP PLC	Water supply	U.K.
PERNOD RICARD	Manufacturing	France
PERSIMMON PLC	Construction	U.K.
PHARMA MAR S.A.	Manufacturing	Spain
PHOENIX GROUP HOLDINGS PLC	Financial and insurance activities	U.K.
PIRELLI & C. SPA	Manufacturing	Italy
POLYMETAL INTERNATIONAL PLC	Mining and quarrying	Jersey (U.K.)
PROCTER & GAMBLE CO	Manufacturing	U.S.A.
PROLOGIS, INC.	Other service activities	U.S.A.
PRYSMIAN S.P.A.	Manufacturing	Italy
PUBLICIS GROUPE S A	Professional, scientific and technical activities	France
QUALCOMM INC	Manufacturing	U.S.A.
RECKITT BENCKISER GROUP PLC	Manufacturing	U.K.
RECORDATI INDUSTRIA CHIMICA E FARMACEUTICA S.P.A.	Manufacturing	Italy
RED ELECTRICA CORPORACION SA	Electricity, gas, steam and air conditioning supply	Spain
REDEXIS GAS SA	Electricity, gas, steam and air conditioning supply	Spain
RELX PLC	Information and communication	U.K.

Corporate Group	Industry	Country
RENAULT	Manufacturing	France
RENTOKIL INITIAL PLC	Water supply	U.K.
REPSOL SA	Mining and quarrying	Spain
REPUBLIC SERVICES INC	Water supply	U.S.A.
RIGHTMOVE PLC	Professional, scientific and technical activities	U.K.
RIO TINTO PLC	Mining and quarrying	U.K.
ROLLS-ROYCE HOLDINGS PLC	Manufacturing	U.K.
ROYAL DUTCH SHELL PLC	Mining and quarrying	U.K.
RWE AG	Electricity, gas, steam and air conditioning supply	Germany
SABAF SPA	Manufacturing	Italy
SAFRAN	Manufacturing	France
SAGE GROUP PLC (THE)	Information and communication	U.K.
SAINSBURY (J) PLC	Wholesale and retail trade	U.K.
SAIPEM SPA	Mining and quarrying	Italy
SALESFORCE.COM, INC.	Information and communication	U.S.A.
SANOFI	Manufacturing	France
SAP SE	Information and communication	Germany
SCHNEIDER ELECTRIC SE	Manufacturing	France
SCHRODERS PLC	Financial and insurance activities	U.K.
SEGRO PLC	Real estate activities	U.K.
SEVERN TRENT PLC	Water supply	U.K.
SIEMENS AG	Manufacturing	Germany
SMITH & NEPHEW PLC	Manufacturing	U.K.
SMITHS GROUP PLC	Manufacturing	U.K.
SMURFIT KAPPA GROUP PLC	Manufacturing	Ireland
SNAM S.P.A.	Transportation and storage	Italy
SOCIETE GENERALE	Financial and insurance activities	France
SOL SPA	Manufacturing	Italy
SOLARIA ENERGIA Y MEDIO AMBIENTE S.A.	Manufacturing	Spain
SPIE SA	Professional, scientific and technical activities	France
SPIRAX-SARCO ENGINEERING PLC	Manufacturing	U.K.
SSE PLC	Electricity, gas, steam and air conditioning supply	U.K.
ST. JAMES'S PLACE PLC	Financial and insurance activities	U.K.
STADLER RAIL AG	Manufacturing	Switzerland
STANDARD CHARTERED PLC	Financial and insurance activities	U.K.
STANLEY BLACK & DECKER, INC.	Manufacturing	U.S.A.

Corporate Group	Industry	Country
STELLANTIS N.V.	Manufacturing	Netherlands
STMICROELECTRONICS NV	Manufacturing	Netherlands
STOREBRAND GROUP	Financial and insurance activities	Norway
STRAUMANN HOLDING AG	Manufacturing	Switzerland
SWISSCOM AG	Information and communication	Switzerland
TAKEDA PHARMACEUTICAL COMPANY LIMITED	Manufacturing	Japan
TAYLOR WIMPEY PLC	Construction	U.K.
TE CONNECTIVITY LIMITED	Wholesale and retail trade	Switzerland
TECHNOGYM S.P.A.	Arts, entertainment and recreation	Italy
TELECOM ITALIA SPA	Information and communication	Italy
TELEFONICA SA	Information and communication	Spain
TELEPERFORMANCE SE	Information and communication	France
TERNA S.P.A.	Electricity, gas, steam and air conditioning supply	Italy
TERNIUM S.A.	Manufacturing	Luxembourg
TESCO PLC	Wholesale and retail trade	U.K.
THALES	Manufacturing	France
THE SWATCH GROUP LTD.	Manufacturing	Switzerland
TJX COMPANIES INC	Wholesale and retail trade	U.S.A.
TOTAL SA	Mining and quarrying	France
TUI AG	Administrative and support service activities	Germany
UNIBAIL-RODAMCO-WESTFIELD	Other service activities	France
UNICREDIT SPA	Financial and insurance activities	Italy
UNILEVER PLC	Manufacturing	U.K.
UNION PACIFIC CORP	Transportation and storage	U.S.A.
UNIPOL GRUPPO SPA	Financial and insurance activities	Italy
UNITED PARCEL SERVICE INC	Transportation and storage	U.S.A.
UNITED UTILITIES GROUP PLC	Water supply	U.K.
UNITEDHEALTH GROUP INC.	Financial and insurance activities	U.S.A.
VEOLIA ENVIRONNEMENT	Water supply	France
VINCI	Construction	France
VISCOFAN, S.A.	Manufacturing	Spain
VIVENDI SE	Information and communication	France
VMWARE, INC.	Information and communication	U.S.A.
VODAFONE GROUP PLC	Information and communication	U.K.
VOLKSWAGEN AG	Manufacturing	Germany
VONOVIA SE	Real estate activities	Germany

Corporate Group	Industry	Country
WESTERN DIGITAL CORP	Manufacturing	U.S.A.
WHIRPOOL CORPORATION	Manufacturing	U.S.A.
WHITBREAD PLC	Accommodation and food service activities	U.K.
WIENERBERGER AG	Manufacturing	Austria
WITTINGTON INVESTMENTS LIMITED	Manufacturing	U.K.
WORLDLINE	Financial and insurance activities	France
WPP PLC (NEW)	Professional, scientific and technical activities	Jersey (U.K.)
XYLEM INC.	Manufacturing	U.S.A.
YUM! BRANDS, INC.	Accommodation and food service activities	U.S.A.
ZOETIS INC.	Manufacturing	U.S.A.
ZUR ROSE GROUP AG	Wholesale and retail trade	Switzerland

Updated edition published in August 2022
by SfC - Shareholders for Change
www.shareholdersforchange.eu



Creative Commons. Attribution-NonCommercial-ShareAlike 4.0
International (CC BY-NC-SA 4.0)