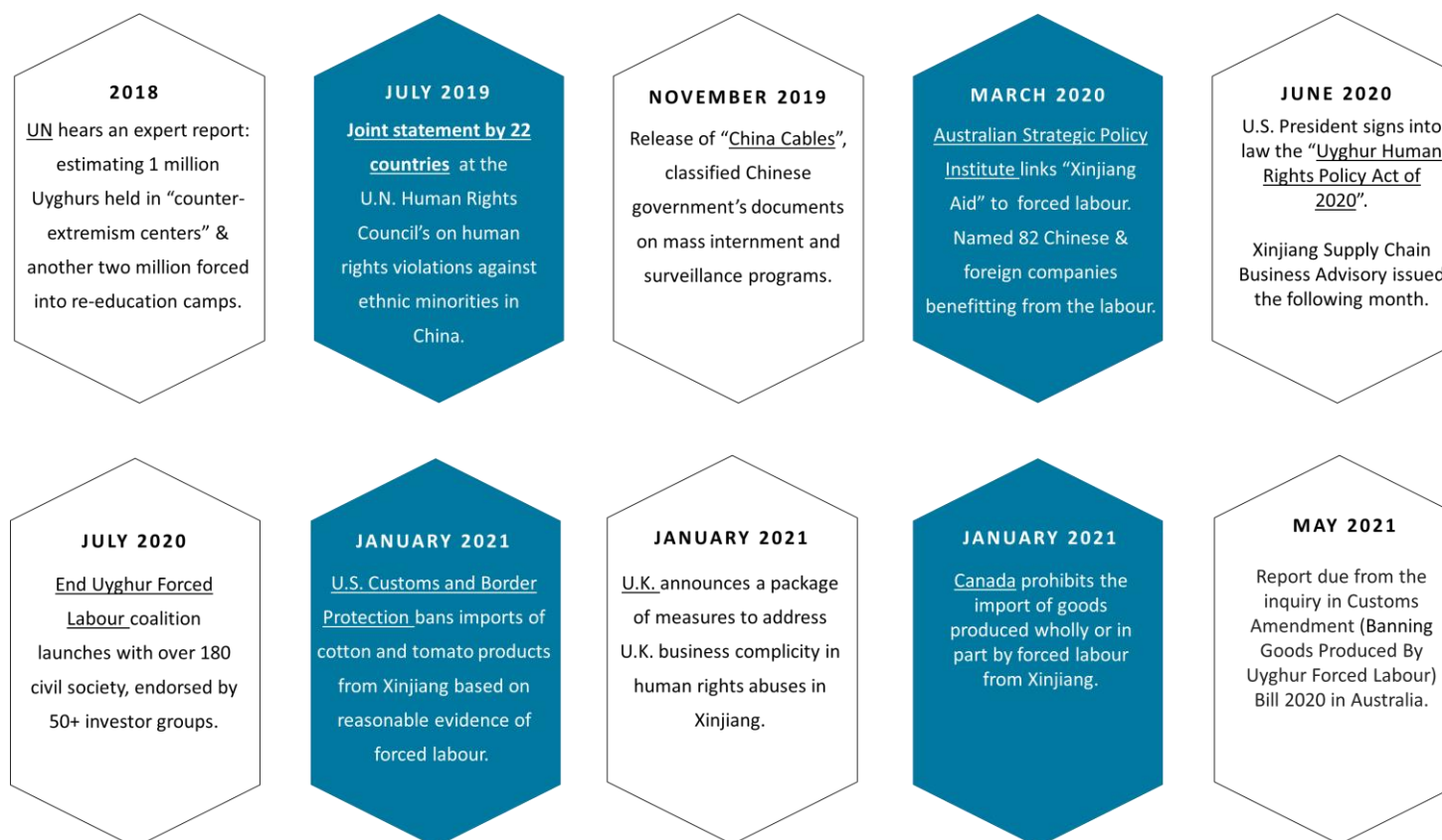


## StockWatch - RIAA HRWG, March 2021

Human rights in China, especially in relation to minority groups, have been facing increased stakeholder scrutiny in recent years. Since [2017](#), stakeholder reports have emerged alleging that the Chinese government has been operating large-scale detention camps in the Xinjiang Uyghur Autonomous Region, home to more than 20 million predominantly Muslim Uyghur people, to curb the Islamic “extremist” and “separatist” threat.



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ISS ESG's Norm-Based Research assesses corporate controversies when there is an explicit link established by stakeholders between companies' activities and adverse human rights impacts. ISS ESG currently has:

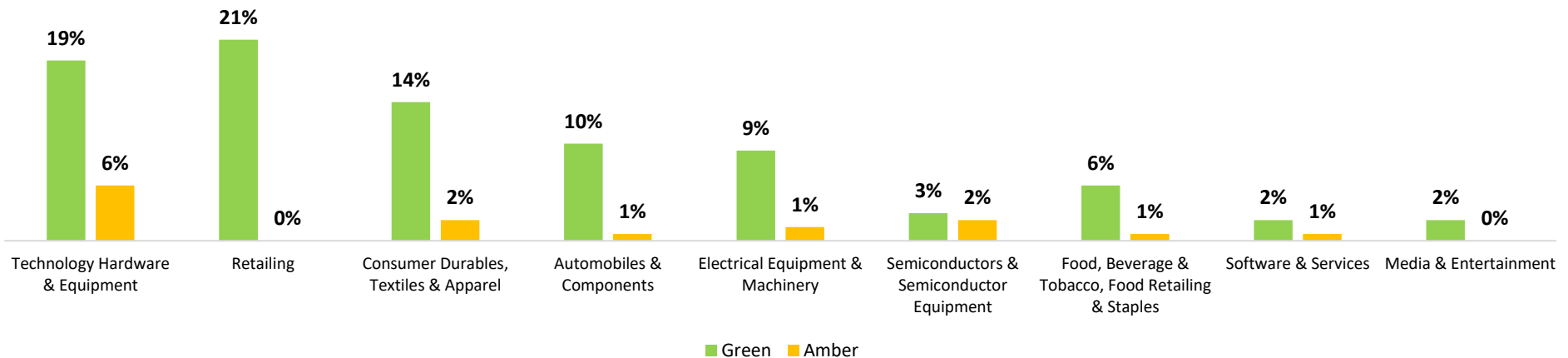
21 Amber assessments for companies domiciled in China, Hong Kong and Taiwan which reportedly either provide surveillance technologies to the Chinese government to monitor Uyghurs and other ethnic minority groups or directly participate in poverty alleviation programs and labour transfers associated with forced labour concerns.

More than 140 assessments for companies, which have been identified to be sourcing from the region or providing goods and services to the former group of companies. Some of these assessments are on companies listed on the ASX300.

### Controversies: Human Rights in Xinjiang

Signal vs Industry (%)

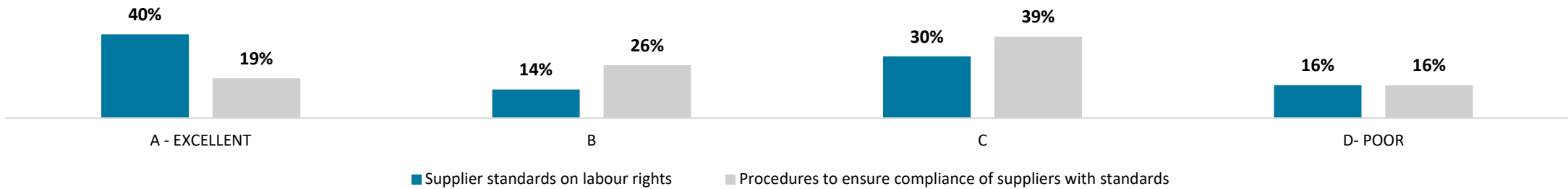
Source: ISS ESG Norm-Based Research



Norm-Based Research assesses corporate involvement in alleged or verified failures to respect established norms according to ISS ESG's traffic-light signal - green, amber and red. The signal is determined through a combination of indicators, including the severity of the controversy, the company's involvement, whether the company is taking steps to remediate and whether the controversy has been verified by an authoritative body.

Performance on supplier policies and procedures related to labour rights by companies with human rights controversies in Xinjiang (%)

Source: ISS ESG Corporate Ratings

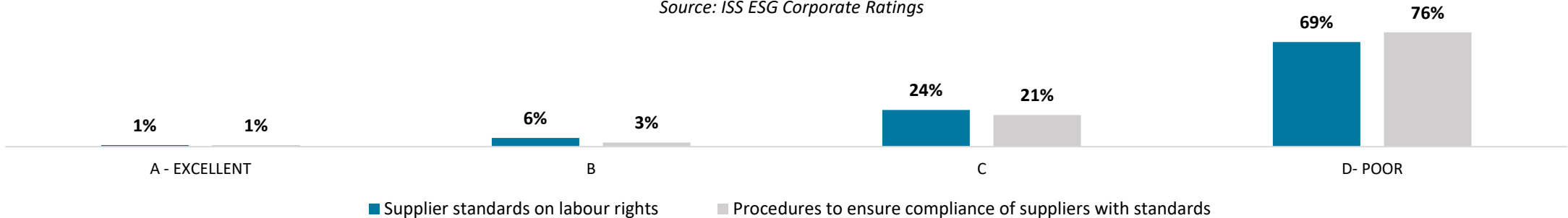


How does the ASX 300 compare?

ISS ESG Corporate Ratings’ data shows that very few companies on the ASX300 are demonstrating best practice in establishing supplier standards for decent work or in implementing procedures to ensure compliance with these standards, such as confidential channels in local languages to raise grievances or corrective action plans to remedy violations.

ASX300 performance on supplier policies and procedures related to labour rights (%)

Source: ISS ESG Corporate Ratings



ISS ESG Corporate Ratings assesses companies on a twelve-point scale from A+ (excellent performance) to D- (poor performance or failure to demonstrate any commitment to appropriately address the topic).