

ENGAGEMENT REPORT

Philadelphia Gas Works Pension Plan

MSCI ESG Research LLC

May 2020

Contents

Engagement Letter Template	6
Company Narratives.....	8
AMERICAN OUTDOOR BRANDS CORPORATION	8
BIG 5 SPORTING GOODS CORPORATION	8
BULOVA TECHNOLOGIES GROUP, INC.	8
CABELA'S LLC.....	9
CAMPING WORLD HOLDINGS, INC.	9
CANADIAN TIRE CORPORATION, LIMITED	10
CLARUS CORPORATION	10
COLT DEFENSE LLC.....	10
COMPAGNIE FINANCIERE RICHEMONT SA	11
CT Real Estate Investment Trust.....	11
Daicel Corporation.....	12
DICK'S SPORTING GOODS, INC.	12
EZCORP, INC.....	12
FIRSTCASH, INC.....	13
H&K AG	13
Heckler & Koch GmbH.....	13
Howa Machinery, Ltd.....	13
IZHEVSKIY MASHZAVOD OAO	14
Miroku Corporation	14
NOF CORPORATION	14
Northrop Grumman Corporation.....	15

NORTHROP GRUMMAN INNOVATION SYSTEMS, INC.....	15
NORTHROP GRUMMAN SYSTEMS CORPORATION	16
Olin Corporation	16
POONGSAN CORPORATION	17
POONGSAN HOLDINGS CORPORATION	17
REMINGTON ARMS COMPANY, INC.....	17
Richemont International Holding S.A.	18
S&T Corporation.....	18
S&T Holdings Co. Ltd.	18
S&T MOTIV CO., LTD.....	19
SIG SAUER INC.	19
SPORTSMAN'S WAREHOUSE HOLDINGS, INC.	19
STURM, RUGER & COMPANY, INC.....	20
TAURUS ARMAS S.A.	20
TUL'SKIY ORUZHEYNYI ZAVOD PAO.....	20
Verney Carron SA	21
VISTA OUTDOOR INC.....	21
Wal-Mart de Mexico, S.A.B. de C.V.....	21
WALMART INC.....	22
XXL ASA.....	22
Company Responses.....	23
AMERICAN OUTDOOR BRANDS CORPORATION	24
CAMPING WORLD HOLDINGS, INC.	24
COMPAGNIE FINANCIERE RICHEMONT SA	25
Daicel Corporation.....	26
DICK'S SPORTING GOODS, INC.	27

IZHEVSKIY MASHZAVOD OAO	28
NOF CORPORATION.....	28
NORTHROP GRUMMAN CORPORATION.....	28
Verney Carron SA	29
VISTA OUTDOOR	30
WAL-MART DE MEXICO, S.A.B. DE C.V.	30
Walmart INC	30
XXL ASA.....	32
ABOUT MSCI	33

In January 2020, MSCI ESG Research once again sent out letters on behalf of the City of Philadelphia Board of Pensions & Retirement requesting the companies in the covered company list to sign the Sandy Hook Principles. One month after initial engagement, companies will be sent a reminder to review said letter. Results from engagement efforts are detailed later in this document.

This document includes three sections: (i) Letter template sent to companies in the Covered Company List; (ii) Company narratives for companies in the covered company list, detailing their firearms involvement; and (iii) Response summary, for those companies who have replied to the letter. As a reference, a covered company list, a compliant list, and a non-compliant list will be provided in an Excel document for your convenience.

Engagement Letter Template

<<Month day, year>>

Dear Investor Relations:

The City of Philadelphia Board of Pensions & Retirement (the “Board”) has retained MSCI ESG Research to assist it in implementing the enclosed resolution (the “Resolution”) establishing the Sandy Hook Principles (the “Principles”), which the Board unanimously adopted on January 24, 2013. The Resolution states that the Principles are in remembrance of those who lost their lives in the shooting massacre on December 14, 2012 at Sandy Hook Elementary School and in remembrance of others who have lost their lives to gun violence. The Resolution further indicates that the Principles are designed to encourage positive corporate behavior by gun and ammunition manufacturers, distributors and retailers by establishing a baseline standard for responsible conduct and business practices to help ensure maximum safety to our citizens.

The Resolution prohibits the Board from being invested in any Covered Company (as defined in the Resolution) which has not adopted the Principles¹. The Resolution sets forth an engagement process with Covered Companies pursuant to which such companies are encouraged to sign and abide by the Principles. Should a Covered Company decline to sign and abide by the Principles, then the Board will be prohibited from investing in, and will commence divesting itself of investments in such company.

In collaboration with the Board, MSCI ESG Research has identified your company as a Covered Company and placed it on a Covered Companies List. The identification is based on publicly available sources and is presented in the information box at the end of this letter. In accordance with the Resolution, the Board offers your company the opportunity to clarify its gun and/or ammunition-related activities and encourages you to take one of the following actions within 90 days of the date of this letter: (1) If you believe your company is not a Covered Company, please provide a written explanation to that effect; or (2) If you are a Covered Company, then the Board encourages a company representative with authority to bind the company to sign and return to MSCI ESG Research the enclosed copy of the Principles.

¹ Unless otherwise defined in this letter, all capitalized terms used herein are defined in the Resolution. “Covered Companies” include companies which manufacture, distribute or sell at retail any guns or ammunition (including certain component parts manufacturers), except to the extent the activities are for a law enforcement or military purpose.

MSCI ESG Research will review the information you provide regarding your compliance with the Resolution and may contact you with additional questions. We ask that you provide a point of contact at your firm for future correspondence.

Based on your company's response, the Board will take one of the following actions:

If the Board determines based on your response that your company is not a Covered Company, then the Board will remove your company from the Covered Companies List and no further action will be taken.

If your company is a Covered Company and signs and agrees to abide by the Principles, then your company will be placed on a Compliant Companies List and no further action will be taken, provided it remains in compliance with the Principles.

If your company is a Covered Company and declines to sign and abide by the Principles, then your company will be placed on a Non-Compliant Companies List. The Board will be prohibited from investing in your company and will commence a process of divesting itself of all current investments in your company. Your company will remain ineligible for investment by the Board unless and until your company signs the Principles.

We look forward to your response within 90 days of the date of this letter. Please do not hesitate to contact me if you have questions.

Sincerely,

Joseph I. Williams
 Content Manager, Business Involvement Screening Research, MSCI ESG Research

Joe Yamut
 Research Lead, Business Involvement Screening Research, MSCI ESG Research

Enclosures: Philadelphia Board of Pensions and Retirement Resolution: Sandy Hook Principles

Profile

<<Company's firearms profile>>

Company Narratives

The following companies are included in the City of Philadelphia Board of Pensions & Retirement covered company list:

AMERICAN OUTDOOR BRANDS CORPORATION

Ticker	AOBC
CUSIP	02874P103
ISIN	US02874P1030
SEDOL	BD8ZGK9
Country of Domicile	US
Profile	<p>American Outdoor Brands (formerly Smith & Wesson Holding), through its wholly-owned subsidiaries Smith & Wesson Corp. and Thompson/Center Arms Co. Inc., manufactures and exports revolvers, handguns, modern sporting rifles with semi-automatic models, and hunting firearms for hunting, sports, and personal protection applications.</p> <p>In December 2016, the company changed its name to American Outdoor Brands.</p>

BIG 5 SPORTING GOODS CORPORATION

Ticker	BGFV
CUSIP	08915P101
ISIN	US08915P1012
SEDOL	2958646
Country of Domicile	US
Profile	<p>Big 5 Sporting Goods retails semi-automatic shotguns, rifles, and ammunition for hunting. Its brands include Beretta, Colt, Mossberg, Ruger, Savage Arms, and Winchester.</p>

BULOVA TECHNOLOGIES GROUP, INC.

Ticker	BTGI
CUSIP	120458203
ISIN	US1204582035
SEDOL	BHLY496

Country of Domicile	US
Profile	<p>Bulova Technologies, through its wholly-owned subsidiary, Bulova Technologies (Europe), sells and distributes commercial small-caliber ammunition.</p> <p>The company remains suspended in the OTC Markets and has not released any financial report since FY 2018.</p>

CABELA'S LLC

Ticker	BSGRP
CUSIP	
ISIN	
SEDOL	
Country of Domicile	US
Profile	<p>Cabela's retails semi-automatic rifles and pistols, revolvers, handguns, shotguns, and ammunition for hunting and sport shooting. Its brands include Beretta, Bushmaster, Remington, Savage Arms, and Sig Sauer.</p> <p>In September 2017, the company was completely acquired by Bass Pro Shop.</p> <p>The company last reported revenue figures for FY 2016.</p>

CAMPING WORLD HOLDINGS, INC.

Ticker	CWH
CUSIP	13462K109
ISIN	US13462K1097
SEDOL	BDCBXH9
Country of Domicile	US
Profile	<p>Camping World retails and distributes firearms such as handguns, shotguns, and rifles through its subsidiary, Gander Outdoors.</p> <p>In May 2017, Camping World acquired Gander Outdoors (formerly known as Gander Mountain) through a bankruptcy auction.</p>

CANADIAN TIRE CORPORATION, LIMITED

Ticker	CTC.A
CUSIP	136681202
ISIN	CA1366812024
SEDOL	2172286
Country of Domicile	CA
Profile	Canadian Tire retails ammunition for rifles, shotguns, and handguns.

CLARUS CORPORATION

Ticker	CLAR
CUSIP	18270P109
ISIN	US18270P1093
SEDOL	BF5QHG2
Country of Domicile	US
Profile	Clarus, through its wholly-owned subsidiary, Sierra Bullets produces and sells bullets for hand guns, and rifles.

COLT DEFENSE LLC

Ticker	COESE
CUSIP	
ISIN	
SEDOL	
Country of Domicile	US
Profile	<p>Colt Defense develops and manufactures firearms, such as pistols, revolvers, carbines, and semi-automatic rifles used in sporting and hunting applications. Its products are sold to the commercial market through Colt's Manufacturing Co. LLC.</p> <p>In July 2013, the company acquired New Colt Holding Corp., the parent company of Colt's Manufacturing, which manufactures firearms for the civilian and sporting markets. The merger resulted to a single company developing, manufacturing, and selling firearms under the brand Colt for all markets and applications.</p>

In June 2013, Colt's Manufacturing entered into a partnership with Black Hills Ammunition, to manufacture and sell ammunition for competition rifles.

In June 2015, Cold Defense filed for a voluntary petition for relief under chapter 11 of title 11 of the United States Bankruptcy Code in the United States Bankruptcy Court. In January 2016, the company completed its reorganization but also filed a suspension of duty to report. The company last reported revenue figures for FY 2013.

COMPAGNIE FINANCIERE RICHEMONT SA

Ticker	CFR
CUSIP	204319107
ISIN	CH0210483332
SEDOL	BCRWZ18
Country of Domicile	CH
Profile	<p>Compagnie Financiere Richemont, through its wholly-owned subsidiary James Purdey & Sons, manufactures game guns, over & under guns, hammer guns, double rifles, bolt action rifles, and cartridges for sport shooting.</p> <p>In April 2017, the company informed MSCI ESG Research that the sale of their rifles account for less than 0.05 percent of the company's sales and represent less than 150 units a year.</p>

CT REAL ESTATE INVESTMENT TRUST

Ticker	CRT.UN
CUSIP	126462100
ISIN	CA1264621006
SEDOL	BFSRSC5
Country of Domicile	CA
Profile	<p>CT Real Estate Investment (CT REIT) is a majority-owned subsidiary of Canadian Tire, which retails ammunition for rifles, shotguns, and handguns.</p> <p>As of December 2018, Canadian Tire owns 76.2 percent of CT REIT.</p>

DAICEL CORPORATION

Ticker	4202
CUSIP	
ISIN	JP3485800001
SEDOL	6250542
Country of Domicile	JP
Profile	<p>Daicel (formerly Daicel Chemical Industries Ltd.) manufactures shotgun cartridges or shotgun shells for hunting and trapshooting.</p> <p>In February 2017, Daicel told MSCI ESG Research that its subsidiary, Daicel Pyrotechnics Ltd., is still producing and selling ammunition for hunting and clay shooting. The company also disclosed that its products are only for the Japanese domestic market, which is why ammunition sales represent only less than 0.10 percent of its consolidated net sales.</p>

DICK'S SPORTING GOODS, INC.

Ticker	DKS
CUSIP	253393102
ISIN	US2533931026
SEDOL	2969637
Country of Domicile	US
Profile	<p>Dick's Sporting Goods retails rifles, shotguns, and ammunition for hunting and target shooting. Its brands include Beretta, Browning, Mossberg, Remington, and Savage Arms.</p>

EZCORP, INC.

Ticker	EZPW
CUSIP	302301106
ISIN	US3023011063
SEDOL	2326287
Country of Domicile	US
Profile	<p>EZCORP retails used civilian firearms.</p>

FIRSTCASH, INC.

Ticker	FCFS
CUSIP	33767D105
ISIN	US33767D1054
SEDOL	BZCG9B4
Country of Domicile	US
Profile	FirstCash retails used firearms.

H&K AG

Ticker	
CUSIP	
ISIN	DE000A11Q133
SEDOL	BZ039B7
Country of Domicile	DE
Profile	H&K AG produces pistols and rifles for the civilian market. In addition, the company produces the semi-automatic SP5K pistol and several semi-automatic rifles such as the HK243, MR223A3, and the MR308.

HECKLER & KOCH GMBH

Ticker	
CUSIP	
ISIN	XS1649057640
SEDOL	
Country of Domicile	DE
Profile	Heckler & Koch manufactures and sells pistols and rifles for civilian use.

HOWA MACHINERY, LTD.

Ticker	6203
CUSIP	
ISIN	JP3840600005
SEDOL	6441283
Country of Domicile	JP

Profile	Howa Machinery manufactures the M1500 bolt action rifle for hunting. The company also exports and sells its products to the United States.
---------	--

IZHEVSKIY MASHZAVOD OAO

Ticker	ROSTE
CUSIP	
ISIN	
SEDOL	
Country of Domicile	RU
Profile	Kalashnikov Concern (formerly known as Izhevskiy mashzavod, Izhevskiy mashinostroitel'niy zavod, or Izhmash) manufactures semi-automatic rifles and semi-automatic shotguns for hunting and sports shooting.

MIROKU CORPORATION

Ticker	7983
CUSIP	
ISIN	JP3910800006
SEDOL	6596354
Country of Domicile	JP
Profile	Miroku manufactures shotguns and rifles for hunting and sporting applications. Its products include brands such as Browning, B.C. Miroku, and Winchester.

NOF CORPORATION

Ticker	4403
CUSIP	
ISIN	JP3753400005
SEDOL	6640488
Country of Domicile	JP
Profile	NOF majority owns Nippo Kogyo, a company that manufactures and retails gun ammunition for hunting and sporting rifles.

As of March 2019, the company owned 94 percent of Nippo Kogyo.

NORTHROP GRUMMAN CORPORATION

Ticker	NOC
CUSIP	666807102
ISIN	US6668071029
SEDOL	2648806
Country of Domicile	US
Profile	Northrop Grumman through its wholly-owned subsidiary, Northrop Grumman Innovation Systems (formerly Orbital ATK.), develops and manufactures ammunition and cartridges for rifles and shotguns used in sporting and hunting applications.

NORTHROP GRUMMAN INNOVATION SYSTEMS, INC.

Ticker	NOC
CUSIP	
ISIN	
SEDOL	
Country of Domicile	US
Profile	<p>Northrop Grumman Innovation Systems (formerly Orbital ATK.) develops and manufactures ammunition and cartridges for pistols, rifles, shotguns, and handguns, used in sporting and hunting applications.</p> <p>In June 2018, the company was acquired by Northrop Grumman.</p> <p>In February 2015, Alliant Techsystems completed its merger with Orbital Sciences Corp. The combined company was renamed Orbital ATK. Vista Outdoor was formed when Orbital ATK spun off its firearms manufacturing business. Orbital ATK, however, will supply Vista Outdoor with ammunition products as part of a continuing agreement between the two companies.</p>

NORTHROP GRUMMAN SYSTEMS CORPORATION

Ticker	NOC
CUSIP	666807AW2
ISIN	US666807AW21
SEDOL	BNFXBJ0
Country of Domicile	US
Profile	<p>Northrop Grumman Systems Corporation is Northrop Grumman Corporation's non-financing and non-reporting operating subsidiary with outstanding debt.</p> <p>Northrop Grumman through its wholly-owned subsidiary, Northrop Grumman Innovation Systems (formerly Orbital ATK.), develops and manufactures ammunition and cartridges for pistols, rifles, shotguns, and handguns, used in sporting and hunting applications.</p>

OLIN CORPORATION

Ticker	OLN
CUSIP	680665205
ISIN	US6806652052
SEDOL	2658526
Country of Domicile	US
Profile	<p>Olin, through its wholly owned subsidiary Winchester Ammunition Inc., produces sporting ammunition for rifles, shotguns, and handguns, as well as industrial cartridges for hunting and recreational applications. It also distributes and retails firearms and ammunition through its wholly owned subsidiary, Winchester Australia Ltd. The company's products include brands such as Winchester, Browning, CZ, Stey-Mannlicher, and Lanber.</p>

POONGSAN CORPORATION

Ticker	103140
CUSIP	
ISIN	KR7103140000
SEDOL	B3BDFS1
Country of Domicile	KR
Profile	Poongsan manufactures ammunition for pistols, revolvers, and rifles used for recreational hunting and shooting. Its products are sold under the Precision Made Cartridges brand.

POONGSAN HOLDINGS CORPORATION

Ticker	005810
CUSIP	
ISIN	KR7005810007
SEDOL	6694474
Country of Domicile	KR
Profile	<p>Poongsan Holdings, through its minority ownership of Poongsan Corp. (Poongsan), manufactures ammunition for pistols, revolvers, and rifles used for recreational hunting and shooting. Poongsan's products are sold under the Precision Made Cartridges brand.</p> <p>As of December 2017, the company owned 35.08 percent of Poongsan.</p>

REMINGTON ARMS COMPANY, INC.

Ticker	REMIG
CUSIP	
ISIN	
SEDOL	
Country of Domicile	US
Profile	<p>Remington Arms manufactures semi-automatic rifles such as the R-15. It also manufactures handguns, carbines, and shotguns for sporting applications. The company also manufactures its own ammunition in various calibers.</p> <p>The company last reported revenue figures for FY 2016.</p>

RICHEMONT INTERNATIONAL HOLDING S.A.

Ticker	
CUSIP	
ISIN	XS1789751531
SEDOL	BYVSL18
Country of Domicile	LU
Profile	Richemont International Holding S.A. is a majority owned subsidiary of COMPAGNIE FINANCIERE RICHEMONT SA, which has involvement in Firearms.

S&T CORPORATION

Ticker	100840
CUSIP	
ISIN	KR7100840008
SEDOL	B2PDGC1
Country of Domicile	KR
Profile	<p>S&T Corp is a majority owned subsidiary of S&T Motiv. S&T Motiv manufactures the DP-51 and DP-51C civilian variants of the K5 pistol.</p> <p>As of December 2017, S&T Motiv owned 52.92 percent of S&T Corp.</p>

S&T HOLDINGS CO. LTD.

Ticker	036530
CUSIP	
ISIN	KR7036530004
SEDOL	6223328
Country of Domicile	KR
Profile	<p>S&T Holdings, through its ownership of S&T Motiv Co. Ltd., manufactures civilian variants of the K5 semi-automatic pistol.</p> <p>As of December 2018, the company owned 37.21 percent of S&T Motiv.</p>

S&T MOTIV CO., LTD

Ticker	064960
CUSIP	
ISIN	KR7064960008
SEDOL	6515434
Country of Domicile	KR
Profile	S&T Motiv manufactures the DP-51 and DP-51C civilian variants of the K5 pistol.

SIG SAUER INC.

Ticker	SIGSR
CUSIP	
ISIN	
SEDOL	
Country of Domicile	US
Profile	<p>Sig Sauer manufactures semi-automatic pistols and rifles for sporting and collection purposes. The company also manufactures ammunition.</p> <p>The company last reported revenue figures for FY 2017.</p>

SPORTSMAN'S WAREHOUSE HOLDINGS, INC.

Ticker	SPWH
CUSIP	84920Y106
ISIN	US84920Y1064
SEDOL	BLM7DY0
Country of Domicile	US
Profile	<p>Sportsman's Warehouse retails semi-automatic rifles and pistols, revolvers, handguns, shotguns, and ammunition for hunting and sport shooting. Its brands include Remington, Smith and Wesson, Ruger, and Browning.</p>

STURM, RUGER & COMPANY, INC.

Ticker	RGR
CUSIP	864159108
ISIN	US8641591081
SEDOL	2856289
Country of Domicile	US
Profile	Sturm, Ruger & Co. designs and manufactures firearms, such as semi-automatic rifles, shotguns, pistols, and revolvers for personal, hunting, and sports applications. It sells its firearms under the Ruger brand.

TAURUS ARMAS S.A.

Ticker	TASA3
CUSIP	
ISIN	BRTASAACNOR7
SEDOL	BKRR445
Country of Domicile	BR
Profile	Forjas Taurus manufactures, exports, and sells revolvers, handguns, rifles, and pistols for civilian use. The company also distributes semi-automatic rifles and pistols from the Diamondback brand, through its wholly owned subsidiary Taurus Holdings Inc.

TUL'SKIY ORUZHEYNYI ZAVOD PAO

Ticker	tozz
CUSIP	
ISIN	RU0007661203
SEDOL	4878225
Country of Domicile	RU
Profile	Tul'skiy oruzheynyi zavod, also known as the Tula Small Arms Plant, manufactures and sells hunting rifles, shotguns, and carbines for the civilian market.

VERNEY CARRON SA

Ticker	MLVER
CUSIP	
ISIN	FR0006174496
SEDOL	5346505
Country of Domicile	FR
Profile	Verney Carron manufactures and sells hunting rifles, shotguns, and other sporting guns. Its products include over-and-under shotguns, over-and-under rifles, bolt-action rifles, and custom-made hunting guns.

VISTA OUTDOOR INC.

Ticker	VSTO
CUSIP	928377100
ISIN	US9283771007
SEDOL	BVGC697
Country of Domicile	US
Profile	Vista Outdoor produces ammunition for the civilian market. In July 2019, Vista Outdoor completed the sale of Savage Arms and Steven Firearms which manufactures and produces its rifles and shotguns.

WAL-MART DE MEXICO, S.A.B. DE C.V.

Ticker	WALMEX*
CUSIP	93114W107
ISIN	MX01WA000038
SEDOL	BW1YVH8
Country of Domicile	MX
Profile	Wal-Mart de Mexico is a majority-owned subsidiary of Walmart, a company that retails rifles, shotguns, pistols, and ammunition for hunting and sports shooting. As of January 2019, Walmart owns 71 percent of Wal-Mart de Mexico.

WALMART INC.

Ticker	WMT
CUSIP	931142103
ISIN	US9311421039
SEDOL	2936921
Country of Domicile	US
Profile	Walmart (formerly Wal-Mart Stores) retails rifles, shotguns, pistols, and ammunition for hunting and sports shooting. Some of the brands it sells include CCI, Federal Ammunition, Mossberg, Remington, Savage Arms, and Winchester.

XXL ASA

Ticker	XXL
CUSIP	98386J106
ISIN	NO0010716863
SEDOL	BQZHXB9
Country of Domicile	NO
Profile	XXL retails rifles and ammunition for hunting. Its brands include Heym, Tikka, and Weatherby.

Company Responses

MSCI ESG Research has received definitive replies to the engagement letters from 15 companies since the survey began. American Outdoor Brands Corporation, Camping World Holdings, Inc., Compagnie Financiere Richemont SA, Dicks Sporting Goods, IMI PLC, Izhevskiy Mashzavod OAO, NOF Corporation, Northrop Grumman Corporation, Verney-Carron SA, Vista Outdoors, Wal-Mart De Mexico, S.A.B. DE C.V., Walmart Inc, Xtek Ltd, and XXL ASA responded but did not sign the Sandy Hook Principles. Daicel Corporation has signed the Sandy Hook Principles in 2014 and has provided responses to the annual engagement survey.

In November 2019, H&K AG was added to the Covered Company list. The company sells civilian pistols and rifles.

In May 2019, Northrop Grumman Innovation Systems was removed from the Covered Company list since the company is no longer part of MSCI ESG Research coverage. As a result of a methodology review, the company was added back to the Covered Company list by August 2019.

In February 2019, The Kroger Co. was removed from the Covered Company list. In November 2018, the company told MSCI ESG Research that its Fred Meyer Division no longer retails firearms or ammunition.

In February 2019, CT Real Estate Investment Trust, Northrop Grumman Systems Corporation, and Richemont International Holding S.A. were added to the Covered Company list. These companies are majority-owned subsidiaries of companies that are part of the Covered Company List.

In August 2018, Northrop Grumman Corporation was added to the Covered Company list. In June 2018, the company acquired Northrop Grumman Innovation Systems (formerly Orbital ATK), which develops and manufactures ammunition and cartridges for pistols, rifles, shotguns, and handguns that are used in sporting and hunting applications.

In August 2018, Xtek Ltd was removed from the Covered Company list. In May 2018, Xtek informed MSCI ESG Research that the company no longer retails firearms to civilians but only serves defense and law enforcement agencies within Australia, New Zealand, and the U.S.

In November 2016, Izhevskiy Mashzavod Oao was removed from the Covered Company list since the company is no longer part of MSCI ESG Research coverage. In January 2018, as a result of a methodology review, the company was added back to the Covered Company list.

In May 2015, Vista Outdoor Inc. was added to the Covered Company list when Orbital ATK Inc. (formerly Alliant Techsystems) spun-off its firearms manufacturing business.

In May 2015, Metalico, Inc. is no longer a covered company after it sold its lead fabricating segment, which manufactures lead shots for recreational shooting.

In February 2015, IMI plc was removed from the Covered Company list after it clarified that it had sold its Eley business, which manufactures sporting ammunition.

Summaries of company responses are detailed below.

AMERICAN OUTDOOR BRANDS CORPORATION

Compliant: No

Contact: Elizabeth Sharp

On May 1, 2019, Ms. Elizabeth Sharp responded to the annual engagement request. The company noted that due to its February 2019 Shareholder Report, which outlined guidelines for dialogue with the company, American Outdoor Brands Corporation (AOBC) will ask those who wish to engage the company to openly accept the Constitutional rights and fundamental principles on which their company's firearms business has been built and maintained. Prior to further correspondence, the company requires that its Principles for Responsible Engagement be signed. Per the company, these principles make it known that AOBC is a strong defender of the Second Amendment, and they establish a foundation that those who wish to hold a discussion about firearms are engaging in good faith.

CAMPING WORLD HOLDINGS, INC.

Compliant: No

Contact: John Rouleau

On April 30, 2019, Mr. John Rouleau requested for some clarifications regarding the annual engagement request. MSCI ESG Research shared these with the Philadelphia Board of Pensions & Retirement and await clarification on some follow-up questions.

COMPAGNIE FINANCIERE RICHEMONT SA

Compliant: No

Contact: James Frazer

On April 30, 2019, Mr. James Frazer replied to the annual engagement request. He noted that Purdey sales account for less than 0.1 percent in March 2018 and that this figure would be even lower with online distributors. Mr. Frazer also clarified that the aforementioned amount also includes Purdey clothing and leather. As a result, revenue derived from the sale of rifles account for even less. Lastly, he pointed out that this is equally immaterial in terms of profits and capital requirements, and that rifles are sold through two fully-owned retail outlets and not through any wholesale distribution.

On February 28, 2018, and April 06, 2017, Ms. Catherine Tek replied to the annual engagement request and on January 20, 2016, January 26, 2015 and January 10, 2014, Ms. Isabelle Janin replied to the annual engagement request on behalf of Ms. Sophie Cagnard. As per their response, their position remains the same as it was in August 2013.

On August 27, 2013 Compagnie Financiere Richemont SA declined to sign the Sandy Hook Principles.

Ms. Cagnard explained that the sale of their rifles account for less than 0.05% of the company's sales and represent less than 150 units a year. All of these sales are generated by a single store located in London, Maison Purdey. Maison Purdey does not wholesale its rifles. Due to this situation the company is not able to sign the Sandy Hook Principles.

The company highlighted that Mr. Gary Saage, Richemont's CEO, supports the efforts of the Philadelphia Board of Pensions & Retirement. Both Mr. Saage and his children attended the Sandy Hook Elementary School.

In the company's February 2018 response, the sale of their rifles account for less than 0.05% of Richemont sales, which represents 51 new units in the 2017 fiscal year.

DAICEL CORPORATION

Compliant: Yes
 Contact: Masahiro Hirokawa

On April 24, 2020, Mr. Inui Toshiyuki responded to the annual engagement request on behalf of Mr. Hirokawa. The company once again signed the Sandy Hook Principles in April 7, 2020. The company also responded to the annual compliance survey sent in January 2020.

On February 2, 2019, Mr. Yoshihiro Nakamura responded to the annual engagement request on behalf of Mr. Hirokawa. He said that he was advised that they no longer need to submit and sign the Sandy Hook principles again since it was already signed in 2014. The company responded to the annual compliance survey sent in January 2019.

On February 10, 2017, and April 18, 2018, Mr. Masahiro Hirokawa responded to the annual engagement requests. He noted that he was advised that they no longer need to submit and sign the Sandy Hook principles again since it was already signed in 2014. The company responded to the annual compliance survey sent in January 2018.

On March 4, 2016, Ms. Xue Yang responded to the annual engagement request on behalf of Mr. Hirokawa. She said that she was advised that they no longer need to submit and sign the Sandy Hook principles again since it was already signed in 2014. The company responded to the annual compliance survey sent in January 2016.

In Daicel's 2020, 2019, 2018, 2017 and 2016 survey responses, the company mentioned that Japan Shotshell Ltd., the subsidiary that manufactures ammunition, changed its name to Daicel Pyrotechnics Ltd. in October 2014. Daicel Pyrotechnics is in charge of the company's firearms and ammunition business but has restricted its sale only within Japan and strictly complies with Japan's "Act for Controlling the Possession of Firearms or Swords and Other Such Weapons" and "Explosives Control Act", which severely restrict possession and use of firearms and ammunitions, only to distributors located in Japan and having a legitimate license to sell the products. The company also said that an assessment by Japan's National Police Agency is required to obtain the certificate of receipt for gun and ammunition. Daicel and its distributors only sell its products to persons with this certificate.

Further, the company clarified that it does not manufacture any military style assault weapons for use by civilians. Daicel is a member of Japan Explosives Safety Association, which ensures the promotion of safety measures for guns and ammunition. Since the company only sells its products within Japan, Daicel mentioned that it cannot take part in efforts to strengthen legislative restrictions on guns in the United States. The company also added that it keeps track of the actual results of the manufacture and sale of their products and make periodic reports to the relevant administrative authorities in Japan. Daicel also noted that it regularly holds an exchange meeting with the distributors selling their products and exchange information with such distributors on the sale and handling of those products.

On February 26, 2014, Mr. Masahiko Hirokawa, on behalf of the company, signed the Sandy Hook principles. The signed document was sent along with a previous report. In his 2014 reply, Mr. Hirokawa described the procedures implemented by the company in relation to the sale and manufacture of their products. These measures involve restricting sales to include only to those distributors located in Japan and checking whether individual buyers possess valid certificates of receipt for explosives issued by the National Police Agency.

While Mr. Hirokawa clarified that they cannot take part in efforts to strengthen firearms restrictions in the United States on account of their operations being limited only to the Japanese domestic market, he affirmed the company's commitment to promote background checks, firearms safety awareness, and transparency in disclosing firearms sales data to relevant authorities.

DICK'S SPORTING GOODS, INC.

Compliant: No
 Contact: John Hayes III

On January 20, 2017, January 26, 2016 and January 26, 2015, Mr. John Hayes III responded to the annual engagement requests. He stated that as of those times, the company is not prepared to adopt the Sandy Hook Principles, but they will continue to monitor federal, state and local regulations regarding the sale and transfer of firearms and ammunition.

IZHEVSKIY MASHZAVOD OAO

Compliant: No
 Contact: Jay Portz

Izhevskiy Mashzavod Oao was previously removed from the Covered Company list since the company is no longer part of MSCI ESG Research coverage. However, in January 2018, as a result of a methodology review, the company was added back to the Covered Company list.

Mr. Jay Portz from RWC Group LLC contacted MSCI ESG Research on behalf of Izhevskiy mashzavod OAO, also known as Izhmash and declined to sign the Sandy Hook Principles.

Izhevskiy mashzavod OAO is fully owned by a single shareholder and therefore considers it will remain unaffected by any action the City of Philadelphia Board of Pensions & Retirement will take if it does not sign the Sandy Hook Principles. The company states, "Izhmash is in compliance with all firearm laws and regulations. Safe and responsible firearm use is always Izhmash's and our goal."

NOF CORPORATION

Compliant: No
 Contact: Not provided

In January 2018 and February 2016, NOF Corporation requested to be removed from the covered company list.

In January 2018 and February 2016, the company told MSCI ESG Research that Nippo Kogyo Co. Ltd., a subsidiary of NOF Corporation, manufactures ammunition for hunting and sporting rifles and sells hunting rifles. Nippo Kogyo Co. Ltd. is compliant with the Swords and Firearms Control law in Japan. Nippo Kogyo Co. Ltd. does not export to other countries and limits its sales to Japan. For this reason, NOF Corporation believes they should be removed from the Covered Company list.

NORTHROP GRUMMAN CORPORATION

Compliant: No
 Contact: Not Provided

In May 2, 2019, Northrop Grumman Corporation responded to the annual engagement request. The company noted that based from its review of the forwarded letter, the Philadelphia Board of Pensions and Retirement's resolutions

and the Sandy Hook Principles, it does not appear that the Principles are not intended to apply to a company like it since it is a global security company that conducts most of its business with the U.S. government. Northrop Grumman Corporation also noted that it does not sell ammunition directly to consumers in the retail markets, although it sells a small amount of excess ammunition to companies for resale in the retail market. The company noted that these sales abide by existing State and Federal laws associated with these commercial transactions. Lastly, Northrop Grumman Corp stated that like the Board, the company believes in the importance of keeping firearms out of the wrong hands and promoting gun safety.

VERNEY CARRON SA

Compliant: No
 Contact: Jean Verney-Carron

On January 14, 2016, January 24, 2015 and January 8, 2014, Verney-Carron responded to the annual engagement request. Mr. Verney-Carron stated that there are no changes in their reply since July 2013. Mr. Verney-Carron requested to stop receiving these requests.

In June 2013, Verney-Carron SA declined to sign the Sandy Hook Principles followed by a confirmation of this decision on July 2013. The company considers the principles are not applicable to them as a non-US company. On July 2013, MSCI ESG Research had clarified to the company that these principles are not exclusive to US based companies.

Verney-Carron SA explained it is a small family owned company that does not seek investment. They also expressed to be “shocked” whenever a shooting rampage occurs in the United States, but do not believe their company is in any way responsible for them, nor that it will be in the future. Verney-Carron SA states “gun laws” in France are more restrictive than in the US, and that they believe the US importer abides by local laws. The company makes special emphasis in two remarks:

1. Verney-Carron SA does not seek any investment from external entities.
2. They believe the principles are written for US based companies.

VISTA OUTDOOR

Compliant: No
 Contact: Kelly Reisdorf

In March 26, 2020, Ms. Kelly Reisdorf replied to the annual engagement request. She noted that Vista Outdoor promotes firearms safety education and practices at the local, state and national levels through its brands and products and by creating and providing educational resources that are used across the country by firearms safety instructors and the general public, including videos that are available at www.federalpremium.com/education. Ms. Reisdorf also disclosed that the company provided additional information on its initiatives dedicated to the safe and responsible use of its products in their website.

WAL-MART DE MEXICO, S.A.B. DE C.V.

Compliant: No
 Contact: Pilar de la Garza Fernández del Valle

On February 17, 2020 and January 31, 2019, Wal-Mart De Mexico responded to the annual engagement request. Ms. Pilar de la Garza Fernández del Valle disclosed that the company does not sell firearms. She noted that per the Mexican Federal Firearms and Explosives Act (Art. 10), certain weapons are permitted, subject to regulatory approval, for sport hunting purposes, provided they are not automatic and do not exceed .22 caliber. All other weapons are reserved for the exclusive use of the armed forces. The company stated that in any case, Walmex does not sell any such weapons.

WALMART INC

Compliant: No
 Contact: Katherine Neebe

On April 17, 2020, April 1, 2019, and April 20, 2018, Walmart Inc responded to the annual engagement request. Ms. Katherine Neebe noted that while the company is not a signatory to the Sandy Hook Principles, Walmart takes seriously its obligation to sell firearms and ammunitions in a responsible way. Following to the tragic events in El Paso and Southaven, the company updated its firearms and ammunitions guidelines in September 2019.

While the law allows the sale of a firearm if no response to a background check request has been received within three business days, the company requires such approval before a purchase. The company also have processes in place for hand gun

ammunition to be locked up and inaccessible to customers without associate intervention. All ammunition sales also require identification and age verification. In April 2020, the company also noted that as part of its responsible sale of firearms, it also videotapes the point of sale for firearms, allow only select associates who have passed a criminal background check to sell firearms, conduct regular associate training, and performing inventory audits.

The company also noted that Walmart announced its decision to place an age restriction for the sales of firearms and ammunitions to individuals over the age of 21 in February 2018. The company also removed items from its website resembling assault-style rifles including non-lethal airsoft guns and toys. Walmart further stated that it has not sold AR-15 style firearms since 2015 and that it does not sell any AR-15 accessory, including bump stocks and high-capacity magazines. These products were also listed on its prohibited items list for online marketplace sellers. In April 2020, the company also added that it has a process to monitor its eCommerce marketplace and help ensure that its policies are applied. As of September 2019, the company noted that it has discontinued the sale of handguns, which were previously sold only in its Alaska stores; ammunition for handguns, ammunition for short-barrel rifles such as the .223 caliber and 5.56 caliber that, while commonly used in some hunting rifles, can also be used in large-capacity clips on military-style weapons; and ammunition like the .300 Blackout, 7.62x.39 and .224 Valkyrie. On the other hand, Walmart disclosed that it sells long guns for hunting and sport shooting, including shotguns, single-shot hunting rifles and light sporting rifles, as well as BB and pellet guns.

Walmart also developed software designed to prevent sales where a person who is legally entitled to purchase a firearm attempts to purchase for a person who cannot legally obtain a firearm for themselves. The company is also a charter member and the first retailer to join Mayor Bloomberg's coalition against illegal guns in 2008 and adopted the 10-point code established by the Responsible Firearms Retailer Partnership that goes beyond what the law requires. In April 2020, the company noted that it also shares regulatory and licensing requirements information with other firearm retailers to help them sell firearms in a responsible and compliant manner. Lastly, the company also requests their customers not to openly carry firearms in Walmart or Sam's Club locations in states where open carry is permitted – unless they are authorized by law enforcement. As of September 2019, Walmart is working to create and display new signage to help communicate this policy. The

company disclosed that it will continue to follow state and local laws regarding concealed carry permit holders.

XXL ASA

Compliant: No

Contact: Tolle Groterud

In April 30, 2020, April 30, 2019, April 19, 2018, and April 18, 2017, Mr. Tolle Groterud responded to the annual engagement request. He stated that XXL ASA is a Norway-based sporting goods retailer that sells its goods in Norway, Sweden, Finland, and Denmark. The company does not have US operations. Mr. Groterud noted that the company does not have handheld weapons, guns or revolvers, military weapons or equipment for practical shooting and that the company's profile is directed towards outdoor life, wilderness, and hunting. He also noted that the company monitors the sale and storage of weapons, ammunitions, and fireworks closely. An approval from police authorities is required prior to the purchase of weapons. The company also makes its own considerations and assessments of suitability in each case.

Mr. Groterud noted that the laws and regulations regarding firearms are highly uniform in Norway, Sweden, Finland, and Denmark. In Norway, the "Norwegian Firearms Acts of 9 September 1961 no.1" governs the sale of weapons, as well as parts and ammunition for weapons. Among other requirements, XXL is required to have individual licenses to sell firearms for all stores in which firearms and ammunitions are sold. Relevant legislation in the aforementioned countries also regulates stores selling their products, including specific requirements for firearms sales personnel, storage of weapons and ammunition, use of alarm system, and other requirements to prevent theft, fires, and explosions.

Contact us

clientservice@msci.com

AMERICAS

Americas	1 888 588 4567 *
Atlanta	+ 1 404 551 3212
Boston	+ 1 617 532 0920
Chicago	+ 1 312 675 0545
Monterrey	+ 52 81 1253 4020
New York	+ 1 212 804 3901
San Francisco	+ 1 415 836 8800
São Paulo	+ 55 11 3706 1360
Toronto	+ 1 416 628 1007

EUROPE, MIDDLE EAST & AFRICA

Cape Town	+ 27 21 673 0100
Frankfurt	+ 49 69 133 859 00
Geneva	+ 41 22 817 9777
London	+ 44 20 7618 2222
Milan	+ 39 02 5849 0415
Paris	0800 91 59 17 *

ASIA PACIFIC

China North	10800 852 1032 *
China South	10800 152 1032 *
Hong Kong	+ 852 2844 9333
Mumbai	+ 91 22 6784 9160
Seoul	00798 8521 3392 *
Singapore	800 852 3749 *
Sydney	+ 61 2 9033 9333
Taipei	008 0112 7513 *
Thailand	0018 0015 6207 7181 *
Tokyo	+ 81 3 5290 1555

* = toll free

ABOUT MSCI

MSCI is a leading provider of critical decision support tools and services for the global investment community. With over 45 years of expertise in research, data and technology, we power better investment decisions by enabling clients to understand and analyze key drivers of risk and return and confidently build more effective portfolios. We create industry-leading research-enhanced solutions that clients use to gain insight into and improve transparency across the investment process.

About MSCI ESG Research Products and Services

MSCI ESG Research products and services are provided by MSCI ESG Research LLC, and are designed to provide in-depth research, ratings and analysis of environmental, social and governance-related business practices to companies worldwide. ESG ratings, data and analysis from MSCI ESG Research LLC are also used in the construction of the MSCI ESG Indexes. MSCI ESG Research LLC is a Registered Investment Adviser under the Investment Advisers Act of 1940 and a subsidiary of MSCI Inc.

To learn more, please visit www.msci.com.

Notice and disclaimer

The information contained herein (the "Information") may not be reproduced or disseminated in whole or in part without prior written permission from MSCI ESG Research. The Information may not be used to verify or correct other data, to create any derivative works, to create indexes, risk models, or analytics, or in connection with issuing, offering, sponsoring, managing or marketing any securities, portfolios, financial products or other investment vehicles. Historical data and analysis should not be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. MSCI ESG Research is provided by MSCI Inc.'s subsidiary, MSCI ESG Research LLC, a Registered Investment Adviser under the Investment Advisers Act of 1940. MSCI ESG Research materials, including materials utilized in any MSCI ESG Indexes or other products, have not been submitted to, nor received approval from, the United States Securities and Exchange Commission or any other regulatory body. None of the Information or MSCI index or other product or service constitutes an offer to buy or sell, or a promotion or recommendation of, any security, financial instrument or product or trading strategy. Further, none of the Information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. The Information is provided "as is" and the user of the Information assumes the entire risk of any use it may make or permit to be made of the Information. NONE OF MSCI INC. OR ANY OF ITS SUBSIDIARIES OR ITS OR THEIR DIRECT OR INDIRECT SUPPLIERS OR ANY THIRD PARTY INVOLVED IN THE MAKING OR COMPILING OF THE INFORMATION (EACH, AN "INFORMATION PROVIDER") MAKES ANY WARRANTIES OR REPRESENTATIONS AND, TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH INFORMATION PROVIDER HEREBY EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. WITHOUT LIMITING ANY OF THE FOREGOING AND TO THE MAXIMUM EXTENT PERMITTED BY LAW, IN NO EVENT SHALL ANY OF THE INFORMATION PROVIDERS HAVE ANY LIABILITY REGARDING ANY OF THE INFORMATION FOR ANY DIRECT, INDIRECT, SPECIAL, PUNITIVE, CONSEQUENTIAL (INCLUDING LOST PROFITS) OR ANY OTHER DAMAGES EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES. The foregoing shall not exclude or limit any liability that may not by applicable law be excluded or limited. Privacy notice: For information about how MSCI ESG Research LLC collects and uses personal data concerning officers and directors, please refer to our Privacy Notice at <https://www.msci.com/privacy-pledge>.