



ICCR'S 2020 PROXY RESOLUTIONS AND VOTING GUIDE

2020 Proxy Resolutions and Voting Guide

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Wendy's International, Inc.	Demonstrate Progress Towards Phasing Out Antibiotics	Withdrawn 119
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Williams-Sonoma, Inc.	Workforce Diversity Report	82
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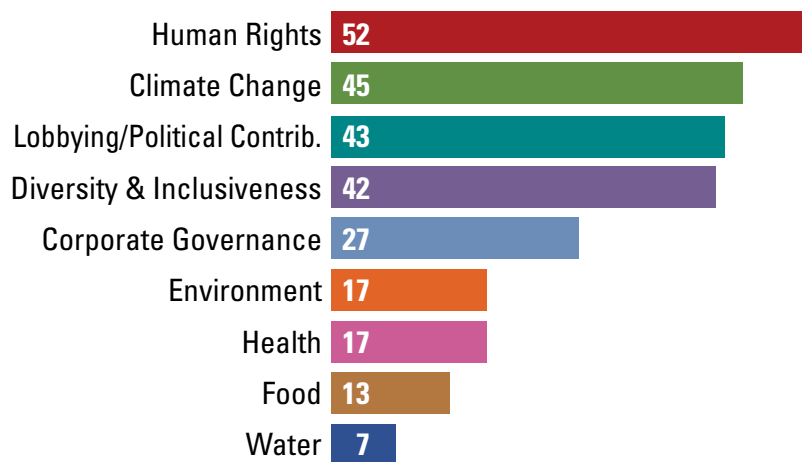
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2020 Executive Summary

Members of the Interfaith Center on Corporate Responsibility are investors who believe corporate attention to their environmental and social impacts helps to mitigate risks and enhance long-term shareholder value. For 50 years, our members have engaged hundreds of corporations annually to promote improved performance on issues such as human rights, health equity, climate change, corporate water impacts, sustainable food production, responsible finance, lobbying and political spending, and corporate governance.

This guide presents ICCR member-sponsored resolutions — both as lead- and co-filer — for 2020 corporate proxies, as of February 21. If you are an investor, we invite you to read these proposals and support those resolutions you can. Any abstentions are counted as votes for management by default, so we strongly urge investors to practice “active ownership” by voting their proxies every year. To get a fuller sense of the breadth of our members’ work, visit our website, www.iccr.org.

Resolutions by Issue



2020 Proxy Season Overview

ICCR members filed **254 resolutions for 2020 corporate proxies**, up from 250 this time last year.* An additional 9 are planned for the spring. **Thirty-seven resolutions** have been successfully with-drawn for agreement. Notably, for the first time resolutions related to **human rights and worker rights were the most numerous, at 52**. They exceeded resolutions directly addressing climate change, which was the second most active issue with **45 resolutions**. Lobbying and political spending saw 43 resolutions, and inclusiveness, 42.

Noteworthy Trends:

Greater diversification and volume of human rights-related asks. This year, investors presented corporations with a large and diverse set of requests ranging from the adoption of a human rights policy and human rights risk assessments, to the appointment of board members with human rights expertise. Concerns addressed included technology and data privacy, immigration, child sexual exploitation, ethical labor recruitment, prison labor in supply chains, gun violence, human capital management, workplace discrimination and conflict zones.

Increasing use of the UNGPs as a framework for conducting human rights due diligence. Twenty-one human rights resolutions cited the UNGPs as an essential tool for preventing and remediating adverse human rights impacts in operations and supply chains across a range of sectors, underscoring the mainstreaming of the UNGPs in corporate engagements.

* A total of 277 resolutions were filed by the end of the 2019 season.

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Continuing concern regarding the growing influence of tech giants such as Google, Facebook and Amazon. Multiple resolutions at a single company in a given year is a clear sign of investor concern. Considered the largest company in the world, **Amazon** has unrivaled global impact and, as a result of its vast supply chain, significant environmental and social risk. This season ICCR members filed 9 proposals at Amazon – more than they sent to any other company this year. The Amazon resolutions featured requests related to climate change, food waste, diversity, lobbying, and product safety; more than half, though, focused on human rights, including hate speech. Investors also filed 7 with **Alphabet** (addressing child sexual exploitation, whistleblowers, government censorship, the gender and racial pay gap, diversity metrics, human rights board oversight, and vote counting methods) and 6 with **Facebook** (child sexual exploitation, ‘rebooting’ the company, human rights board oversight, independent chairs, and vote counting methods).

There were seven resolutions referencing immigration including immigrant detention (CoreCivic), corporate lobbying on immigrant detention (GEO Group), biometric data (Northrop Grumman), due diligence regarding customer use of surveillance products (Amazon), involuntary transportation (Qantas), and funding of CoreCivic and/or GEO Group (First Horizon National and Royal Bank of Canada).

Other ICCR member resolutions reflect ongoing work in the following key areas:

Technology & Data Privacy

Information, communications and technology (ICT) companies drive global innovation and economic growth. Yet without sufficient oversight, these same companies contribute to human and digital rights abuses via violations of consumer



privacy. Freedom of expression and democracy are also jeopardized when search engine operators comply with government-mandated censorship requests, including search term bans and blacklists. The Investor Alliance for Human Rights, an ICCR initiative, has helped build capacity for investors engaging with tech companies on human rights, and has developed a series of briefings to facilitate investor engagements with companies in the tech sector around risks related to [Privacy and Data Protection](#), [Freedom of Opinion and Expression](#), [Conflict and Security](#), and [Discrimination](#).

Forced Labor

An estimated 16 million people are trapped in conditions of forced labor around the globe. Migrant workers who leave their home countries in search of work are prime targets for exploitation that begins with excessive recruitment fees and leads to debt bondage, wage theft, and confiscated or restricted access to personal documents that limit their freedom of movement. Members asked 15 companies to *address forced labor and human trafficking* in their supply chains.

Climate Change Remains a Concern for Shareholders

2019 was the second-hottest year ever recorded, closing out the warmest decade, and shareholder resolutions are increasingly seen as an important tool for accelerating corporate climate action. ICCR members continue to press companies to align their operations with the goals of the Paris agreement, and this year filed 45 resolutions directly addressing climate change through a variety of approaches.

ICCR members asked 10 companies to *describe if and how they plan to reduce their total contributions to climate change and align their operations and investments with the Paris Agreement's goal of maintaining global temperature rise to well below 2 degrees Celsius*. Investors challenged 7 companies to *issue reports assessing the feasibility of adopting quantitative, company-wide goals for increasing their use of renewable energy and energy efficiency*, in order to substantially increase the scope of their climate initiatives. 9 resolutions were filed at banks addressing fossil fuel financing (see page 19).

Investors asked BlackRock, JPMorgan Chase, T. Rowe Price, and Vanguard Funds to *issue reports on their proxy voting policies and practices related to climate change*. Other resolutions addressed the *risk of stranded assets, risk of expanding operations in flood-prone areas, and mitigating carbon footprints of vehicle fleets*.



An additional 29 resolutions addressed climate change indirectly in combination with other concerns, and are discussed in the Food, Water, Environmental Health, and Lobbying sections. In the largest group of these, investors filed 18 resolutions challenging *corporate lobbying on climate policy* this year (discussed in detail in the Lobbying section, which starts on page 193).

Corporate Influence through Lobbying and Political Spending

There were 43 resolutions addressing *corporate lobbying and political spending disclosure*. Although companies are required to report their federal lobbying, disclosure requirements at the state level are often uneven and nonexistent. Investors often have no information regarding corporate lobbying expenditures, including through their trade associations. This year, ICCR members sought to highlight corporate lobbying on issues such as immigrant detention in private prisons, background checks for gun purchases, high U.S. drug prices, and airplane safety. Their work is coordinated by AFSCME and Boston Trust Walden.



This year also brought increased scrutiny of companies' direct and indirect lobbying on climate-related issues with the release of "Investor Expectations on Corporate Lobbying on Climate Change," a public statement backed by institutional investors with over \$6.5 trillion in assets under management. Resolutions on climate lobbying ticked up slightly to 18, from 15 last year. Exxon and Chevron, meanwhile, each received 2 different types of climate lobbying resolutions.

Corporate political donations and their outsized influence on U.S. elections, and hence, public policy and regulation have been a source of controversy ever since the Supreme Court's *Citizens United* ruling 10 years ago. Shareholders argue that information around how corporations wield their financial power to influence elections is crucial. ICCR members filed **8 resolutions calling for disclosure of political spending** as well as one resolution that issued a **shareholder rebuke of political spending**. ICCR members' work on political spending is coordinated by the Center for Political Accountability.

Diversity and Gender Issues

There were 8 resolutions calling for expanded **workforce diversity** and reports identifying employees according to the major EEOC-defined job categories.

Because women and people of color remain significantly underrepresented on U.S. corporate boards, investors filed 8 resolutions calling for

greater **board diversity**. Of top earners in the C-suite, just 11% are women and a much smaller percentage are women of color. Thus, **executive leadership diversity** returned as an investor concern for a second year, with 6 resolutions.

Given the pay gap that persists between men and women in nearly all industries in the U.S., ICCR members again this year pressed corporations to address **their gender and racial pay gaps**, filing resolutions at 4 companies. Members also filed 1 resolution calling for a report on **mandatory arbitration on workplace culture**, expanding on work begun last year.

Another 7 resolutions called for companies to update their workplace discrimination policies to include language **prohibiting discrimination on the basis of gender identity or expression**. All but one of these have already been successfully withdrawn.

Escalating Drug Prices and the Opioid Crisis Remain a Focus for Investors

Americans paid over \$344 billion for their medications in 2018, an increase of \$20 billion from 2015. These skyrocketing drug prices hurt not only patients, but present business risks for manufacturers. Investors view an excessive dependence on drug price increases for revenue growth at pharmaceutical companies as a risky and unsustainable business strategy. ICCR



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members asked 5 companies this year to *assess the feasibility of incorporating public concern over high drug prices into senior executive compensation arrangements* and urged 3 to *integrate drug pricing risk into their senior executive incentives*.

Opioid addiction caused more than 130 overdose deaths a day in the U.S. in 2017, up from 91 in 2015. Shareholders, led by Investors for Opioid and Pharmaceutical Accountability, carried their opioid campaign into its third year, filing 4 resolutions urging companies to *establish a deferral period for senior executive bonuses* as a way of encouraging better governance structures related to opioids. They also asked 3 companies for greater *oversight of risks related to the opioid crisis*.

Investors this year also asked Merck *to report on how it plans to allocate its tax savings* from the Trump administration's Tax Cuts and Jobs Act (TCJA). There was also 1 resolution on *youth smoking/vaping*.

Working Towards a Sustainable Food System and Water Stewardship

In order to grow the food necessary for an expanding global population, industrial agricul-



ture, characterized by large-scale monoculture, heavy use of chemical fertilizers and pesticides, and meat production via concentrated animal feeding operations (CAFOs), has become the predominant method of food production. This has led to serious and unmanaged environmental and social "externalities" that pollute local waterways, exacerbate the climate crisis, and threaten the health and safety of both workers and communities. This year, several resolutions highlighted the role of agriculture in driving the climate crisis, as well as the impact of future climate-related water redistribution and reduced availability.

Four resolutions asked companies to report *quantitative metrics on pesticide use in their supply chains*, and 1 called for a reduction of *food waste*. Two called on companies to *assess strategies for strengthening supplier antibiotic use standards*, 2 more to *demonstrate progress towards phasing out routine use of antibiotics*, and 1 for an overall *reduction in antibiotic use in the supply chain*.

Four resolutions called on companies to *reduce their climate-related water risk*, while 3 others called for a *reduction of water pollution from supply chains*, and *reports on water management risks and on water risks for the meat, poultry and dairy sector*.



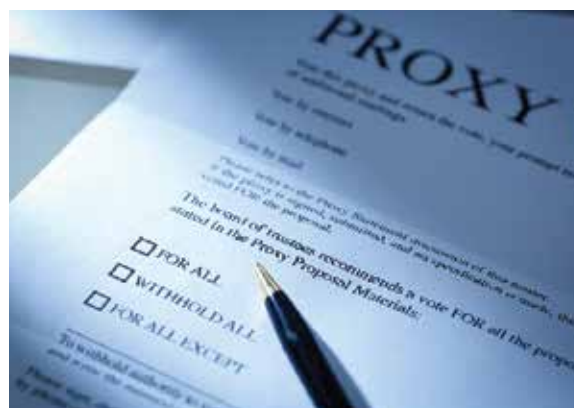
Protecting Environmental Health

Managing and reporting on ESG factors such as environmental impacts and resource dependency helps companies compete in a business environment driven by increasing public sensitivity to waste and pollution, finite natural resources, and growing public expectations for corporate accountability. As the plastic pollution crisis has worsened, ICCR members led by As You Sow have increasingly called for corporate innovation to address wasteful plastic products – from single-use bags, cups, takeout containers, and straws – to nurdles and packaging.

This year, Walmart was asked to issue a *report assessing the environmental impacts of continuing to use single-use plastic bags*. Investors asked 4 companies to issue *reports discussing if and how they can increase the scale and pace of their efforts to support industry and public policy solutions to plastic pollution*. They also asked 3 companies to *report on their plastic pollution including trends in amount of pellets, powder or granules released into the environment*. A final resolution in this group asked Amazon for *better board oversight of ESG risks from third-party sellers*.

Responsible Finance

As part of our members' work on *responsible finance*, they engage with banks on the environmental and social impacts of their lending and underwriting activities. Since the signing of the Paris Agreement in 2016, 33 global banks have provided the fossil fuel industry with \$1.9 trillion in financing. This year, 9 resolutions addressed fossil fuel financing. Bank of America and Community Trust Bank were asked to report on the *risks they face by maintaining their current levels of carbon-intensive lending*. Morgan Stanley and Goldman Sachs were asked to report on *measuring & disclosing the GHG footprint of their lending activities*. Bank of Montreal was asked to *adopt quantitative targets for reducing GHG*



emissions from its lending/underwriting. Barclay's, JPMorgan Chase and Wells Fargo were asked to report on how they could *reduce the GHG emissions associated with their lending activities*. JPM was also challenged on its *financing of oil and gas projects in the Arctic*. Fossil fuel financing resolutions can be found in the Climate section of the Guide, which starts on page 18.

Still other resolutions explored the nexus of finance and human rights. First Horizon National, which provides financing to CoreCivic, was asked to *adopt a comprehensive human rights policy to prevent and mitigate human rights impacts connected to its business*. Royal Bank of Canada, which owns over 20,000 shares in both GEO and CoreCivic, was asked to report on *how it is addressing the human rights risks it faces related to carrying out U.S. immigration policy enforcement*. Visa was asked to *report on the public scrutiny over the role played by credit card issuers and payment networks in enabling purchases of firearms used to commit mass shootings*. These resolutions can be found in the Human Rights section of the Guide, which starts on page 139.

New Topics This Year

Change Company Management Systems to Implement BRT Statement of Purpose

Human Capital Management Disclosure

Human Rights Risks Related to US Immigration Policy

Impact of Plant Closures

Include Non-Management Employees on the Board

Offshore Drilling Impacts

Reboot Facebook to Address Mismanagement around Privacy

Review Company Policies Relating to Involuntary Transportation

Corporate Governance

Sound corporate governance structures are the bedrock of healthy, long-term financial performance that creates value for all stakeholders. In addition to numerous resolutions citing governance concerns in other issue areas, ICCR members this year filed 27 resolutions focusing primarily on corporate governance, slightly more than last year.

In August of last year, CEO members of the Business Roundtable (BRT) released a joint *Statement on Purpose of the Corporation* declaring the end of “shareholder primacy” and a new commitment to benefit all corporate stakeholders. Yet, the BRT continues to advocate for limiting shareholder access to corporate proxies. As a result, shareholders asked BlackRock to *prepare a report providing the board’s perspective on how its governance and management systems should be altered to fully implement the BRT’s Statement of Purpose*.

A new group of 6 resolutions made the case that employee representation on corporate boards, giving them a say in company decisions, would

be a direct way for companies to invest in their employees; doing so can reduce employee disenfranchisement, better attract top talent, and increase efficiency, enhancing long-term rather than short-term corporate value. These resolutions *asked for a report on opportunities for inclusion of non-management employees on their boards*.

Eleven of this year’s governance-related resolutions emphasized the importance of *independent board chairs*, including a third-year Facebook proposal. A JPMorgan Chase resolution noted that Jamie Dimon has held the dual roles of CEO and Chair since 2006 – an excessive tenure. Investors in pharmaceutical companies filed independent board requests at 6 companies, including at J&J, referencing mismanagement of opioid risks, and Lilly, highlighting the rising cost of insulin.

Many of this year’s health resolutions, in fact, took a governance-based approach calling, for instance, for *incorporating drug pricing risk into senior executive incentives*.

Arguing that without equal voting rights, shareholders cannot hold management accountable, investors again this year asked Alphabet and Facebook to *adopt recapitalization plans for all outstanding stock to reflect one vote per share*.

This year also saw 2 pay disparity and ‘say on pay’ resolutions filed at Canadian companies. Shareholder say on CEO pay was adopted in 2009 for publicly-traded U.S. companies.

We close with a reminder that ICCR is a large and diverse coalition; as such, the inclusion of a given resolution in the Guide should not be interpreted as its unanimous endorsement by our membership.

A Note on Voluntary Withdrawals

When shareholders file a resolution, companies may reach out to the filers and request a dialogue to discuss aspects of the proposal. If an agreement between both parties is reached that satisfies the main requests of the proposal – such as issuing a report or amending a policy – filers may choose to voluntarily withdraw the resolution and it will not appear on the company’s proxy statement. Every year ICCR members negotiate dozens of these successful agreements. 2019 was another strong year for the ICCR coalition, as our members negotiated 107 substantive corporate commitments on a broad range of issues.

At the time of publishing, ICCR members had withdrawn 37 resolutions in exchange for substantive agreements with companies directly related to their resolutions.

We expect the number of withdrawals to grow in the next few months, and to be consistent with last year. Our website will provide an update on these withdrawal agreements and vote results in early summer when the proxy season comes to a close.

And a Note on Our Methodology

Much of ICCR’s current work is interconnected, and addresses multiple overlapping social and environmental issues. For the purposes of reporting, we therefore categorize shareholder resolutions according to their **primary** focus. For example, resolutions calling for greater disclosure on lobbying and political contributions but indirectly referencing climate policy are considered *lobbying* resolutions.

Note: Over the next few months, a number of resolutions published here will be withdrawn by their filers in exchange for agreements or will be omitted with permission from the SEC, and thus will not appear on corporate proxy ballots. Resolutions that have already been withdrawn are indicated in the ICCR Member Resolutions by Company section, which begins on page 2. In addition, filings received after the February closing date are not included in this Guide but will be made available on www.iccr.org.



Climate Change

More than 16 million acres in Australia have gone up in flames in the past few months, wreaking devastation on a brutal scale, and ecologists estimate that over a billion animals have died as a result. 2019 was the second-hottest year ever recorded, closing out the warmest decade.

We are already living with the adverse impacts of climate change, including longer and more severe droughts, more violent and unpredictable weather, dangerous fires and floods, and dramatic changes in sea levels. These events are taking their toll on communities around the globe, including the displacement of millions of climate refugees and threats to public health.

Global insurers, meanwhile, have warned that climate change will likely make insurance coverage increasingly unaffordable, exacerbating economic insecurity for all parties including states, cities, businesses and homeowners.

Following the Administration's walk-back of America's Paris climate pledge, momentum on reducing greenhouse gases (GHG) has shifted to the states and the private sector. Dozens of states have declared their intention to uphold the Paris pledge, and have set emissions reductions targets between 20% and 27%. New York City is contemplating building a \$199 billion, 6-mile long barrier to protect itself against storm-related floodwaters. Employees at Google, Amazon, and Microsoft are pushing the tech sector from the inside for greater action on climate change.

ICCR members, meanwhile, continue to press their portfolio companies to align their operations with the goals of the Paris agreement, and this year filed 45 resolutions directly addressing climate change through a variety of approaches, including requests that companies adopt GHG reduction targets and quantitative renewable energy use goals, address the risk of stranded

Climate Change	45*
Proposal Topic	Quantity
Report on Plans to Align Operations with Paris Agreement	10
Assess Feasibility of Adopting Quantitative Renewable Energy Goals	7
Risks of Stranded Assets	5
Proxy Voting Policies Related to Climate Change	4
Assess Risk of Expanding Operations in Flood-Prone Areas	3
Report on Reducing GHG Emissions Associated with Lending Activities	3
Report on Measuring GHG Footprint of Lending Activities	2
Report on Strategies for Mitigating Carbon Footprint of Vehicle Fleet	2*
Risks Associated with Maintaining Current Levels of Carbon-Intensive Lending	2
Sustainability Reporting - GHG Emphasis	2
Adopt Quantitative Targets for Reducing GHG Emissions from Lending/Underwriting	1
Develop Strategy to Reduce Contribution to Climate Change	1
Oil and Gas Company and Project Financing Related to the Arctic and the Canadian	1
Report on Mitigating Health and Climate Impacts of Coal Use	1
Report on Reducing Methane Emissions	1

* Includes one spring filing

assets, and measure and reduce the GHG footprint of their lending activities.

Investors also filed an additional 18 resolutions challenging corporate lobbying on climate policy this year (discussed in detail in the Lobbying section, which starts on page 193). An additional 11 resolutions addressed climate change indirectly in combination with other concerns, and are discussed in the Food, Water, and Environmental Health & Sustainability sections.



"Investors are increasingly demanding banks take responsibility for the climate impacts of their financing activities and address investor portfolio risk beyond company-level risk. Banks, through

their lending practices, loan portfolios, underwriting, and investments, play an outsized role in funding the fossil fuel operations wreaking havoc on our climate. While U.S. banks are making progress in areas like increasing green financing and reducing operational emissions, they continue to provide alarming levels of fossil fuel funding. Year after year, JPMorgan Chase & Co has held the top spot in terms of fossil fuel financing.

U.S. laggards stand in sharp contrast to progress made by European peers. HSBC has committed to set a Science-Based Target. ING, BNP Paribas, Standard Chartered, and others have committed to measure the climate alignment of their lending portfolios against Paris goals. Some have even abandoned high risk sectors, including Arctic drilling and tar sands. Importantly, tools are becoming available to help banks measure the climate impacts of their portfolios, for example, the Partnership for Carbon Accounting Financials (PCAF).

This year, *As You Sow's* shareholder proposal with JPMorgan asks the company how it will reduce the GHG emissions of its lending activities in alignment with the Paris Agreement's 1.5°C goal. The proposal emphasizes the need for the company to start measuring and disclosing its full carbon footprint and set a target to reduce emissions from its lending. Only by taking such steps can JPMorgan assure investors it is appropriately managing the systemic, material risks that the climate crisis poses to investor portfolios."

Danielle Fugere, President & Chief Counsel
– *As You Sow*

Climate Finance

Since the signing of the Paris Agreement in 2016, 33 global banks have provided the fossil fuel industry with \$1.9 trillion in financing. This year, 9 resolutions addressed fossil fuel financing.

Bank of America and **Community Trust Bank** were asked to report on the risks they face by maintaining their current levels of carbon-intensive lending. **Morgan Stanley** and **Goldman Sachs** were asked to report on measuring & disclosing the GHG footprint of their lending activities. **Bank of Montreal** was asked to adopt quantitative targets for reducing GHG emissions from its lending/underwriting. **Barclay's**, **JPMorgan Chase** and **Wells Fargo** were asked to report on how they could reduce the GHG emissions associated with their lending activities. JPM was also challenged on its financing of oil and gas projects in the Arctic.

Assess Feasibility of Adopting Quantitative Renewable Energy Goals

More and more, companies are taking practical steps to reduce emissions of the greenhouse gases that contribute to climate change. Increasing use of renewable energy is one such way, as it is cost-effective, and can help insulate companies from regulatory uncertainty and reputational risks.

Investors challenged 7 companies, including **Home Depot**, **Nucor** and **Sherwin-Williams** to issue reports assessing the feasibility of adopting quantitative, company-wide goals for increasing their use of renewable energy and energy efficiency, in order to substantially increase the scope of their climate initiatives.

Investors withdrew their resolution at Nucor after the company agreed to issue a report on climate change mitigation strategies.



“Concerned with the numerous threats climate change presents to the well-being of our environment and society, faith-based and sustainable investors have been pushing companies to reduce their climate impacts for decades. Investors have had many successes along the way as hundreds of companies have developed mitigation strategies and reduced their emissions.

While some companies have demonstrated leadership, continued fossil fuel-based economic growth and political inaction are key factors that drove global carbon emissions to record highs in 2019. This disheartening reality underscores the need for investors to continue pushing companies to increase the scale and pace of their climate efforts.

Fortunately, the climate science community has given us a framework to understand the levels of emissions reductions we need to achieve in order to prevent the worst impacts of climate change – the Paris Climate Agreement. Guided by this Agreement, investors now have a way to hold companies accountable for their climate impact and to ensure they are doing their part to address this growing challenge. Thus far, at least 800 companies are committing to take science-based climate action, proving the necessary climate action is realistic. The transformation of our economies to align with what the climate necessitates is where shareholder action is headed.”

Allan Pearce, Shareholder Advocate
– **Trillium Asset Management**

Report on Plans to Align Operations with Paris Agreement

The Intergovernmental Panel on Climate Change warns that global warming above 1.5 degrees Celsius will have catastrophic impacts. To avert this, global emissions of carbon dioxide must reach what is known as “net zero” (no added carbon) by 2050. One of the ways companies are being asked by their investors to meet the goals of the Paris Plan is by adopting GHG emission reduction targets for their full carbon footprint, inclusive of product-related emissions.

This year ICCR members asked 10 companies, including **Chevron, Chipotle, ExxonMobil, General Electric** and **UPS** to describe if and how they plan to reduce their total contributions to climate change and align their operations and investments with the Paris Agreement’s goal of maintaining global temperature rise to well below 2 degrees Celsius. Companies were encouraged to disclose full Scope 1-3 emissions.

Investors withdrew their resolution at Chipotle after the company committed to addressing its contribution to climate change

BP plc, Royal Dutch Shell and Norwegian firm **Equinor** received resolutions calling on them to set targets covering GHG emissions from their operations and use of their energy products (Scope 1, 2, and 3) that are short-, medium-, and long-term.





Proxy Voting Policies – Climate Change

Many large asset managers are responsible for voting the proxies of their investor clients each year and therefore, have tremendous influence over the results of the many proposals put forward for a vote at annual shareholder meetings. Several large asset management firms publicly acknowledge the material risks presented by climate change, and yet have historically voted against the majority of climate-related resolutions sponsored by shareholders. In 2019, T. Rowe Price supported just 15% of climate-related proposals. Vanguard and BlackRock supported just 12%, and JPMorgan Chase just 4%.

Investors asked **BlackRock, JPMorgan Chase, T. Rowe Price, and Vanguard Funds** to issue reports on their proxy voting policies and practices related to climate change.



Report on Plans to Align Operations with Paris Agreement

Exxon Mobil Corporation

A similar resolution was submitted to Chevron Corp.

RESOLVED: Shareholders request that ExxonMobil issue a report (at reasonable cost, omitting proprietary information) describing if, and how, it plans to reduce its total contribution to climate change and align its operations and investments with the Paris Agreement's goal of maintaining global temperature rise well below 2° Celsius.

Supporting Statement: Shareholders seek information, at board and management discretion, on the relative benefits and drawbacks of integrating the following actions:

- Disclosing Scope 3 product emissions;
- Adopting greenhouse gas emission reduction targets for the company's full carbon footprint, inclusive of product-related emissions;
- Reducing non-Paris aligned capital investments in oil and/or gas resource development; Investing at scale in low carbon energy or other reduction measures.

WHEREAS: The Intergovernmental Panel on Climate Change warns that global warming above 1.5 degrees Celsius will create catastrophic impacts. Specifically, it instructs that global emissions of carbon dioxide must reach "net zero" by 2050. If warming is kept to 1.5 degrees Celsius versus 2 degrees, studies point to estimated savings of \$20 trillion to the global economy by 2100.

The energy industry is one of the largest contributors to climate change and ExxonMobil is the fourth largest global emitter in the sector.¹ ExxonMobil's investment choices matter. Every dollar invested in fossil fuel resources increases risk to the economy and investor portfolios.

Investors recognize this growing risk. Norway's sovereign wealth fund announced divestment from oil and gas exploration and production companies. The European Investment Bank and the World Bank announced they will cease funding fossil fuel projects.² Other investors are seeking Paris Alignment from large emitters.³ Criteria for alignment include: disclosure of Scope 1 through 3 emissions; adoption of a net zero by 2050 or equivalent target; a business plan for becoming Paris Aligned; and a declining carbon footprint.⁴

Peer companies are taking steps to align with Paris goals. Shell announced Scope 3 greenhouse gas intensity reduction ambitions⁵ and has decreased reserves life below the industry standard.⁶ Total has invested substantially in renewable energy and storage. Equinor rebranded itself from 'StatOil' and is diversifying into renewables. Orsted, previously a Danish oil and gas company, sold its fossil fuel portfolio. Repsol announced a net zero by 2050 target.⁷

In contrast, ExxonMobil does not report Scope 3 product emissions. Its greenhouse gas reduction goals are short term, limited to certain operations, and do not address Scope 3 emissions. Exxon has no long term business plan to align operations with Paris 1.5 degree goals, instead announcing plans for substantial growth in its reserves base, including carbon intensive oil sands.⁸ A recent Carbon Tracker analysis finds that 55 percent of Exxon's production to 2040 is outside Paris' below 2 degree objective.⁹ The Transition Pathway Initiative also indicates Exxon's carbon intensity trajectory is far above Paris goals.¹⁰

Investors seek information to address these concerns.

1. <https://www.theguardian.com/environment/2019/oct/09/revealed-20-firms-third-carbon-emissions>

2. <https://www.reuters.com/article/us-climate-europe-eib/european-investment-bank-to-cease-funding-fossil-fuel-projects-by-end-2021-idUSKBN1X020S>; <https://www.worldbank.org/en/topic/climatechange/brief/qa-the-world-bank-group-and-upstream-oil-and-gas>

3. <https://climateaction100.wordpress.com/faq/>

4. Paris Aligned Investor Statement; <https://www.carbontracker.org/reports/balancing-the-budget/>

5. https://www.shell.com/sustainability/sustainability-reporting-and-performance-data/performance-data/greenhouse-gas-emissions/_jcr_content/par/tabbedcontent/tab/textimage.stream/1564572084204/fbfb66b7e35c8ee49204f6e53be4a0144e35d275/climate-change-submission-royal-dutch-shell-final-31.pdf, C4.1b

6. <https://www.bloomberg.com/opinion/articles/2019-06-05/shell-spending-plans-show-oil-s-end-is-no-longer-talk>

7. https://www.repsol.com/en/press-room/press-releases/2019/repsol-will-be-a-net-zero-emissions-company-by-2050.cshmtl?utm_campaign=zero_201912_sost-climatico&utm_source=twitter&utm_medium=social

8. <https://corporate.exxonmobil.com/-/media/Global/Files/energy-and-carbon-summary/Energy-and-carbon-summary.pdf>

9. <https://www.carbontracker.org/reports/balancing-the-budget/>

10. http://www.lse.ac.uk/GranthamInstitute/tpi/wp-content/uploads/2018/11/Oil_and_gas_discussion_paper_061118.pdf, Ex.5.

Report on Plans to Align Operations with Paris Agreement

General Electric Company

WHEREAS: The Intergovernmental Panel on Climate Change “Special Report on Global Warming of 1.5°C” finds that to avoid catastrophic impacts associated with climate change, we must limit warming to 1.5 degrees Celsius.¹ Specifically, it instructs that net emissions of carbon dioxide must fall by 45 percent by 2030 and reach “net zero” by 2050. Mitigating the devastating impacts of climate change on humanity, ecosystems, and the global economy requires every corporation to reduce climate emissions in line with these goals.

Investors are concerned that companies reduce climate risk to their own operations, but also to reduce their total greenhouse gas footprint to reduce climate-related harm to the economy and to investors’ portfolios. Sectors in which General Electric is active, including energy and transportation, have a particularly critical role to play in reducing emissions. Already, these sectors are undergoing a comprehensive and rapid transition in response to climate concerns and other market forces.

In spite of the need to address climate change and reduce its greenhouse gas emissions, General Electric continues to pursue development of new fossil fuel projects like coal power plants across the globe, including in Pakistan, Cambodia, Bangladesh, Vietnam, Kenya, and Mozambique. Such projects are often met with intense local opposition² as well as international civil society backlash³ related to potential health and climate impacts, which jeopardize General Electric’s social license to operate. Coal power projects are increasingly losing their economic advantage in the face of clean energy opportunities and demands. Some analyses show that General Electric’s continued focus on carbon-intensive power projects has already resulted in falling earnings and have cost its investors hundreds of billions of dollars.⁴

Given the urgency of addressing climate change and the associated risks it causes, General Electric should disclose whether it intends to adopt enterprise-wide policies to reduce its development of coal-based energy infrastructure that will contribute emissions for decades to come. While the Company has a 20 percent by 2020 greenhouse gas reduction target for its operations,⁵ this one-year goal is insufficient to demonstrate that its operations and greenhouse gas footprint are aligning with the Paris goals that extend to 2030 and 2050.

RESOLVED: Shareholders request that General Electric issue a report (at reasonable cost, omitting proprietary information) describing if, and how, it plans to modify its operations and investments to reduce its total carbon footprint at the rate and scope necessary to align with the Paris Agreement’s goals.

Supporting Statement: In the report shareholders seek information, among other issues addressed at board and management discretion, on the relative benefits and drawbacks of integrating the following actions:

- Disclosing full Scope 1-3 emissions, including supply chain, operational, and product-related emissions;
- Adopting overall greenhouse gas emission reduction targets for the company’s full carbon footprint, inclusive of operational and project-related emissions;
- Disclosing criteria for ensuring that project investments are consistent with the Paris Agreement.

1. <https://www.ipcc.ch/2018/10/08/summary-for-policymakers-of-ipcc-special-report-on-global-warming-of-1-5c-approved-by-governments/>

2. <https://www.theguardian.com/global-development/2019/jul/11/kenya-first-coal-plant-construction-paused-climate-victory>

3. <https://www.nrdc.org/sites/default/files/ge-coal-plant-profiteering-ib.pdf>

4. http://ieefa.org/wp-content/uploads/2019/06/General-Electric-Misread-the-Energy-Transition_June-2019.pdf

5. https://www.ge.com/sustainability/sites/default/files/GE_ESG_KPIs_RY2017_r13_Aug2018.pdf

Report on Plans to Align Operations with Paris Agreement

United Parcel Service, Inc.

A similar resolution was submitted to J.B. Hunt Transport Services, Inc.

WHEREAS: In 2018, the Intergovernmental Panel on Climate Change advised that net carbon emissions must fall 45 percent by 2030 and reach net zero by 2050 to limit warming below 1.5 degrees Celsius, thereby preventing the worst consequences of climate change.

The Fourth National Climate Assessment report (2018) finds that with continued growth in emissions, “annual losses in some U.S. economic sectors are projected to reach hundreds of billions of dollars by 2100.”

Climate change impacts present risks to investors. A warming climate is associated with increased supply chain disruptions, reduced resource availability, lost production, commodity price volatility, infrastructure damage, political instability, and reduced worker efficiency, among other factors that can disrupt company operations.

The U.S. Energy Information Administration identifies the transportation sector as the largest producer of greenhouse gas (GHG) emissions and its emissions are steadily increasing.

While UPS has implemented various initiatives to improve efficiency and reduce emissions, its total emissions have increased nearly thirteen percent since 2015. UPS does not have a goal to reduce absolute emissions from its airline which accounts for nearly 60 percent of UPS’s total emissions. UPS has not stated an intention to align its total carbon footprint with the goals of the 2015 Paris Climate Agreement – the landmark effort to limit global temperature increases to well below 2 degrees Celsius, ideally striving for 1.5 degrees above pre-industrial levels.

More than 690 leading companies, including UPS’s peer DHL Group, have committed to reduce their emissions in line with the goals of the Paris Agreement. Amazon plans to purchase 100,000 electric delivery vehicles by 2030 as part of its ambition to achieve the Paris goals ten years early.

Ramping up the scale, pace, and rigor of climate-related efforts may help unlock opportunities for growth as major business customers are increasingly demanding environmental accountability from suppliers. It may also help prepare UPS for future carbon-related regulations.

Given the impact of climate change on the economy, the environment, and human systems, and the short amount of time in which to address it, proponents believe UPS has a clear responsibility to its investors and stakeholders to clearly account for whether, and how, it plans to reduce its ongoing climate contributions.

RESOLVED: Shareholders request UPS issue a report, at reasonable cost and omitting proprietary information, describing if, and how, it plans to reduce its total contribution to climate change and align its operations with the Paris Agreement’s goal of maintaining global temperature increases well below 2 degrees Celsius.

Supporting Statement: In the report, shareholders seek information, among other issues at board and management discretion, on the relative benefits and drawbacks of integrating the following actions:

- Adopting overall short-, medium-, and long-term, absolute GHG emissions reduction targets for the Company’s full carbon footprint, including its airline, aligned with the Paris Agreement;
- Increasing the scale, pace, and rigor of initiatives aimed at reducing the carbon intensity of UPS’s services and operations;
- Increasing investments in renewable energy resources.

Report on Plans to Align Operations with Paris Agreement

Devon Energy

A similar resolution was submitted to Hess Corporation

WHEREAS: The Intergovernmental Panel on Climate Change instructs that global emissions of carbon dioxide must reach “net zero” by 2050 to avoid catastrophic impacts associated with a warming climate. If warming is kept to 1.5 degrees Celsius versus 2 degrees, studies point to an estimated savings of \$20 trillion to the global economy by 2100.

The energy industry is one of the largest contributors to climate change, and Devon’s emissions are significant. Devon’s future investment choices matter. Every dollar invested in fossil fuel resources that are not aligned with Paris goals increases risk to the economy and investor portfolios.

Investors recognize this growing risk. Norway’s sovereign wealth fund announced divestment from oil and gas exploration and production companies. The European Investment Bank and the World Bank announced they will cease funding fossil fuel projects.¹ Other investors are seeking Paris Aligned investments from large emitters.² Criteria for alignment include: disclosure of Scope 1 through 3 emissions; adoption of a net zero by 2050 or equivalent target; a business plan for becoming Paris Aligned; and a declining carbon footprint.

A growing number of oil and gas companies are taking steps to align with Paris goals. Shell announced Scope 3 greenhouse gas intensity reduction ambitions³ and has decreased reserves life below the industry standard of 10 years.⁴ Total has invested substantially in renewable energy and storage. Equinor rebranded itself from ‘StatOil’ and is diversifying into renewables. Orsted, previously a Danish oil and gas company, sold its fossil fuel portfolio. Repsol announced a net zero by 2050 target, writing down over \$5 billion of unaligned assets.⁵

In contrast, Devon does not report Scope 3 product emissions. Its methane reduction intensity target is short term, limited to operated assets, and does not address Scope 3 product emissions. Devon has no long term business plan to align operations with Paris 1.5 degree goals, instead its direct greenhouse gas emissions and greenhouse gas intensity increased each year from 2016-2018.⁶

Investors seek additional information from Devon to address these concerns.

RESOLVED: Shareholders request that Devon Energy issue a report (at reasonable cost, omitting proprietary information) describing if, and how, it plans to reduce its total contribution to climate change and align its operations and investments with the Paris Agreement’s goal of maintaining global temperature rise well below 2 degrees Celsius.

Supporting Statement: Shareholders seek information, at board and management discretion, on the relative benefits and drawbacks of adopting the following actions:

- Disclosing Scope 3 product emissions;
- Adopting greenhouse gas emission reduction targets for the company’s full carbon footprint, inclusive of product-related emissions;
- Reducing non-Paris aligned capital investments in oil and/or gas resource development;
- Investing at scale in low carbon energy or other greenhouse gas emission reduction measures.

1. <https://www.reuters.com/article/us-climate-europe-eib/european-investment-bank-to-cease-funding-fossil-fuel-projects-by-end-2021-idUSKBN1X020S>; <https://www.worldbank.org/en/topic/climatechange/brief/qa-the-world-bank-group-and-upstream-oil-and-gas>

2. <https://climateaction100.wordpress.com/faq/>

3. https://www.shell.com/sustainability/sustainability-reporting-and-performance-data/performance-data/greenhouse-gas-emissions/_jcr_content/par/tabbedcontent/tab/textimage.stream/1564572084204/fbfb66b7e35c8ee49204f6e53be4a0144e35d275/climate-change-submission-royal-dutch-shell-final-31.pdf, C4.1b

4. <https://www.bloomberg.com/opinion/articles/2019-06-05/shell-spending-plans-show-oil-s-end-is-no-longer-talk>

5. https://www.repsol.com/en/press-room/press-releases/2019/repsol-will-be-a-net-zero-emissions-company-by-2050.cshml?utm_campaign=zero_201912_sost-climatico&utm_source=twitter&utm_medium=social

6. https://www.devonenergy.com/documents/Sustainability/2019-PDF-Sections/DVN_SR19_75_performance-metrics.pdf

Report on Plans to Align Operations with Paris Agreement

Chipotle Mexican Grill, Inc.

WHEREAS: In October 2018, the Intergovernmental Panel on Climate Change (IPCC) amplified the urgency behind the 2015 Paris Climate Agreement cautioning it will be necessary to limit global warming to 1.5 degrees Celsius, rather than two degrees Celsius, to minimize the worst impacts of climate change. Achieving this will require deep greenhouse gas (GHG) emissions reductions in all sectors.

The 2018 National Climate Assessment found “climate change presents numerous challenges to sustaining and enhancing crop productivity, livestock health, and the economic vitality of rural communities,” and rising temperatures are “the largest contributing factor to declines in the productivity of U.S. agriculture.” According to a 2015 report by Citigroup, the costs of failing to address climate change could lead to a \$72 trillion loss to global GDP.

Unfortunately, UNEP reported that global emissions reached record levels in 2018 and continue to rise, increasing the risk of disruption to agricultural systems.

Chipotle acknowledges the materiality of climate change, stating: “We know that climate change and extreme weather may affect key crops and how our suppliers operate.” Chipotle also states climate change may lead to price spikes for key ingredients and that this would have particularly adverse effects on operating results.

Chipotle’s efforts to support sustainable agriculture and its commitment to measure its full carbon footprint by 2025 are sound first steps, but lag the scale, pace, and rigor of the approach established by McDonald’s, YUM! Brands, Hyatt Hotels, Walmart, Tyson Foods, PepsiCo, Nestle, Mars, Kellogg, General Mills, and Danone. These companies have already set, or committed to set, long-term GHG management goals to reduce their full value chain emissions in-line with the goals of the Paris Climate Agreement and the 2018 IPCC report. Proponents believe this is a prudent course of action that will help reduce risks associated with climate change.

Given the impact of climate change on the economy, the environment, and agricultural systems, and the short amount of time in which to address it, proponents believe Chipotle has a clear responsibility to its investors and stakeholders to develop its own strategies to align the emissions from its value chain with the projected long-term constraints posed by climate change.

RESOLVED: Shareholders request the Board of Directors of Chipotle Mexican Grill publish a report, at reasonable cost and omitting proprietary information, describing if, and how, it plans to reduce its total contribution to climate change and align its operations with the projected long-term constraints posed by climate change as set forth in the Paris Climate Agreement and 2018 IPCC Report.

Supporting Statement: In the report, shareholders seek information, among other issues at board and management discretion, on if, and how, the Company can undertake the following actions:

- Adopting overall long-term GHG emissions reduction targets for the Company’s full carbon footprint;
- Increasing the scale, pace, and rigor of initiatives aimed at reducing the carbon intensity of Chipotle’s supply chain.

Report on Plans to Align Operations with Paris Agreement

BP plc

Similar resolutions were submitted to Equinor ASA and Royal Dutch Shell

Shareholders support the company to set and publish targets that are aligned with the goal of the Paris Climate Agreement to limit global warming to well below 2°C above pre-industrial levels.

These targets need to cover the greenhouse gas (GHG) emissions of the company's operations and the use of its energy products (Scope 1, 2, and 3), to be short-, medium-, and long-term, and to be reviewed regularly in accordance with best available science.

We request that the company base these targets on quantitative metrics such as GHG intensity metrics (GHG emissions per unit of energy) or other quantitative metrics that the company deems suitable to align their targets with a well-below-2°C pathway.

Shareholders request that annual reporting include information about plans and progress to achieve these targets (at reasonable cost and omitting proprietary information).

You have our support.

Supporting statement

The oil and gas industry can make or break the goal of the Paris Climate Agreement. Therefore, oil and gas companies need the support of their shareholders to change course: first, to align their targets with the Paris Climate Agreement, and second, to invest accordingly in the energy transition to a net-zero emissions energy system.

Fiduciary duty

We, the shareholders, understand this support to be part of our fiduciary duty. A growing international consensus has emerged among financial institutions that climate-related risks are a source of financial risk, and therefore achieving the goals of Paris is essential to risk management and responsible stewardship of the economy. Institutional investors foresee that they cannot make a decent return on capital in a world economy disrupted by devastating climate change.

Scope 3

Reducing absolute emissions from the use of energy products (Scope 3) is crucial to achieving the goal of the Paris Climate Agreement, and we therefore support you to include these in your targets. This climate targets resolution reflects our belief that we need targets for all emissions (Scope 1, 2, and 3) that are truly aligned with a well-below-2°C pathway across the whole energy sector.

Emissions reductions

The goal of the Paris Climate Agreement is to limit global warming to well below 2°C above pre-industrial levels, to aim for a global net-zero emissions energy system, and to pursue efforts to limit the temperature increase to 1.5°C.

- 2°C: the median pathway of the IPCC Lower-2°C pathway group (*) suggests an absolute emissions reduction of CO₂ from fossil fuels and industry (net) of approximately 70% by 2050, relative to 2016.
- 1.5°C: in 2018, the IPCC emphasized that climate-related risks are significantly higher at 2°C than at 1.5°C, and that limiting warming to 1.5°C would require CO₂ emissions to reach net zero by 2050. (**)

According to these IPCC pathways: to reach the goal of the Paris Climate Agreement, absolute net energy-related emissions should be reduced by approximately 70% (2°C) to 100% (1.5°C) by 2050, relative to 2016.

(*) 54 pathways limiting peak warming to below 2°C during the entire 21st century with greater than 66% likelihood (IPCC special report Global Warming of 1.5°C, 2018)

(**) IPCC special report Global Warming of 1.5°C, 2018

Climate targets

This resolution reflects our belief that every fossil fuel company needs visible and unambiguous shareholder support to (1) truly align its targets with the Paris Climate Agreement and (2) invest accordingly.

We believe that the company could lead and thrive in the energy transition. We therefore encourage you to set targets that are inspirational for society, employees, shareholders, and the energy sector, allowing the company to meet an increasing demand for energy while reducing GHG emissions to levels compatible with the global intergovernmental consensus specified by the Paris Climate Agreement.

Develop Strategy to Reduce Contribution to Climate Change

Marathon Petroleum

RESOLVED: Shareholders request that the Marathon Petroleum Corporation (“Company”) board of directors develop a strategy to increase the scale and pace of the Company’s efforts to reduce its contribution to climate change, including establishing any medium- and long-term goals deemed appropriate by board and management that demonstrate this increased pace, with an eye toward the global commitments of the Paris Agreement.

SUPPORTING STATEMENT: In 2016 the Paris Agreement set a goal of keeping global temperature rise well below 2 degrees Celsius. This has resulted in national, state, and local regulations to address climate change and reduce greenhouse gas (GHG) emissions, including in six states where the Company currently operates refineries. In 2018 the Intergovernmental Panel on Climate Change outlined disastrous impacts if emissions do not decrease significantly by 2030 and reach net zero by 2050.

Climate change has the potential to adversely impact the Company’s business. As the Company notes in its most recent 10-K, the cost to comply with potential further climate change-related regulation could be significant, and the Company could face increased climate-related litigation with respect to its operations or products.

In 2017 the Financial Stability Board’s Task Force on Climate-related Financial Disclosures (TCFD) recommended that companies adopt targets to manage climate-related risks and disclose related strategies. Global financial firms responsible for assets in excess of US \$118 trillion have announced their support for the TCFD and its work.

Sixty-three percent of Fortune 100 companies have established targets that will lead to emissions reductions (Source: Power Forward 3.0), including several of Marathon’s peer companies. In September 2019, the members of the Oil and Gas Climate Initiative collectively committed to setting GHG targets. BP, Chevron, ConocoPhillips, Equinor, Suncor and Shell have all set targets to reduce their GHG intensity, in many cases linking these goals to executive compensation. GHG goal setting is quickly becoming an investor expectation in this sector.

We acknowledge the Company’s efforts to address its climate challenges as outlined in its three Perspectives on Climate-Related Scenarios reports. The most recent of these reports mentions a Company goal to reduce its scope 1 and 2 GHG emissions but provides no details nor does it address the Company’s significant scope 3 emissions from its products. The Company has improved the energy efficiency of its operations, but the efficiency and emissions impact of these efforts has slowed in recent years. The Company is a significant producer of ethanol and biodiesel, but its investments in next generation biofuels lack the ambition needed to meet international emissions targets.

All this suggests that, as the largest independent petroleum product refining, marketing, retail and midstream business in the United States, the Company needs to accelerate the scale and pace of its efforts to assure investors it is adequately managing the risks associated with climate change and making the transition to a low carbon future.

Proxy Resolutions: Climate Change

Risks of Stranded Assets

Dominion Energy

Similar resolutions were submitted to Duke Energy Corp., Sempra Energy, and Southern Company

WHEREAS: The Intergovernmental Panel on Climate Change released a report finding that “rapid, far-reaching” changes are necessary in the next 10 years to avoid disastrous levels of global warming.¹

The energy sector has a critical role to play in mitigating climate risk. Already, the sector is undergoing a rapid transition by moving away from coal, but growing reliance on natural gas creates ongoing risk. Natural gas is a major contributor to climate change due to combustion emissions and methane leaks.² In 2018, gas contributed to an increase in power sector emissions,³ jeopardizing chances of achieving reductions in line with the Paris Agreement’s goal of keeping global warming below 1.5 degrees Celsius.

Building new gas infrastructure may be uneconomic and result in costly stranded assets comparable to early retirements now occurring for coal.⁴ While some low-carbon scenarios show gas use continuing, they rely on carbon removal technologies — a risky assumption given the technology has not proven economic at scale.⁵

Demand response, energy efficiency, renewables plus storage, and electrification are all increasingly cost-effective means of serving energy needs while reducing fossil fuel use and climate impacts.⁶ City governments, recognizing gas’ climate impacts, are setting policies prohibiting gas hookups for new buildings in favor of safer, healthier electric buildings.⁷ Furthermore, states, cities, and large consumers continue to set ambitious renewable energy targets, which utilities will need to supply or risk losing business.⁸ Large tech companies recently banded together to express concern regarding Dominion’s proposed gas heavy plan.⁹

While Dominion is to be commended for taking climate conscious steps, including setting a long term greenhouse gas target¹⁰ and actions to decrease methane leakage,¹¹ investors lack sufficient information to understand if or how the Company can reconcile its growing reliance on natural gas with achieving Virginia’s 100% carbon-free by 2050 target¹² or aligning with Paris goals. The Company’s disclosures indicate Dominion is continuing to build out expensive gas infrastructure^{13,14} but is not sufficiently addressing how those costly assets and their depreciation timelines reconcile with climate stability goals or the existence of increasingly low cost, clean energy pathways.

Peer utilities, including NextEra¹⁵ and Xcel,¹⁶ have demonstrated alternatives to investing in new gas infrastructure by replacing coal assets with renewables and storage, creating win-win solutions. Shareholders are concerned that Dominion Energy is lagging behind on such opportunities and increasing its exposure to climate-related risks by investing in significant gas holdings that may become stranded.

RESOLVED: Shareholders request that Dominion issue a report, at reasonable cost and omitting proprietary information, describing how it is responding to the risk of stranded assets of planned natural gas-based infrastructure and assets, as the global response to climate change intensifies.

1. <https://www.ipcc.ch/2018/10/08/summary-for-policymakers-of-ipcc-special-report-on-global-warming-of-1-5c-approved-by-governments/>

2. <https://science.sciencemag.org/content/361/6398/186>

3. <https://www.nytimes.com/2019/01/08/climate/greenhouse-gas-emissions-increase.html>

4. <https://rmi.org/a-bridge-backward-the-risky-economics-of-new-natural-gas-infrastructure-in-the-united-states/>

5. <https://www.ipcc.ch/sr15/chapter/chapter-2/>

6. <https://www.utilitydive.com/news/renewables-storage-poised-to-undercut-natural-gas-prices-increase-stranded/562674/>

7. <https://www.houstonchronicle.com/business/energy/article/Cities-target-gas-heaters-stoves-in-new-front-of-14537156.php>

8. https://www.greentechmedia.com/articles/read/facebook-and-google-voluntary-renewables-deals-wont-clean-up-the-grid?utm_medium=email&utm_source=Daily&utm_campaign=GTMDaily

9. <https://www.utilitydive.com/news/tech-giants-pressure-dominion-for-more-storage-renewables-less-gas-in-vir/545692/>

10. https://s2.q4cdn.com/510812146/files/doc_presentations/2019/03/2019-03-25-DE-IR-investor-meeting-ESG-session_vF.pdf

11. <https://www.asyousovw.org/press-releases/dominion-methane-emissions-target>

12. <https://www.governor.virginia.gov/newsroom/all-releases/2019/september/headline-846745-en.html>

13. <https://www.utilitydive.com/news/atlantic-coast-pipeline-delayed-to-2020-dominion-adds-1b-to-cost-estimate/547458/>

14. <https://www.utilitydive.com/news/dominion-virginia-plan-for-15-gw-new-peaking-capacity-will-lead-to-more-gas/566809/>

15. <https://www.greentechmedia.com/articles/read/nextera-inks-even-bigger-windsolar-storage-deal-with-oklahoma-cooperative>

16. <https://www.utilitydive.com/news/lazard-renewables-can-challenge-existing-coal-plants-on-price/541965/>

Risks of Stranded Assets

PNM Resources

DISCUSSION: The Intergovernmental Panel on Climate Change released a report in 2018 finding that “rapid, far-reaching” changes are necessary in the next 10 years to avoid disastrous levels of global warming.

The recent initiation of abandonment proceedings for the coal-fired San Juan Generating Station (SJGS) by PNM Resources (PNM) marks an important step in the effort to combat climate change.

These proceedings before the New Mexico Public Regulation Commission (NMPRC) will also determine how the generation capacity of SJGS will be replaced. Given the replacement options already offered by PNM, and its current significant reliance on gas-fired generation, it is likely that natural gas-fired plants will continue to play a prominent role in PNM’s generation mix.

The energy sector has a critical role to play in mitigating climate risk. The sector at large is transitioning away from coal, but a growing reliance on natural gas creates its own ongoing risk. Natural gas is a major contributor to climate change due to combustion emissions and methane leaks. In 2018, gas contributed to an increase in power sector emissions, jeopardizing chances of achieving reductions in line with the Paris Agreement’s goal of keeping global warming below 1.5 degrees Celsius.

Building new gas infrastructure may become uneconomic and result in costly stranded assets comparable to early retirements now occurring nationwide for coal, especially considering the rapid, and accelerating, pace of technological innovation. Coal generation went from viable alternative to stranded asset in only a few short years, and the tempo of change has only increased. Demand response, energy efficiency, and renewables plus storage are all increasingly efficient and economically competitive means of serving energy needs while reducing fossil fuel use and climate impacts.

While PNM is to be commended for its decision to abandon SJGS in 2022 and for its public embrace of the new Renewable Portfolio Standards included in the recently passed New Mexico Energy Transition Act, investors lack sufficient information to assess whether PNM has paid sufficient attention to the risks inherent in substantial investment in natural-gas-fired generation and how these costly assets and their depreciation timelines reconcile with climate stability goals or the existence of increasingly low cost, clean energy pathways.

Peer utilities, including NextEra and Xcel, have demonstrated alternatives to investing in natural gas by replacing coal assets with renewables and storage, creating win-win solutions. Shareholders are concerned that PNM may lag behind on such opportunities and increase its exposure to climate-related risks by investing in significant gas-fired infrastructure that may become stranded.

RESOLVED: Shareholders request that PNM issue a report describing how it is responding to the risk of stranded assets of natural gas-based infrastructure as the global response to climate change intensifies. This report should be available to the shareholders and the public on PNM’s website by January 1, 2021, be prepared at reasonable cost, and omit confidential information, such as proprietary data or legal strategy.

Assess Feasibility of Adopting Quantitative Renewable Energy Goals

Home Depot, Inc.

Similar resolutions were submitted to Nucor Corporation, PACCAR, Inc., Rockwell Automation, Inc., Sherwin-Williams Company, and Steel Dynamics, Inc.

RESOLVED: Shareholders request that HD Supply Holdings senior management, with oversight from the Board of Directors, issue a report assessing the feasibility of adopting quantitative, company-wide goals for increasing the company's use of renewable energy, energy efficiency, and any other measures deemed prudent by company management to substantially increase the scope and ambition of the company's initiatives to address climate change. The report should be issued by November 30, 2020 at reasonable cost and omit proprietary information.

Supporting Statement: By assessing the feasibility of setting goals to increase renewable energy usage, improve energy efficiency, electrify delivery vehicles, and adopt other such measures the company deems feasible, our company could prepare to take practical steps to reduce our emissions of greenhouse gases that contribute to climate change.


The Intergovernmental Panel on Climate Change estimates that a 45% reduction in anthropogenic GHG emissions globally is needed (from 2010 levels) by 2030 to avoid the worst impacts of climate change (Global Warming of 1.5 degrees C, IPCC, Oct 2018).

Assessing the feasibility of clean energy goals and other GHG-reducing measures could serve as a practical step towards aligning our business operations with global efforts to limit climate change. As a supplier that uses substantial amounts of electricity, this could help insulate our company from regulatory uncertainty and position HD Supply as contributing to climate solutions and produce reputational benefits.

Fortuitously, many major companies are finding that GHG-reducing measures are not only impactful, but also practical, and cost-effective. As costs have fallen, carbon-free, renewable energy sources like wind and solar have become, in many markets, the least expensive source of electricity. According to the 2019 Sustainable Energy in America Factbook (Bloomberg) "at \$27-61/MWh without accounting for tax credits, onshore wind is cheaper than new gas-fired plants for bulk electricity generation in most areas of the U.S." Likewise, Lawrence Berkeley National Laboratory reported in 2018 that commercial and industrial customers paid just \$28 per MWh saved for investments to improve energy efficiency, about one-quarter the average cost of buying electricity from the grid.

Unfortunately, HD Supply' public communications are lacking in specific, measurable plans to adopt renewable energy or increase energy efficiency, giving investors little information about the company's future plans in this area. As such, the company lags behind many industry peers. Amazon, Walmart and Target are all among the over 200 companies who have committed to sourcing 100% renewable electricity, and Home Depot and Lowe's have both signed large scale renewable energy deals to further their ambitious greenhouse gas reduction goals.

Accordingly, we urge HD Supply to emulate the best climate risk mitigation practices among its peers and to study the feasibility of adopting long term clean energy sourcing goals.



Proxy Resolutions: Climate Change

Assess Feasibility of Adopting Quantitative Renewable Energy Goals

Smith (A.O.) Corporation

RESOLVED: Shareholders request that A.O. Smith Corporation senior management, with oversight from the Board of Directors, issue a report on climate change mitigation strategies, assessing the feasibility of adopting quantitative, company-wide goals for increasing the company's use of renewable energy, energy efficiency, and any other measures deemed feasible by company management to substantially reduce the company's greenhouse gas (GHG) emissions and climate change risks associated with the use of fossil fuel-based energy. The report should be issued within one year of the company annual general meeting at reasonable cost and omit proprietary information.

Supporting Statement: By assessing the feasibility of setting goals to increase renewable energy usage and reduce GHG emissions and climate risk, A.O. Smith could prepare to take steps to reduce its emissions of the greenhouse gases that contribute to climate change.

The Intergovernmental Panel on Climate Change estimates that a 45% reduction in global anthropogenic GHG emissions is needed (from 2010 levels) by 2030 to avoid the worst impacts of climate change (Global Warming of 1.5 degrees C, IPCC, Oct 2018).

Assessing the feasibility of clean energy goals and other GHG-reducing measures could serve as a practical step towards aligning A.O. Smith's business operations with global efforts to limit climate change. This could help insulate the company from regulatory uncertainty, position A.O. Smith as a company contributing to climate solutions and produce reputational benefits.

Many major companies find that GHG-reducing measures are practical and cost-effective. As costs have fallen, carbon-free renewable energy sources like wind and solar have become, in many markets, the least expensive source of electricity. According to the 2019 Sustainable Energy in America Factbook

(Bloomberg) "at \$27-61/MWh without accounting for tax credits, onshore wind is cheaper than new gas-fired plants for bulk electricity generation in most areas of the U.S." Likewise, in 2018, Lawrence Berkeley National Laboratory reported that for investments to improve energy efficiency, US commercial and industrial companies paid on average just \$28 per MWh saved.

Although A.O. Smith offers high-efficiency and renewable energy residential and commercial water heaters and boilers, the company's website (accessed August 3, 2019) is silent on its own specific, measurable plans to adopt clean energy and investors have little information about the company's future plans in this area. As such, A.O. Smith lags behind other manufactures like GM, Ford, Cummins, Kohler, Ingersoll Rand and Xylem that participate in large scale renewable electricity projects. It also lags the more than 190 global companies (see <http://there100.org/> for details) publicly committed to 100% renewable power.

Accordingly, we urge A.O. Smith to emulate the best climate risk mitigation practices utilized by its corporate peers and to study the feasibility of adopting long-term clean energy sourcing goals.

Report on Reducing GHG Emissions Associated with Lending Activities

J.P. Morgan Chase & Co.

WHEREAS: Banks can play a critical role in meeting the Paris Agreement's goal of limiting global temperature rise to well below 2 degrees Celsius. Limiting global warming below 1.5 degrees versus 2 degrees will save \$20 trillion globally by 2100.¹ Yet, the Bank of England notes that the global financial system is currently supporting carbon-producing projects that will cause global temperature rise of over 4 degrees Celsius – more than double the limit necessary to avoid catastrophic warming.² Recently, 215 global companies reported almost \$1 trillion at risk from climate impacts, with many likely to occur within five years.³

JPMorgan Chase's funding contributes substantially to global climate change. The company is the largest source of financing to fossil fuel companies globally, averaging \$65 billion annually since the Paris Agreement was signed.⁴ This funding creates systemic portfolio risks to the global economy, investors, and its own operations. Recognizing this, the European Investment Bank, the biggest multilateral lender in the world, will stop funding fossil fuel projects in 2021.⁵

In contrast to JPMorgan, peer banks are beginning to responsibly address their greenhouse gas contributions by developing carbon measurement tools -- including the Paris Agreement Capital Transition Assessment and the Partnership for Carbon Accounting Financials⁶ -- and setting carbon limits on their financing. HSBC has committed to set a Science-Based Target.⁷ ING, BNP Paribas, Standard Chartered, and other banks have committed to measure the climate alignment of their lending portfolios against Paris goals.⁸ Some have abandoned high risk sectors including Arctic drilling and tar sands.⁹ Citibank joined the Principles for Responsible Banking, committing to align its business strategy with the Paris Agreement's global climate goals.

While JPMorgan has increased its 'clean' financing, recognises climate change, and is sourcing renewable energy for its operations,¹⁰ its annual \$22 billion in clean financing over 9 years is substantially outweighed by its fossil fuel funding activities.¹¹ JPMorgan does not yet measure or disclose its full carbon footprint, nor has it adopted targets to reduce its lending related greenhouse gas (GHG) emissions. Banks that finance carbon intensive, fossil fuel activities through their lending are putting themselves and society at risk of catastrophic climate impacts.

RESOLVED: Shareholders request that JPMorgan Chase issue a report, at reasonable cost and omitting proprietary information, outlining if and how it intends to reduce the GHG emissions associated with its lending activities in alignment with the Paris Agreement's goal of maintaining global temperature rise below 1.5 degrees Celsius.

Supporting Statement: Shareholders recommend the report disclose, among other issues, at board and management discretion:

- Any actions JPMorgan is taking to measure and disclose its full carbon footprint (Scope 1-3 emissions, including GHG emissions associated with its lending activities);
- Whether the bank is considering setting targets, and on what timeline, to reduce the carbon footprint of its lending activities.

1. https://www.nature.com/articles/s41586-018-0071-9.epdf?referrer_access_token=eELbUpZu30ES9BZ5nW-I09RgN0jAjWel9jnR3Zotv00skypFEzLgji1pAcPpJpRUaGWQE4lx7PFk7egARc69rHfdME6PJ0QVM0ys1HbEajGubYyh-cFm3MRhg2s_l4sq46QiSTapLjDvV_ZfQ9KGWA8erEPxeW_aOCy4qkvcpBhNc54Z8P42aBjGNCzAlbv5yke0J5kD-SmaMHFGX5BldaElsLdP99o9n2q_t7mKL6bo-HzTh6kQ7MsxZ2fBRfoJOUWNO9sP0Bla_bvKByEeRaGIJGmvTt70hAlFSI4IPK9yTGpptomAc2gdnMSzTNYhlU5LjY5JMkXschCdYMQ%3D%3D&tracking_referrer=www.theguardian.com

2. https://www.theguardian.com/business/2019/oct/15/bank-of-england-boss-warns-global-finance-it-is-funding-climate-crisis?CMP=Share_iOSApp_Other

3. <https://www.cdp.net/en/articles/media/worlds-biggest-companies-face-1-trillion-in-climate-change-risks>

4. https://www.ran.org/wp-content/uploads/2019/03/Banking_on_Climate_Change_2019_vFINAL1.pdf

5. <https://www.nytimes.com/reuters/2019/11/14/business/14reuters-climate-europe-eib.html>

6. <http://news.bostoncommonasset.com/wp-content/uploads/2019/11/Banking-on-a-Low-Carbon-Future-2019-11.pdf>

7. <https://sciencebasedtargets.org/companies-taking-action/>

8. <https://www.ingwb.com/insights/news/2018/banks-join-ing-in-aligning-loan-portfolios-to-fight-climate-change>

9. <https://www.environmental-finance.com/content/analysis/banking-on-a-changing-climate.html>

10. <https://www.jpmorganchase.com/corporate/Corporate-Responsibility/environment.htm>

11. <https://www.wri.org/finance/banks-sustainable-finance-commitments/>

Report on Reducing GHG Emissions Associated with Lending Activities

Wells Fargo & Company

WHEREAS: Banks play a critical role in meeting the Paris Agreement's goal of limiting global temperature rise to well below 2 degrees Celsius. The Bank of England notes that the global financial system is currently supporting carbon-producing projects that will cause global temperature rise over 4 degrees Celsius – more than double the limit necessary to avoid catastrophic warming.¹

The 2018 Intergovernmental Panel report on climate warns that global warming above 1.5 degrees will create devastating impacts, including loss of life, ecosystem destruction, infrastructure damage, and supply chain disruptions. If warming is kept to 1.5 versus 2 degrees, studies report savings of \$20 trillion to the global economy by 2100.² Recently, 215 global companies reported almost \$1 trillion at risk from climate impacts, some within five years.³

Wells Fargo's funding contributes to global climate risk. It is the second largest source of financing to fossil fuel companies globally, averaging \$50 billion annually since the Paris Agreement was signed.⁴ Significantly, its fossil fuel lending has increased over each of the last three years, creating systemic portfolio risks to investors and the company's own enterprise.

Peer banks are beginning to responsibly manage climate risk by developing carbon measurement tools including the Paris Agreement Capital Transition Assessment and Partnership for Carbon Accounting Financials.⁵ HSBC has committed to set a Science-Based Target.⁶ ING, BNP Paribas, Standard Chartered, and other banks have committed to measure the climate alignment of their lending portfolios against Paris goals.⁷ Some have abandoned high risk sectors including Arctic drilling and tar sands.⁸ Citibank joined the Principles for Responsible Banking, committing to align its business strategy with the Paris Agreement's global climate goals.

While Wells recognizes climate change, has increased its 'sustainable' financing,⁹ and is sourcing renewable energy for its operations, its annual \$15 billion in sustainable financing over 13 years is substantially outweighed by its fossil fuel funding activities.¹⁰ Wells does not yet measure or disclose its full carbon emissions, nor has it adopted targets to reduce its lending related greenhouse gas (GHG) emissions. Banks that finance carbon intensive fossil fuel activities through their lending are putting themselves and society at risk of catastrophic climate impacts.

RESOLVED: Shareholders request that Wells Fargo issue a report, at reasonable cost, outlining if and how it intends to reduce the GHG emissions associated with its lending activities in alignment with the Paris Agreement's goal of maintaining global temperature rise below 1.5 degrees Celsius.

Supporting Statement: Shareholders recommend the report disclose, among other issues, at board and management discretion:

- Any actions Wells is taking to measure and disclose its full carbon footprint (Scope 1-3 emissions, including GHG emissions associated with its lending activities);
- Whether the bank is considering setting targets, and on what timeline, to reduce the carbon footprint of its lending activities.
- Any planned reductions in financing of high risk fossil fuels such as tar sands, Arctic drilling.

1. https://www.theguardian.com/business/2019/oct/15/bank-of-england-boss-warns-global-finance-it-is-funding-climate-crisis?CMP=Share_iOSApp_Other

2. https://www.nature.com/articles/s41586-018-0071-9.epdf?referrer_access_token=eELbUpZu30ES9BZ5nW-IO9RgN0jAjWel9jnR3ZoTv0OskypFEzLGji1pAcPpJpRUaGWQE4lx7PFk7egARc69rHfME6PJOQVMoy51HbEajGubYyh-cFm3MRhg2s_l4sq46QISTapLjDvV_ZfQ9KGWA8erEPxeWaoCcy4qkvcPbNc5428P42aBjGNCzAlbv5yke0J5kD-SmaMHFGX5BlDaElsLdP99o9n2q_t7mKL6bo-HzTh6kQ7MsxZ2fBRfoJOUVWNoR9sPf0Bla_bvKBvEeRaGJGmvT70hAIFS4lPK9yTGpptmAc2gdnMSzTNYhIU5LjqY5JMKXschCdYMQ%3D%3D&tracking_referrer=www.theguardian.com

3. <https://www.cdp.net/en/articles/media/worlds-biggest-companies-face-1-trillion-in-climate-change-risks>

4. https://www.ran.org/wp-content/uploads/2019/03/Banking_on_Climate_Change_2019_vFINAL1.pdf

5. <http://news.bostoncommonasset.com/wp-content/uploads/2019/11/Banking-on-a-Low-Carbon-Future-2019-11.pdf>

6. <https://sciencebasedtargets.org/companies-taking-action/>

7. <https://www.ingwb.com/insights/news/2018/banks-join-ing-in-aligning-loan-portfolios-to-fight-climate-change>

8. <https://www.environmental-finance.com/content/analysis/banking-on-a-changing-climate.html>

9. <https://stories.wf.com/wells-fargo-commits-200-billion-toward-sustainable-financing/>

10. <https://www.wri.org/finance/banks-sustainable-finance-commitments/>

Report on Reducing GHG Emissions Associated with Lending Activities

Barclays PLC

To promote the long-term success of the Company, given the risks and opportunities associated with climate change, we as shareholders direct the Company to set and disclose targets to phase out the provision of financial services, including but not limited to project finance, corporate finance, and underwriting, to the energy sector (as defined by the Global Industry Classification Standard) and electric and gas utility companies that are not aligned with Articles 2.1(a) and 4.1 of the Paris Agreement ('the Paris goals'). The timelines for phase out must be aligned with the Paris goals. The company should report on progress on an annual basis, starting from 2021 onwards. Disclosure and reporting should be done at reasonable cost and omit proprietary information.

Footnotes

1. The Global Industry Classification Standard defines the energy sector as the energy equipment and services industry, namely oil and gas drilling and oil and gas equipment services companies, and the oil and gas and consumable fuels industry, namely integrated oil and gas, oil and gas exploration and production, oil and gas refining and marketing, oil and gas storage and transportation, and coal and consumable fuels companies.
2. Article 2.1(a) of The Paris Agreement states the goal of "Holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels, recognizing that this would significantly reduce the risks and impacts of climate change."
3. Article 4.1 of The Paris Agreement: In order to achieve the long-term temperature goal set out in Article 2, Parties aim to reach global peaking of greenhouse gas emissions as soon as possible, recognizing that peaking will take longer for developing country Parties, and to undertake rapid reductions thereafter in accordance with best available science, so as to achieve a balance between anthropogenic emissions by sources and removals by sinks of greenhouse gases in the second half of this century, on the basis of equity, and in the context of sustainable development and efforts to eradicate poverty.


Supporting Statement: Many investors will recognise the Company's progress on climate change in a number of important areas. This includes being a founding member of the Principles for Responsible Banking,¹ and ending project finance for greenfield thermal coal mines and coal-fired power stations.² Nonetheless, investors remain concerned that the Company has not yet demonstrated that its provision of financial services to the energy sector and electric and gas utilities is aligned with the Paris goals. Barclays' policies allow the bank to continue financing highly carbon-intensive fossil fuels, such as tar sands and arctic oil and gas, as well as companies highly dependent on coal. A recent study identified Barclays as the largest European financier of fossil fuels and the sixth largest globally, with total financing amounting to USD 85.179 billion between 2015 and 2018.³

In accordance with investors' fiduciary duties, and to promote the long-term success of the Company, this resolution asks Barclays to set and disclose targets to phase out the provision of financial services to the energy sector and electric and gas utility companies misaligned with the Paris goals.

Investor expectations of the banking sector

Investors' expectations have evolved following the ratification of the Paris Agreement in 2016, the publication of the guidelines of the Task Force on Climate-related Financial Disclosures (TCFD) in 2017⁴ and the report from the UN Intergovernmental Panel on Climate Change on the impacts of global warming to 1.5°C.⁵ The latter showed how the difference between a 1.5°C and 2°C rise in global average temperature would result in additional global economic damages of USD 8.1 - 11.6 trillion before 2050. Citigroup also highlights that failure to limit temperature rises to 1.5°C and continuation of a business-as-usual pathway may cost the global economy an extra USD 50 trillion in damages and lost productivity by 2060.⁶

The Bank of England, in its supervisory statement issued in April 2019, recognises that failure to meet the Paris goals could result in the most severe financial risks crystallising in the banking sector, and that banks, as lenders



Proxy Resolutions: Climate Change

to the whole economy, will inevitably feel the consequences of events caused by >1.5°C scenarios.⁷ These events include physical risks, such as flooding, which can impact the value of assets held by banks and increase credit risks.

As systemically important actors, large global banks can influence whether or not the Paris goals are met. The sector is therefore expected to ensure that its financing activities are aligned with the Paris goals. This requires a significant shift of capital away from carbon-related assets and towards low-carbon sectors.

Investor expectations of the Company

As a systemically important global bank, the financing and underwriting activities of Barclays will influence whether or not the Paris goals are met. To better appraise the long-term investment proposition, investors need to understand the steps the Company is taking to align its provision of financial services to the energy sector and high-carbon electric and gas utility companies with the Paris goals.

The Company's European peers have already started taking more ambitious steps to align their energy financing with the Paris goals:

- HSBC committed not to provide project financing or general purpose lending where the majority of such financing is used for new offshore oil and gas in the Arctic, and new greenfield oil sands projects, amongst other things.⁸
- Standard Chartered committed⁹ not to provide new financial services to new projects or developments that involve the extraction and construction of associated export facilities from tar sands, the exploration or production of oil and gas in the Amazon basin, and the exploration or production of oil and gas in the Arctic region.¹⁰
- ING committed to reducing its exposure to coal power generation to close to zero by 2025.¹¹
- Crédit Agricole committed to align exposure of its portfolios to the coal industry with a fullfledged coal phase-out by 2030 for EU and OECD countries; 2040 for China; 2050 for the rest of the world.¹²
- BNP Paribas committed not to provide financial products or services to exploration and production companies that own or operate pipelines or LNG export terminals supplied with a significant volume of unconventional oil and gas, and diversified companies for which unconventional oil and gas exploration and production represent a significant share of total revenues.

Investors encourage the Company to use climate scenarios that do not rely excessively on Negative Emissions Technologies when developing phase-out targets. Investors are concerned that these technologies may not be available in time and at the scale required to avert the worst consequences of climate change. The IPCC special report on 1.5°C¹³ states that "Carbon cycle and climate system understanding is still limited about the effectiveness of net negative emissions to reduce temperatures after they peak," adding that carbon dioxide removal "deployed at scale is unproven and reliance on such technology is a major risk in the ability to limit warming to 1.5°C."

In this context, it is also relevant for investors to understand the bank's current exposure to assets linked to the energy sector and high-carbon electric and gas utility companies. Disclosing the amount and percentage of carbon-related assets relative to total assets is also one of the recommendations of the TCFD.¹⁴ Nevertheless, this information is currently not available in Barclays' TCFD disclosures.

Finally, investors encourage the bank to consider the just transition when developing phase-out targets. Tackling climate change will require the transformation of sectors and economies, with important implications for the global workforce. The Paris Agreement is clear about the need to "[take] into account the imperatives of a just transition of the workforce and the creation of decent work and quality jobs in accordance with nationally defined development priorities."¹⁵ Investors representing more than US \$5 trillion have expressed support for the just transition.¹⁶

Proxy Resolutions: Climate Change

Progress reporting

Investors expect that the Company report on progress on an annual basis from 2021 onwards. This information should be contained in the Strategic report, supported by other reporting as appropriate.

1. <https://www.unepfi.org/banking/bankingprinciples/>
2. https://home.barclays/content/dam/home-barclays/documents/citizenship/our-reporting-and-policypositions/policy-positions/BAR_9916358.pdf
3. https://www.ran.org/wpcontent/uploads/2019/03/Banking_on_Climate_Change_2019_vFINAL1.pdf
4. <https://www.fsb-tcfd.org/>
5. <https://www.ipcc.ch/sr15/>
6. <https://ir.citi.com/hsq32J11m4alzicMqH8sBkPnbsqfnwy4Jgb1J2klPYWlw5e M8yD3FY9VbGpK%2Baax>
7. <https://www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/supervisorystatement/2019/ss319.pdf?la=en&hash=7BA9824BAC5FB313F42C00889D4E3A6104881C44>
8. <https://www.hsbc.com/news-and-insight/2018/hsbc-strengthens-energy-policy>
9. <https://www.sc.com/en/sustainability/position-statements/power-generation/>
10. <https://www.sc.com/en/sustainability/position-statements/extractive-industries/>
11. <https://www.ing.com/Newsroom/News/ING-further-sharpens-coal-policy-to-support-transition-to-lowcarbon-economy.htm>
12. <https://www.credit-agricole.com/en/responsible-and-committed/our-csr-strategy-partnering-a-sustainableeconomy/climate-finance>
13. <https://www.ipcc.ch/sr15/>
14. <https://www.fsb-tcfd.org/wp-content/uploads/2017/06/FINAL-TCFD-Annex-062817.pdf>
15. https://unfccc.int/sites/default/files/english_paris_agreement.pdf
16. <http://www.lse.ac.uk/GranthamInstitute/news/new-report-shows-it-is-vital-for-investors-to-support-a-justtransition-for-workers-institutions-with-us5-trillion-in-assets-back-efforts-to-link-climate-action-to-socialinclusion/>

Report on Measuring GHG Footprint of Lending Activities

Morgan Stanley

A similar resolution was submitted to Goldman Sachs Group Inc.

WHEREAS: Banks play a critical role in meeting the Paris Agreement's goal of limiting global temperature rise to well below 2 degrees Celsius. Limiting global warming below 1.5 degrees versus 2 degrees will save \$20 trillion globally by 2100.¹ The 2018 Intergovernmental Panel report on climate change warns that global warming above 1.5 degrees will create devastating impacts, including loss of life, ecosystem destruction, infrastructure damage, and supply chain disruptions. Yet, the Bank of England notes that the global financial system is currently supporting carbon-producing projects that will cause global temperature rise of over 4 degrees Celsius – more than double the limit necessary to avoid catastrophic warming.²

Recently, 215 of the biggest global companies reported almost \$1 trillion at risk from climate impacts, with some likely to occur within five years.³

Morgan Stanley's funding contributes substantially to global climate change. The company is one of the top fifteen largest sources of financing to fossil fuel companies globally, averaging over \$22 billion annually since the Paris Agreement was signed.⁴ This funding creates systemic portfolio risks to the global economy, investors, and its own operations. Recognizing the risks and impacts of funding fossil fuel development, the European Investment Bank, the biggest multilateral lender in the world, will stop funding fossil fuel projects in 2021.⁵

In contrast to Morgan Stanley, peer banks are also beginning to responsibly address their greenhouse gas contributions by developing carbon measurement tools -- including the Paris Agreement Capital Transition Assessment (PACTA) and the Partnership for Carbon Accounting Financials (PCAF)⁶ -- and setting carbon limits on their financing. HSBC has committed to set a Science-Based Target.⁷ ING, BNP Paribas, Standard Chartered, and other banks have committed to measure the climate alignment of their lending portfolios against Paris goals.⁸ Some have abandoned high risk sectors including Arctic drilling and tar sands.⁹ Citibank joined the Principles for Responsible Banking, committing to align its business strategy with the Paris Agreement's global climate goals.

While Morgan Stanley has increased its clean energy financing, recognizes climate change, and is sourcing renewable energy for its operations,^{10, 11} its annual approximately \$19 billion in clean energy financing over 13 years is outweighed by its fossil fuel funding activities.¹² Morgan Stanley does not yet measure or disclose the full carbon footprint associated with its lending, nor has it adopted targets to reduce its lending related greenhouse gas (GHG) emissions. Banks that finance carbon intensive fossil fuel activities through their lending are putting themselves and society at risk of catastrophic climate impacts.

RESOLVED: Shareholders request that Morgan Stanley issue a report, at reasonable cost and omitting proprietary information, on whether, how, and when it will begin measuring and disclosing the greenhouse gas footprint of its lending activities.

1. https://www.nature.com/articles/s41586-018-0071-9.epdf?referrer_access_token=eELbUpZu30ES9BZ5nW-I09RgN0jAjWeI9jnR3Zotv00skypFEzLGji1pAcPpJpRUaGWQe4lx7PFk7egArc69rHfDME6PJQOVMoys1HbEajGubYyh-cFm3MRhg2s_l4sq46QISTTapLjDvV_ZfQ9KGWA8erEPxeW_aOCy4qkvcpBhNc54Z8P42aBjGNCzAlbv5yke0J5kD-SmaMHFGX5BlDaElsLdP99o9n2q_t7mKL6bo-HzTh6kQ7MxZ2fBRfoJOUWNOr9sPf0Bla_bvKByEeRaGJGmvTt70hAIFSI4IPK9yTGpptomAc2gdnMSzTNYhIU5LjQY5JMKXschCdYMQ%3D%3D&tracking_referrer=www.theguardian.com

2. https://www.theguardian.com/business/2019/oct/15/bank-of-england-boss-warns-global-finance-it-is-funding-climate-crisis?CMP=Share_iOSApp_Other

3. <https://www.cdp.net/en/articles/media/worlds-biggest-companies-face-1-trillion-in-climate-change-risks>

4. https://www.ran.org/wp-content/uploads/2019/03/Banking_on_Climate_Change_2019_vFINAL1.pdf

5. <https://www.nytimes.com/reuters/2019/11/14/business/14reuters-climate-europe-eib.html>

6. <http://news.bostoncommonasset.com/wp-content/uploads/2019/11/Banking-on-a-Low-Carbon-Future-2019-11.pdf>

7. <https://sciencebasedtargets.org/companies-taking-action/>


8. <https://www.ingwb.com/insights/news/2018/banks-join-ing-in-aligning-loan-portfolios-to-fight-climate-change>

9. <https://www.environmental-finance.com/content/analysis/banking-on-a-changing-climate.html>

10. <https://www.morganstanley.com/articles/carbon-neutral-by-2022>

11. https://www.morganstanley.com/press-releases/morgan-stanley-announces-new-commitment-to-finance--250bn-in-low?cid=SM_CORP__TWITTER_MorganStanley_20180424&linkId=50879879

12. <https://www.wri.org/finance/banks-sustainable-finance-commitments/>



Proxy Resolutions: Climate Change

Risks of Maintaining Carbon-Intensive Lending

Community Trust Bank

WHEREAS: Banks play a critical role in meeting the Paris Agreement's goal of limiting global temperature rise to well below 2 degrees Celsius. The Bank of England notes the global financial system supports carbon-producing projects that will cause global temperature to rise over 4 degrees Celsius – more than double the limit necessary to avoid catastrophic warming.

The 2018 Intergovernmental Panel report on climate warns that global warming above 1.5 degrees Celsius will create devastating impacts including loss of life, infrastructure damage, supply chain dislocations, lost production, and water and energy disruptions. If warming is kept to 1.5 degrees Celsius versus 2 degrees, studies indicate a potential savings of \$20 trillion to the global economy by 2100. Just 215 of the biggest global companies reported almost \$1 trillion at risk from climate impacts, some within five years.

Estimates indicate the value of risk under business-as-usual scenarios may be equivalent to a permanent reduction of 5 to 20 percent in portfolio value in just over a decade. There are increasing state and local regulations for energy projects, increased barriers to high carbon projects, and shifting market expectations related to future energy needs. A recent Carbon Tracker report estimates that almost a third (\$2.3 trillion USD) of potential capex to 2025 for oil and gas companies should not be deployed under the International Energy Agency's World Outlook 2016 450 scenario (a proxy for well below 2-degree Celsius scenario). Community Trust Bancorp, Inc. also stands to benefit from contributing to the funding required for a successful low carbon transition by seeking out green opportunities across all business functions. An estimated \$90 trillion of investment is required by 2030 to limit global warming to 2 degrees Celsius. The financial sector has a key role in enabling the transition to a low-carbon future, including small and mid-cap banks.

While Community Trust Bancorp acknowledges business might be "adversely impacted to the extent that weather-related events cause damage or disruption to properties or businesses," it also states climate change initiatives will adversely impact business. The company has seen the impacts of the declining coal industry in its market area and has had to diversify its portfolio. Community Trust does not yet measure or disclose to investors its carbon emissions, nor has it adopted targets to reduce its lending related to emissions. Banks that finance carbon intensive fossil fuel activities through lending are putting themselves and society at risk of catastrophic climate impacts.

RESOLVED: Shareholders request that Community Trust Bancorp issue a report, at reasonable cost and omitting proprietary information, discussing the range of risks associated with maintaining its current levels of carbon-intensive lending.

Supporting Statement: Shareholders recommend the report include, among other issues at board and management discretion:

- Reputational risks associated with being a financier of fossil fuels;
- Risks to the bank associated with an unanticipated policy response from governments to address dramatic increases in harmful climate events;
- Risks to the bank associated with negative economic impacts of a 2, 3, or 4-degree Celsius rise in global temperatures.

Risks of Maintaining Carbon-Intensive Lending

Bank of America Corp.

WHEREAS: Banks play a critical role in meeting the Paris Agreement's goal of limiting global temperature rise to well below 2 degrees Celsius. The Bank of England notes that the global financial system is currently supporting carbon-producing projects that will cause global temperature rise of over 4 degrees Celsius – more than double the limit necessary to avoid catastrophic warming.¹

The 2018 Intergovernmental Panel report on climate warns that global warming above 1.5 degrees Celsius will create devastating impacts including loss of life, ecosystem destruction, infrastructure damage, supply chain dislocations, lost production, and water and energy disruptions, among others. If warming is kept to 1.5 degrees Celsius versus 2 degrees, studies point to a potential savings of \$20 trillion to the global economy by 2100.² Recently, just 215 of the biggest global companies reported almost \$1 trillion at risk from climate impacts, some within five years.³

Bank of America's funding contributes to global climate risk. It is the fourth largest source of financing to fossil fuel companies globally,⁴ averaging \$35 billion annually since the Paris Agreement was signed.⁵ This funding creates systemic portfolio risks to investors and the company's own enterprise.

Peer banks are beginning to responsibly manage climate risk by developing carbon measurement tools including the Paris Agreement Capital Transition Assessment and the Partnership for Carbon Accounting Financials.⁶ HSBC has committed to set a Science-Based Target.⁷ ING, BNP Paribas, Standard Chartered, and other banks have committed to measure the climate alignment of their lending portfolios against Paris goals.⁸ Some have abandoned high risk sectors including Arctic drilling and tar sands.⁹ Citibank joined the Principles of Responsible Banking, committing to align its business strategy with the Paris Agreement's global climate goals.

While Bank of America has increased 'sustainable' financing,¹⁰ recognizes climate change, and is sourcing renewable energy for its own operations,¹¹ its lending activities are supporting fossil fuel investments at levels that are substantially beyond Paris goals.¹² Bank of America does not yet measure or disclose to investors its full carbon emissions, nor has it adopted targets to reduce its lending related greenhouse gas emissions. Banks that finance carbon intensive fossil fuel activities through their lending are putting themselves and society at risk of catastrophic climate impacts.

Resolved: Shareholders request that Bank of America issue a report, at reasonable cost and omitting proprietary information, discussing the range of risks associated with maintaining its current levels of carbon-intensive lending.

Supporting Statement: Shareholders recommend the report include, among other issues at board and management discretion:

- Reputational risks associated with being one of largest financiers of fossil fuels;
- Risks to the bank associated with an unanticipated policy response from governments to address dramatic increases in harmful climate events;
- Risks to the bank associated with negative economic impacts of a 2, 3, or 4 degree Celsius rise in global temperatures.

1. <https://www.theguardian.com/business/2019/oct/15/bank-of-england-boss-w...>

2. https://www.nature.com/articles/s41586-018-0071-9.epdf?referrer_access_...

3. <https://www.cdp.net/en/articles/media/worlds-biggest-companies-face-1-t...>

4. https://www.ran.org/wp-content/uploads/2019/03/Banking_on_Climate_Chang...

5. <https://www.wri.org/finance/banks-sustainable-finance-commitments/>

6. <http://news.bostoncommonasset.com/wp-content/uploads/2019/11/Banking-on-...>

7. <https://sciencebasedtargets.org/companies-taking-action/>

8. <https://www.ingwb.com/insights/news/2018/banks-join-ing-in-aligning-loa...>

9. <https://www.environmental-finance.com/content/analysis/banking-on-a-cha...>

10. <https://newsroom.bankofamerica.com/press-releases/environment/bank-amer...>

11. <https://about.bankofamerica.com/en-us/what-guides-us/environmental-sust...>

12. <https://www.carbontracker.org/reports/balancing-the-budget/>

Adopt Quantitative Targets for Reducing GHG Emissions from Lending/Underwriting Bank of Montreal

RESOLVED: Shareholders request that Bank of Montreal (“BMO” or the “Company”) adopt company-wide, quantitative, time-bound targets for reducing greenhouse gas (GHG) emissions associated with the Company’s underwriting and lending activities, and issue an annual report, at reasonable cost and omitting proprietary information, discussing its plans and progress towards achieving these targets.

Supporting Statement: BMO’s Statement on Climate Change lists potential climate-related risks including transition, physical, market, reputation and legal risks. Long-term shareholders of BMO are exposed to these risks as BMO is the fourth largest funder of fossil fuel activities in Canada and the 15th biggest in the world.¹

Governor Poloz of the Bank of Canada said in 2019, “The importance of climate-related issues for financial stability and monetary policy have become increasingly clear. This is particularly true for Canada, where resources play a vital role in our economy and where the natural environment is a defining feature of our national identity.”

The Intergovernmental Panel on Climate Change recently underscored the harm of climate change, announcing that “rapid, far-reaching” changes are necessary to avoid disastrous levels of global warming; net emissions of carbon dioxide must fall 45 percent by 2030, reaching “net zero” by 2050.

Banks’ financing choices have a major role to play in promoting these goals. Bank underwriting activities allow carbon-intensive industries and projects to raise significant amounts of external capital. Lending can enable the purchase or creation of long-lived fossil fuel assets whose operation thwarts the achievement of climate goals.

BMO is a reporting institution of the Task Force on Climate-Related Disclosures (TCFD) which says, “Now more than ever it is critical for companies to consider the impact of climate change and associated mitigation and adaptation efforts on their strategies and operations and disclose related material information. Companies that invest in activities that may not be viable in the longer term may be less resilient to risks related to climate change; and their investors may experience lower financial returns. Compounding the effect on longer-term returns is the risk that present valuations do not adequately factor in climate-related risks because of insufficient information. As such, investors need better information on how companies—across a wide range of sectors—have prepared or are preparing for a lower-carbon economy; and those companies that meet this need may have a competitive advantage over others.”

Proponents believe establishing time-bound, quantitative reduction targets for GHG emissions associated with the bank’s lending and underwriting activities would serve to align new and existing initiatives, mitigate risk, and enhance shareholder value.

We urge shareholders to vote FOR this proposal.

1. “Banking on Climate Change,” Rainforest Action Network, at https://www.ran.org/wp-content/uploads/2019/03/Banking_on_Climate_Change_2019_vFINAL1.pdf.”

Oil and Gas Company and Project Financing Related to the Arctic and the Canadian J.P. Morgan Chase & Co.

WHEREAS: Climate change is a global challenge that continues to gain widespread attention for its numerous, significant environmental and social impacts. Particular subsectors of fossil fuels, including Arctic and Canadian tar sands (also referred to as oil sands), have become hot button political issues, because of their particular impacts on the climate, the local environment, and Indigenous rights. Protests surrounding the Keystone XL and Line 3 pipelines and opposition to drilling in the Arctic are among the high-profile concerns. JPMorgan is reportedly the largest global lender and underwriter to the top 30 companies operating in Arctic oil and gas, and the top U.S. lender and underwriter to the top 34 tar sands companies, which has led to JPMorgan being the target of significant protests - often led by Indigenous peoples.

According to a poll conducted in 2017 by Yale and George Mason University, 70% of American voters oppose drilling in the Arctic National Wildlife Refuge.¹ In September 2019, the U.S. House of Representatives voted 225-193 to reinstate a ban on drilling the refuge. August 2019 reporting revealed that in reality, ANWR may not contain very much oil amid accusations that boosters in Washington are exaggerating the extent of the resource, thus supporting this activity is likely far riskier than previously thought.² Beyond ANWR, drilling anywhere in the Arctic threatens Indigenous rights and impacts a fragile ecosystem.

While JPMorgan has an enhanced due diligence process for transactions related to Arctic oil and gas, HSBC, BNP Paribas, and Société Générale have made commitments to restrict financing for oil and gas production in the Arctic.³ For example, BNP Paribas prohibits all financing for all Arctic oil and gas projects, and commits to phase out some financing for and/or exclude some Arctic oil and gas companies.

Similarly, tar sands production and transport is becoming increasingly controversial and economically unviable, as multinational oil firms are rapidly exiting the industry. Recently, Kinder Morgan, ConocoPhillips, Devon, and Equinor have sold out of their oil sands projects.⁴

In August 2019, JPMorgan's CEO Jaime Dimon led 180 other members of the Business Roundtable in expressing his commitment to deliver value to all of the company's stakeholders. Specifically, he committed to delivering value to customers, employees, suppliers, communities, embracing sustainable practices across its businesses, and generating long-term value for shareholders.

RESOLVED: shareholders request that the Board of Directors issue a report (at reasonable expense, within a reasonable time, and omitting confidential or propriety information) describing how JPMorgan Chase plans to respond to rising reputational risks for the Company and questions about its role in society related to involvement in Canadian oil sands production, oil sands pipeline companies, and Arctic oil and gas exploration and production.

1. <https://climatecommunication.yale.edu/publications/americans-oppose-drilling-arctic-national-wildlife-refuge/>

2. <https://www.nytimes.com/2019/08/21/us/oil-drilling-arctic.html?action=click&module=Top%20Stories&pgtype=Homepage>

3. https://www.banktrack.org/campaign/banks_that_ended_direct_finance_for_arctic_oil_and_gas_projects#_ and https://www.ran.org/wp-content/uploads/2019/03/Banking_on_Climate_Change_2019_vFINAL1.pdf

4. <https://www.eenews.net/energywire/2019/08/23/stories/1061035363>

Assess Risk of Expanding Operations in Flood-Prone Areas

Exxon Mobil Corporation

Similar resolutions were submitted to Chevron Corp. and Phillips 66

BE IT RESOLVED: Shareholders request that ExxonMobil, with board oversight, publish a report, omitting proprietary information and prepared at reasonable cost, assessing the public health risks of expanding petrochemical operations and investments in areas increasingly prone to climate change-induced storms, flooding, and sea level rise.

Supporting Statement: Investors request the company assess, among other related issues at management and Board discretion: The adequacy of measures the company is employing to prevent public health impacts from associated chemical releases.

WHEREAS: Investors are concerned about the financial, health, environmental, and reputational risks associated with operating and building-out new chemical plants and related infrastructure in Gulf Coast locations increasingly prone to catastrophic storms and flooding associated with climate change. Civil society groups have mobilized to oppose the expansion of petrochemical facilities in their communities due to concerns regarding direct health and livelihood impacts from air and water pollutant releases. Such opposition threatens to jeopardize ExxonMobil's social license to operate in the region.

Petrochemical facilities like ethane crackers and polyethylene processing plants produce dangerous pollutants including benzene (a known carcinogen), Volatile Organic Compounds, and sulfur dioxide. These operations can become inundated and pose significant chemical release risks during extreme weather events. Flooding from Hurricane Harvey in 2017 resulted in ExxonMobil plant shut downs and the release of unpermitted, unsafe levels of pollutants. Nearby Houston residents reported respiratory and other health problems following ExxonMobil's releases during Hurricane Harvey.

Growing storms and the costs they bring our company are predicted to increase in frequency and intensity as global warming escalates. Recent reports show that greenhouse gas emissions throughout the petrochemical and plastic supply chain contribute significantly to climate change, exacerbating the threat of physical risks like storms. Flood-related damage is projected to be highest in Texas, where many ExxonMobil petrochemical plants are concentrated. Houston alone has seen three 500-year floods in a three-year span. Hurricane Harvey contributed to decreased earnings of approximately \$40 million for ExxonMobil in 2017 and decreasing social license from surrounding communities.

Historically, releases from ExxonMobil's petrochemical operations have exceeded legal limits, exposing the company to liability and millions in payment for violations of environmental laws including the Clean Air and Clean Water Acts. As climate change intensifies flooding and storm strength, the potential for unplanned chemical releases grows.

In spite of these risks, ExxonMobil continues to accelerate its petrochemical activity in the Gulf Coast, investing heavily to expand in flood-prone areas of Texas and Louisiana. The company has generally disclosed that risks from storms may impact its business and that climate risks like extreme storms are among the factors it considers in construction and operation of assets. The impacts to ExxonMobil's operations from Hurricane Harvey, however, indicate the company's level of preparedness is insufficient. As the Company rapidly expands its petrochemical assets in climate-impacted areas, investors seek improved disclosure to understand whether ExxonMobil is adequately evaluating and mitigating public health risks associated with climate-related impacts and the dangerous chemicals it uses.

Report on Reducing Methane Emissions

Spire Inc

WHEREAS: The long-term interests of shareholders are best served by companies that operate their businesses with a focus on long-term value creation. This is particularly important in the context of climate change.

Methane is the main chemical component of natural gas, and methane emissions have a global warming impact roughly 84 times that of carbon dioxide over a 20-year period. Research indicates that economy-wide, methane leaks of only 3.2% across the natural gas supply chain could make natural gas as dangerous to climate as coal. Leaked methane is also a loss of product; across the U.S. economy this loss is enough to fuel 10 million homes per year.


Methane emissions across Spire's operations, which include a whopping 4,300 miles of aging, leakprone pipeline, cause material risk to the company and its shareholders. For example, methane leaks create a safety hazard, raising the risk of deadly explosions for Spire's nearly 1.7 million gas distribution customers. Less concentrated leaks that are not considered immediately hazardous contribute significantly to climate change when left uncontrolled and expose Spire to substantial climate risk. In recent years, city and state-level regulations and commitments on greenhouse gas emissions have become increasingly stringent. For instance, St. Louis—a city serviced by Spire—has committed to achieving 100% clean energy by 2035.

Strategies to address methane leakage include pipeline replacement, use of advanced technologies to identify leaks quickly and cost effectively, and setting quantitative methane reduction targets; peers are rapidly adopting these best practices. Spire states an expectation to replace most aging pipelines within 15 to 18 years, but has yet to disclose details on its leak detection and repair protocols or any efforts to better identify and reduce the number of smaller, ongoing leaks across its system—an important step to reduce greenhouse gas emissions. The Company has also failed to indicate forward-looking targets or other measures intended to reduce its significant greenhouse gas footprint into the future.

BE IT RESOLVED: Shareholders request the company issue a report (at reasonable cost, omitting proprietary information) describing what, if any, enhanced measures it is taking beyond regulatory requirements and pipeline replacement to reduce its system-wide methane emissions.

SUPPORTING STATEMENT: Investors suggest the report include a description of measures and quantitative indicators, such as:

- Any deployment of specific leak detection and repair technologies, including timelines,
- A description of how Spire's methane reduction program aligns with low-carbon energy transition trends and the Paris Agreement's goals,
- Any initiatives to promote responsible methane management across Spire's supply chain, and/or
- Compliance with SASB Gas Utilities & Distributors Standard 5.3 - "Relevant strategies, plans, and/or targets related to reductions in fugitive emissions and process emissions, the entity's ability to measure such emissions, the activities and investments required to achieve the plans, and any risks or limiting factors that might affect achievement of the plans and/or targets.



Proxy Resolutions: Climate Change

Proxy Voting Policies Related to Climate Change

Vanguard Funds

Similar resolutions were submitted to BlackRock, Inc. and J.P. Morgan Chase & Co.

We believe The Vanguard Group (Vanguard) should better align its proxy voting with both its client's financial interests and its stated ESG commitments.

Vanguard is a member of the Principles for Responsible Investment (PRI), a global network of investors and asset owners representing more than \$89 trillion in assets. One of the Principles encourages investors to incorporate ESG considerations into proxy voting.

Vanguard's stewardship unit votes proxies and has actively supported numerous governance reforms proposed by shareholders, stating it is guided by clients' economic interests and believes corporate governance practices are one driver of investment performance. We believe issues like climate change can also have a profound impact on shareholder value.

Vanguard's 2019 Investment Stewardship Report noted that climate risk is becoming a growing focus for the firm's engagement strategy, evidenced by discussions regarding long-term climate-related risks with 258 companies in carbon intensive industries. In its report, Vanguard states "material risks such as climate... can damage a company's long-term value. If a company's practices, organizational culture, or products put people's health, safety, or dignity at risk, they can pose a financial risk to investors too."

The firm's 2018 Investment Stewardship Report features a case study of three climate-related shareholder proposals the firm supported, selected as evidence of Vanguard's approach to climate risk oversight and strategy. A 2019 Semiannual Engagement Update document highlighted two separate climate-related proposals Vanguard supported.

Vanguard seems concerned about the risks of climate change and the need for urgent action by companies.


Yet its 2019 proxy voting record reveals votes against the majority of climate related resolutions (voting in favor of only 6 of 52 such resolutions), including requests for enhanced disclosure or adoption of greenhouse gas reduction goals, even when independent experts advance a strong business and economic case for support.

In contrast funds managed by investment firms such as Alliance Bernstein, Allianz, Eaton Vance, Legg Mason, MFS, Nuveen, PIMCO, and Wells Fargo supported the majority of climate-related resolutions.

Vanguard's voting practices appear inconsistent with its statements about the risks to companies posed by climate change and ways business can identify solutions. This contradiction poses reputational risk for the company with both clients and investors. Moreover, such proxy voting practices seem to ignore significant company-specific and economy-wide risks associated with negative impacts of climate change that can have direct impact on shareholder value.

We believe it is Vanguard's fiduciary responsibility to review how climate change quantitatively affects portfolio companies, evaluate how specific shareholder resolutions on climate relate to shareholder value, and vote accordingly. Thus we request this review of Vanguard's 2019 proxy voting record.

RESOLVED: Shareowners request that the Board of Directors initiate a review assessing Vanguard's 2019 proxy voting record and evaluate the Company's proxy voting policies and guiding criteria related to climate change, including any recommended future changes. A summary report on this review and its findings shall be made available to shareholders and be prepared at reasonable cost, omitting proprietary information.



Proxy Resolutions: Climate Change

Proxy Voting Policies Related to Climate Change

T. Rowe Price Associates, Inc.

WHEREAS: T. Rowe Price Group is a respected leader in the financial services industry with several policies and practices addressing environmental, social and governance (ESG) topics.

TROW's "ESG Policy" describes how "ESG risk considerations" are incorporated into investment decisions. That policy expresses TROW's belief that ESG issues can influence investment risk and return, thus affirming that such issues must be addressed carefully by investors.

In its "Responsible Investment Guidelines," TROW acknowledges the importance of climate change risk: "We believe that speaking with company managements and other stakeholders about climate change is a good way to gather valuable investment insights as to the management's process for assessing long-term risks and helps reinforce the notion that climate-related risk assessment should remain a priority."

TROW seems knowledgeable about the risks of climate change and the need for action by companies.

TROW's subsidiaries, which vote proxies, are guided by clients' economic interests and support certain governance reforms proposed by shareholders who believe that these issues affect shareholder value. We believe ESG issues such as climate change risk also have a profound impact on shareholder value.

TROW is a member of the Principles for Responsible Investment, a global network of investors and asset owners representing more than \$89 trillion in assets. One of the Principles encourages investors to vote conscientiously on ESG issues.


Yet the 2019 publicly reported proxy voting records for TROW's subsidiaries reveal consistent votes against the vast majority of climate-related shareholder proposals (with support for only 24 percent of such resolutions), such as requests for enhanced disclosure or adoption of greenhouse gas reduction goals, even when independent experts advance a strong business and economic case for support.

In contrast, funds managed by investment firms such as PIMCO, Legg Mason, UBS, and Invesco supported the majority of climate-related resolutions in 2019.

The voting practices of subsidiaries appear inconsistent with our Company's statements about ESG and climate change. This contradiction poses reputational risk with both clients and investors. Moreover, proxy voting practices that do not properly take account of climate change seem to ignore significant company-specific and economy-wide risks associated with negative impacts of climate change.

Investors seek information on whether the practices of TROW and its subsidiaries are suited to address material ESG considerations in proxy voting. Thus, we request this review of proxy voting.

RESOLVED: Shareowners request that the Board of Directors initiate a review and issue a report on the proxy voting policies and practices of its subsidiaries related to climate change, prepared at reasonable cost and omitting proprietary information, and including an assessment of any incongruities between the Company's public statements and pledges regarding climate change (including ESG risk considerations associated with climate change), and the voting policies and practices of its subsidiaries.



Proxy Resolutions: Climate Change

Report on Strategies for Mitigating Carbon Footprint of Vehicle Fleet

Hertz Global Holdings, Inc.

A similar resolution is under consideration for the spring at FedEx Corporation

WHEREAS: The Intergovernmental Panel on Climate Change's 2018 report finds that "rapid, far-reaching" changes are necessary in the next 10 years to avoid disastrous levels of global warming. Specifically, it instructs that net emissions of carbon dioxide must reach "net zero" by 2050 to maintain warming below 1.5 degrees Celsius.

If warming is kept to 1.5 versus 2 degrees, studies report savings of \$20 trillion to the global economy by 2100. Recently, 215 of the biggest global companies reported almost \$1 trillion at risk from climate impacts, some within five years.

The transportation sector is the largest greenhouse gas-emitting sector in the United States. Transport-related companies like Hertz contribute significantly to climate change through emissions from gasoline combustion. Despite this, Hertz provides few specifics about plans to mitigate the climate change impact of its sizeable fleet beyond citing to an existing average of 32 mpg in its fleet.

Assessing the feasibility of adopting clean transportation and energy goals will serve as a practical step towards aligning Hertz's business operations with global efforts to limit climate change. Fortuitously, greenhouse gas-reducing measures are not only impactful, but also feasible and often cost-effective. One promising strategy for lowering Hertz's significant fleet-related greenhouse gas emissions is through the increased adoption of electric vehicles.

The current capital cost difference between electric and gasoline vehicles is expected to drop as electric technology improves, more models become available, cars are produced at greater scale, and battery costs continue to decrease. From an environmental standpoint, the benefits of electric vehicles are clear: they have a smaller life-cycle greenhouse gas impact regardless of the fossil fuel intensity of the electricity source.

Hertz' standard rental car business currently has only three hybrid electric vehicle options at select locations for consumer rentals, with no all-electric vehicles. While Hertz has taken steps to improve energy efficiency for its operational facilities, the impact of the company's fleet remains insufficiently addressed. Investors seek to understand how the company is assessing the potential benefits of electric vehicle adoption from reputational gains to cost savings.

BE IT RESOLVED: Shareholders request that Hertz issue a report, at reasonable cost and omitting proprietary information, on potential climate change mitigation strategies available for reducing the significant carbon footprint of its vehicle rental fleet in alignment with Paris goals.

SUPPORTING STATEMENT: In the report, shareholders seek information, among other issues at board and management discretion, on the relative benefits and drawbacks of integrating the following actions:

- Adopting company-wide goals for growing the company's electric or other low or zero emission vehicle fleet;
- Adopting significantly greater fuel economy standards for its rental fleet;
- Adopting overall greenhouse gas emission reduction targets for the company's vehicle rental fleet greenhouse gas footprint.

Report on Mitigating Health and Climate Impacts of Coal Use

Duke Energy Corp.

WHEREAS: The use of coal produces well-established harms to public health including water contamination, climate change, and poor air quality. Climate impacts are exacerbating operating risks, necessitating robust mitigation planning.

- Toxic contamination. Coal burning results in coal waste -also called coal ash- which is laced with heavy metals such as arsenic, and which can contaminate nearby water sources and raise cancer risk with long term exposure. Duke Energy has had three high profile coal ash spills since 2014 at its Sutton, Dan River, and H.F. Lee coal plants, incurring brand damage, environmental and water impacts, and millions of dollars in clean-up costs. In 2018, Hurricane Florence resulted in breaches at two of Duke's ponds, highlighting Duke's lack of preparation for storms and flooding whose frequency and intensity are increasing due to climate change. Duke's response provoked strong public criticism, while peers demonstrated that available best practices could have prevented spills. A 2019 report from the Environmental Integrity Project ranked Duke's coal ash storage site at the Allen Steam Station as the second-most contaminated site in the nation, with levels of cobalt -- a heavy metal linked to thyroid damage -- found in nearby groundwater at 500 times safe levels.
- Harm to vulnerable communities. An NAACP report found people living near coal plants are disproportionately poor and minorities: the six million people living within three miles of U.S. coal plants have an average per capita income of \$18,400 per year and 39 percent are people of color.
- Declining air quality. Burning coal results in sulfur dioxide, nitrous oxide, mercury, and particulate matter. These pollutants can cause serious health problems such as respiratory illnesses, including asthma and lung diseases; heart attacks; reduced life expectancy; and increased infant mortality.
- Climate change. Coal burning releases carbon dioxide, the primary greenhouse gas driving climate change. Climate change results in many health harms and challenges ranging from extreme temperatures to declining air and water quality to the spread of warm weather pests and diseases to new areas. In addition to the health impacts, climate change intensifies extreme storms and flooding, threatening the reliability and safety of coal ash infrastructure and increasing the risk of water contamination.

Despite all this, Duke has yet to adequately address the risks of its continued use of coal.

RESOLVED: Shareholders request that Duke Energy publish a report assessing how it will mitigate the public health risks associated with Duke's coal operations in light of increasing vulnerability to climate change impacts such as flooding and severe storms. The report should provide a financial analysis of the cost to the Company of coal-related public health harms, including potential liability and reputational damage. It should be published at reasonable expense and omit proprietary information.

Supporting Statement: Investors request the company consider:

- The public health impacts of climate change and how Duke Energy's coal burning exacerbates them;
- How the Company's coal operations, including its coal ash disposal, impacts the public health of low income communities of color."

Sustainability Reporting - GHG Emphasis

Old Republic International Corporation

RESOLVED: Shareholders request Old Republic International Corporation (“Old Republic”) issue a sustainability report describing the company’s present policies, performance and targets related to key environmental, social and governance (ESG) risks and opportunities. The report should be available on the company website within a reasonable time frame, be prepared at reasonable cost, and omit proprietary information.

Supporting Statement: Proponents believe tracking and reporting on ESG practices strengthens a company’s ability to address controversial policy issues such as climate change and to compete and adapt in today’s global business environment which is characterized by changing legislation and heightened public expectations for corporate accountability.

Substantive reporting allows companies to better integrate and capture value from existing sustainability efforts, identify gaps and opportunities in policies and practices, enhance company-wide communications, and recruit and retain employees. Support for sustainability reporting continues to gain momentum:

- In 2017, KPMG found approximately three quarters of the 4,900 companies studied issue sustainability reports.¹
- The Governance & Accountability Institute reports 86% of S&P 500 peers engaged in sustainability reporting in 2018.²
- One of the United Nations’ Principles for Responsible Investment (PRI) is to seek “appropriate disclosure on ESG issues”; the PRI has more than 2,300 signatories with over \$86 trillion in assets under management.³

Many of Old Republic’s self-identified peers, as listed in its 2019 proxy statement, publish sustainability information such as metrics, improvement targets, and qualitative supporting details. These include: American Financial Group, W.R. Berkley Corporation, First American Financial Corp., The Hartford Financial Services Group, and Travelers Companies. In contrast, Old Republic has disclosed neither a qualitative description of its ESG policies nor quantitative metrics conveying the company’s operational ESG performance, its GHG data, or established goals to improve environmental performance. It also has neglected to take action when shareholder proposals repeatedly receive majority support.

As shareholders, we believe it is prudent for Old Republic to disclose how it is managing its ESG factors, which can pose significant reputational, legal, regulatory, and financial risk to the company and its shareholders. Without appropriate disclosure from the company, investors and other stakeholders lack the data to adequately assess how Old Republic is managing its material ESG risks and opportunities.

There is evidence that it is also good for the bottom line: For example, a report published by WWF, CDP, and McKinsey & Company, found that companies with GHG targets achieved an average of 9% better return on invested capital than companies without targets.⁴

Proponents believe Old Republic should review the resources and reporting recommendations made by the Investor Stewardship Group⁵, the Global Reporting Initiative, the Sustainability Accounting Standards Board, and the Task Force on Climate-Related Financial Disclosures in preparation for this report. These platforms suggest Corporate Governance principles as well as topics such as operational environmental impacts (including energy and water use, air emissions and waste management), employee health & safety, and supply chain management.

1. <https://home.kpmg/uk/en/home/insights/2017/11/kpmg-international-survey-of-corporate-responsibility-reporting-2017.html>

2. <https://www.ga-institute.com/press-releases/article/flash-report-86-of-sp-500-indexR-companies-publish-sustainability-responsibility-reports-in-20.html>

3. <https://www.unpri.org/pri/an-introduction-to-responsible-investment/what-are-the-principles-for-responsible-investment>

4. <https://www.worldwildlife.org/projects/the-3-solution#overview>

5. <https://isgframework.org/corporate-governance-principles/>

Sustainability Reporting – GHG Emphasis

Charter Communications, Inc.

RESOLVED Shareholders request that Charter Communications (Charter) issue an annual sustainability report that includes greenhouse gas (GHG) emissions management strategies and quantitative metrics. The report should be available to shareholders within a reasonable timeframe and prepared at reasonable cost, omitting proprietary information.

Supporting Statement Strong management of material environmental, social, and governance (ESG) risks can have a positive effect on long-term shareholder value. The Sustainability Accounting Standards Board (SASB)'s standards provide a framework for identifying material ESG issues and uniformly disclosing sustainability-related information to shareholders in a cost-effective manner. The Global Reporting Initiative's Sustainability Reporting Standards may also provide useful assistance.

SASB identifies Charter's material ESG issues as environmental footprint of operations; data privacy; data security; product end-of-life management; managing systemic risks from technology disruptions; and competitive behavior and open internet. Presently, Charter provides insufficient disclosure on these issues. For instance, Charter does not disclose energy use or GHG data to the public. The magnitude of energy use and the source of energy will become increasing material for Charter as the global regulatory focus on climate change increases, including policy incentives for energy efficiency and renewable energy, as well as the prospect of a price on carbon emissions. The absence of this information challenges investors' ability to comprehensively evaluate Charter's management of ESG risks and opportunities.

Investors are increasingly calling for improved corporate disclosure of performance on material ESG issues:

- Principles for Responsible Investment: 2,300 signatories that represent \$86.3 trillion in assets who commit to: "seek appropriate disclosure on ESG issues by the entities in which [they] invest."
- SASB Investor Advisory Group: 46 global asset owners and asset managers (including BlackRock, Vanguard and State Street Global Advisors), who hold over 20% of shares in Charter, and seek consistent, comparable, and reliable disclosure of material, decision-useful sustainability-related information from corporate issuers.
- CDP, representing 525 institutional investors globally with approximately \$96 trillion in assets, calls for company disclosure on GHG emissions and climate change management programs. 70% of the S&P 500 disclose to CDP.
- The Task Force on Climate Related Financial Disclosures (TCFD), commissioned by the Financial Stability Board and supported by a cross section of influential investors and business leaders, recommends companies adopt targets to manage climate-related risks and disclose related strategies.

In 2018, the Governance & Accountability Institute found that 86% of S&P 500 companies published sustainability reports. Substantive reporting allows companies to better integrate and capture value from existing sustainability efforts, identify gaps and opportunities in policies and practices, enhance company-wide communications, and recruit and retain employees. By not reporting, Charter is falling behind its peers, including Verizon Communications and Liberty Global, who provide comprehensive ESG reports that include GHG reduction goals.

In conclusion, we believe a sustainability report would provide shareholders with needed insight into the Company's policies and practices on potentially material environmental, social and governance risks and opportunities.

Corporate Governance

Sound corporate governance structures are the bedrock of healthy, long-term financial performance that creates value for all stakeholders. Some of the central tenants of good corporate governance supported by ICCR members include proxy access and holding in-person annual shareholder meetings, executive compensation packages tied to long-term, sustainable performance goals, separation of the roles of CEO and Chairman for improved accountability, and equitable vote counting methods.

Our members filed 27 corporate governance resolutions in 2020, slightly more than last year. Forty percent of this year's governance resolutions emphasized the importance of independent board chairs. This year also saw 2 pay disparity and 'say on pay' resolutions filed at Canadian companies. 'Say on Pay' was adopted in 2009 for publicly-traded U.S. companies.

In addition, many of this year's health resolutions strongly emphasized corporate governance themes, including incorporating drug pricing risk into senior executive incentives, executive bonus deferral due to risky behavior by companies regarding opioids, and board oversight of risks related to the opioid crisis. These proposals are discussed in detail in the Health section. (See page 125.)



Corporate Governance

27*

Proposal Topic	Quantity
Independent Board Chair	11
Include Non-Management Employees on the Board	6
Change Company Management Systems to Implement BRT Statement of Purpose	2*
Consider Pay Grades When Setting CEO Compensation	2
Give Each Share an Equal Vote	2
Senior Executive Equity Compensation Retention Policy	2
Pay Disparity	1
Say on Pay	1

* Includes one spring filing

Independent Board Chair

Investors believe that companies are best served by an independent Board Chair who can provide oversight and accountability for the CEO and management.

This year ICCR members filed resolutions calling for amended bylaws to require that the Chair of the Board be an independent member at 11 companies, including **Ameren**, **Chevron**, **Facebook** and **JPMorgan Chase**. A third-year **Facebook** proposal cited CEO Mark Zuckerberg's dual-class shareholdings which give him control of approximately 58% of Facebook's voting shares, leaving the company's board with only a limited ability to check Mr. Zuckerberg's power. The **JPMorgan Chase** resolution noted that Jamie Dimon has held the dual roles of CEO and Chair since 2006 – an excessive tenure. The **Chevron** resolution cited the company's mishandling of a \$9.5 billion judgement against the company for oil pollution in the Ecuadorian **Amazon**.

Investors in pharmaceutical companies filed independent board requests at **Amgen**, **Bristol-Myers Squibb**, **Eli Lilly**, **Gilead Sciences**, **Johnson & Johnson** and **Pfizer**. The J&J



“For nearly half a century, U.S. corporations have been driven by the notion of “shareholder primacy” – that a publicly traded company’s primary duty is to maximize return to shareholders at all cost. This

perspective has played a major role in a focus on short term earnings, resulting in runaway CEO pay, the escalation of climate change, and the ever-increasing gap of wealth inequality, especially for communities of color.

In recent years, we have seen hints that perhaps the era of shareholder primacy is coming to an end. If passed, Senator Elizabeth Warren’s 2018 Accountable Capitalism Act would require large companies allow employees to elect 40% of the board; this was followed shortly by the Business Roundtable’s 2019 “Statement on the Purpose of a Corporation” which ostensibly claims that companies are responsible to stakeholders (e.g. employees, customers, communities) other than shareholders. With a newly crafted a shareholder resolution – “Employee Representation on Boards” – shareholders can press companies to consider what challenges would exist but what benefits might accrue if employees had direct representation on the board.

In Germany and other western European countries, employees often have a say in company decisions because they have a seat on the board of directors. Several studies have shown increased efficiencies in these systems. From the potential to reduce employee disenfranchisement and labor controversies to improved communication and better attraction of top talent, it is clear that employee representation on the board would benefit both employees and shareholders.”

Mari Schwartz, Director of Shareholder Activism and Engagement – NorthStar Asset Management, Inc.

resolution referenced mismanagement of opioid risks, Lilly, the rising cost of insulin, Amgen, financial involvement with industry groups advocating against biosimilars, and Gilead, HIV/AIDS patent infringement.

Include Non-Management Employees on the Board

Making reference to the BRT Statement of Purpose, and noting that several European countries already require employee representation on boards, this group of resolutions makes the case that employees are crucial to a company’s ability to offer shareholders continued return on their investment.

Investors asked 6 companies, including **ADP, Badger Meter and Stryker** to report on opportunities for inclusion of non-management employees on their boards.

Change Company Management Systems to Implement BRT Statement of Purpose

In August of last year, CEO members of the Business Roundtable (BRT) released a joint *Statement on Purpose of the Corporation* declaring the end of “shareholder primacy” and a new commitment to benefit all corporate stakeholders, including workers, suppliers, investors and communities. While the investor response was initially optimistic, unfortunately, the BRT continues to advocate for deleterious changes to rules governing the shareholder resolution process that will substantially limit the ability of shareholders to raise significant social and environmental concerns with corporate management.

Shareholders asked **BlackRock** to prepare a report on how its governance and management systems should be altered to fully implement the BRT’s Statement of Purpose. A similar resolution is under consideration at **McKesson**.

Change Company Management Systems to Implement BRT Statement of Purpose

BlackRock, Inc.

A similar resolution is under consideration for the spring at McKesson Corporation.

WHEREAS: Our Company's Chairman and Chief Executive Officer (CEO) Larry Fink, in August 2019, signed a Business Roundtable (BRT) "Statement on the Purpose of a Corporation," (Statement) committing our Company to serve all stakeholders including employees, customers, supply chain, communities where we operate, and shareholders.

The CEO has also made other remarks implying the importance of a company's public purpose. In his 2018 annual letter to CEOs Larry Fink wrote:

Stakeholders are demanding that companies exercise leadership on a broader range of issues. And they are right to: a company's ability to manage environmental, social, and governance matters demonstrates the leadership and good governance that is so essential to sustainable growth, which is why we are increasingly integrating these issues into our investment process.

Existing governance documents evolved in an environment of shareholder primacy, but the Statement articulates a new purpose, moves away from shareholder primacy, and includes commitment to all stakeholders. The Statement may be beneficial to associate with our brand, however, the Statement, as company policy, may conflict with Delaware law unless integrated into Company governance documents, including bylaws, Articles of Incorporation, and/or Committee Charters.

Company actions should also become integrated with the Statement. The Company currently engages in various actions that seem to contradict the Statement. As an example, related to climate:

- Data show that BlackRock holds companies with reserves in fossil fuels amounting to a staggering 9.5 gigatonnes of CO₂ emissions — or 30 percent of total energy-related carbon emissions from 2017.
- BlackRock has the highest ratio of coal investments compared to overall size among the ten largest fund managers.
- A report from German NGO Urgewald showed that Blackrock is the largest investor in companies building new coal power capacity across the world with a total investment of over \$11 billion USD.

BlackRock's 2019 publicly reported proxy voting record reveals consistent votes against virtually all climate-related resolutions (having voted for only 6 of 52 such resolutions), including requests for enhanced disclosure or adoption of greenhouse gas reduction goals, even where independent experts advance a strong business and economic case for support.

Although the Statement of Purpose implies accountability to stakeholders, without clear mechanisms in place to implement the Purpose, this broadened standard could reduce accountability to shareholders and in effect, ensure accountability to none.

BE IT RESOLVED: Shareholders request our Board prepare a report based on a review of the BRT Statement of the Purpose of a Corporation, signed by our Chairman and Chief Executive Officer, and provide the board's perspective regarding how our Company's governance and management systems should be altered to fully implement the Statement of Purpose.

Supporting Statement: Implementation may include, at Board discretion, actions including amending the bylaws or articles of incorporation to integrate the new "Purpose," establishing new goals or metrics linked to executive or board compensation, providing for representation of stakeholders in governance of our Company, and making recommendations to shareholders regarding logistics for implementation.

Give Each Share an Equal Vote

Facebook Inc.

RESOLVED: Shareholders request that our Board take all practicable steps in its control to initiate and adopt a recapitalization plan for all outstanding stock to have one vote per share. We recommend that this be done through a phase-out process in which the board would, within seven years or other timeframe justified by the board, establish fair and appropriate mechanisms through which disproportionate rights of Class B shareholders could be eliminated. This is not intended to unnecessarily limit our Board's judgment in crafting the requested change in accordance with applicable laws and existing contracts.

Supporting Statement: In 2019, Facebook was fined \$5 billion by the Federal Trade Commission for mishandling users' personal information. This followed a tumultuous year of scandals that has resulted in the loss of users, decline in user confidence, and included a one-day stock price drop that wiped off "more than \$119bn ... [from] Facebook's market value" in July 2018. The public scandals that have caused this loss in shareholder value came from management and Board decisions that have not protected shareholder investment.

In allowing certain stock more voting power, our company takes public shareholder money but does not provide all shareholders an equal voice in our company's governance, and therefore severely limits shareholders' ability to provide effective feedback to management and the board. Founder Mark Zuckerberg controls over 53% of the vote, though he owns less than 13% of the economic value of the firm.

Without equal voting rights, shareholders cannot hold management accountable. This is exemplified by the 2016 attempt by Facebook to create a non-voting class of stock. Described as a move to ensure that Mr. Zuckerberg retained control of our Company, the new class of stock was approved at the annual meeting despite the fact that almost 1.5 billion shares of stock voted AGAINST its creation. Only threat of a lawsuit "by shareholders who claimed that conflicts of interest and other behind-the-scenes discussions tainted a board decision to approve the creation of a new class of shares" was able to incite reversal of the plan.

Facebook's 10-K describes the risk of the current share system: "Mr. Zuckerberg is entitled to vote his shares ... in his own interests, which may not always be in the interests of our stockholders generally."

The Council for Institutional Investors (CII) recommends a seven year phase-out of dual class share offerings. The International Corporate Governance Network supports CII's recommendation "to require to a time-based sunset clause for dual class shares to revert to a traditional one-share/one-vote structure no more than seven years after a company's IPO date."

Fake news, election interference, and threats to our democracy -- shareholders need more than deny, deflect, and delay from our Company's management. We urge shareholders to vote FOR a recapitalization plan for all outstanding stock to have one vote per share.

Give Each Share an Equal Vote

Alphabet, Inc.

RESOLVED: Shareholders request that our Board take all practicable steps in its control to initiate and adopt a recapitalization plan for all outstanding stock to have one vote per share. We recommend that this be done through a phase-out process in which the board would, at the earliest practicable time, establish fair and appropriate mechanisms through which disproportionate rights of Class B shareholders could be eliminated. This is not intended to unnecessarily limit our Board's judgment in crafting the requested change in accordance with applicable laws and existing contracts.

Supporting Statement: In our company's multi-class voting structure, Class B stock has 10 times the voting rights of Class A. As a result, Mr. Page and Mr. Brin currently control over 51% of our company's total voting power, while owning less than 13% of stock – and will continue to do so even though they have stepped down from leading our company. This raises concerns that the interests of public shareholders may be subordinated to those of our co-founders.

Due to this voting structure, our company takes public shareholder money but refuses shareholders an equal voice in our company's management. For example, it was primarily the weight of the insiders' 10 votes per share that permitted the creation of a non-voting class of stock (class C) despite the fact that the "majority of [shareholders] voted to oppose the maneuver." The New York Times reported that "only about 12.7 percent of Google's Class A stockholders — other than Mr. Brin, Mr. Page and other Google directors and employees — voted in support of issuing the Class C stock ... With little regard for the shareholders' opinion, Google continued with the plan."

A variety of corporate governance experts illustrate a growing concern about multi-class share structures:

- As of July 2017, the S&P Dow Jones Indices announced that certain indices will no longer add companies with multiple share class structures;
- The executive director of the Council of Institutional Investors (CII) has stated that "multi-class structures ... rob shareholders of the power to press for change when something goes wrong" and recommends a seven year phase-out of dual class share offerings;
- The International Corporate Governance Network supports CII's recommendation "to require to a time-based sunset clause for dual class shares to revert to a traditional one-share/one-vote structure no more than seven years after a company's IPO date.
- The Investor Stewardship Group recommends that "shareholders should be entitled to voting rights in proportion to their economic interest" and "boards should have a strong, independent leadership structure."
- As of October 4, 2019, Institutional Shareholder Services (ISS), which rates companies on governance risk, gave our company a 10, its highest risk category, for the Governance QualityScore.

Shareholders are encouraged to vote FOR this good governance request to allow better shareholder oversight.

Independent Board Chair

Facebook Inc.

Resolved: Shareholders request the Board of Directors adopt as policy, and amend the bylaws as necessary, to require henceforth that the Chair of the Board of Directors, whenever possible, be an independent member of the Board. This independence policy shall apply prospectively so as not to violate any contractual obligations. If the Board determines that a Chair who was independent when selected is no longer independent, the Board shall select a new Chair who satisfies the requirements of the policy within a reasonable amount of time. Compliance with this policy is waived if no independent director is available and willing to serve as Chair.

Supporting Statement: Facebook CEO Mark Zuckerberg has been Board Chair since 2012. His dual-class shareholdings give him approximately 58% of Facebook's voting shares while holding only 13% of the economic interest, leaving the board, even with a lead independent director, with only a limited ability to check Mr. Zuckerberg's power. We believe this weakens Facebook's governance and oversight of management. Selecting an independent Chair would free the CEO to focus on managing the Company and enable the Chairperson to focus on oversight and strategic guidance.

Facebook has resisted recent shareholder requests to separate these roles. At the 2019 annual meeting, according to our calculations, this proposal received the support of 68% of the votes cast when excluding the shares of 13 executives and board members. However, the board has not acted on this important signal from its non-insider shareholders.

Alphabet, Microsoft, Apple, and Autodesk all have separate CEO and chairperson roles.

We believe this lack of independent board Chair and oversight has contributed to Facebook missing, or mishandling, a number of severe controversies, increasing risk exposure and costs to shareholders.

Concentrating power in the hands of one person – any person – is unwise. Looking forward to future growth opportunities, we believe Facebook needs strong risk oversight and to rebuild trust with investors, employees, users, and regulators. Transitioning to an independent board chair is necessary to rebuild the company's reputation and to create a governance environment with the benefits of genuine accountability and meaningful oversight.

Independent Board Chair

Pfizer, Inc.

RESOLVED: The shareholders request the Board of Directors to adopt as policy, and amend the bylaws as necessary, to require the Chair of the Board of Directors, whenever possible, to be an independent member of the Board. This policy would be phased in for the next CEO transition.

If the Board determines that a Chair who was independent when selected is no longer independent, the Board shall select a new Chair who satisfies the requirements of the policy within a reasonable amount of time. Compliance with this policy is waived if no independent director is available and willing to serve as Chair.

Supporting Statement:

We believe:

- The role of the CEO and management is to run the company.
- The role of the Board of Directors is to provide independent oversight of management and the CEO.
- There is a potential conflict of interest for a CEO to have a past CEO an inside director act as Chair.

Pfizer's Ian Read served in the past as both as CEO and Chair of the Company's Board of Directors and became Executive Chair of the Board when Dr. Bourla became our new CEO on January 1. However, in September 2019 the company announced Mr. Read would retire from that post and CEO Albert Bourla will become Board Chair as well combining the roles once again. We believe Pfizer should create a stronger governance structure moving forward.

As Andrew Grove, Intel's former chair, stated, "The separation of the two jobs goes to the heart of the conception of a corporation. Is a company a sandbox for the CEO, or is the CEO an employee? If he's an employee, he needs a boss, and that boss is the Board. The Chairman runs the Board. How can the CEO be his own boss?"

In our view, shareholders are best served by an independent Board Chair who can provide a balance of power between the CEO and the Board. The primary duty of a Board of Directors is to oversee the management of a company on behalf of shareholders. A CEO serving as Chair can result in excessive management influence on the Board and weaker oversight of management. We urge Pfizer's Board to take the opportunity to appoint a new independent Board Chair in the next round of succession.

Numerous institutional investors recommend independence for these two roles. For example, California's Retirement System CalPERS' Principles & Guidelines encourage separation, even with a lead director in place. In addition investor interest in this governance practice is growing.

According to ISS "2017 Board Practices", (March 2017), 58% of S&P 1,500 firms separate these two positions and the number of companies separating these roles is growing.

This resolution to Pfizer received a 27% vote last year.

To simplify the transition, this policy would be phased in and implemented when the next CEO is chosen.

Independent Board Chair

Bristol-Myers Squibb Company

RESOLVED: The shareholders request the Board of Directors to adopt as policy, and amend the bylaws as necessary, to require the Chair of the Board of Directors, whenever possible, to be an independent member of the Board. This policy would be phased in for the next CEO transition.

If the Board determines that a Chair who was independent when selected is no longer independent, the Board shall select a new Chair who satisfies the requirements of the policy within a reasonable amount of time. Compliance with this policy is waived if no independent director is available and willing to serve as Chair.

Supporting Statement:

We believe:

- The role of the CEO and management is to run the company.
- The role of the Board of Directors is to provide independent oversight of management and the CEO.
- There is a potential conflict of interest for a CEO to have a past CEO an inside director act as Chair.

Giovanni Caforio has been the Chief Executive Officer of BMS since 2015 and its Chairman of the Board since 2017. The company has designated a board member as lead independent director, but BMS' own Corporate Governance Guidelines states that this person shall "...facilitate information flow and communication between the Directors and the Chairman, and to perform such other duties specified by the Board", thus making the lead independent director merely a conduit to the Chair. We believe Bristol-Myers Squibb should create a stronger governance structure moving forward.

As Andrew Grove, Intel's former chair, stated, "The separation of the two jobs goes to the heart of the conception of a corporation. Is a company a sandbox for the CEO, or is the CEO an employee? If he's an employee, he needs a boss, and that boss is the Board. The Chairman runs the Board. How can the CEO be his own boss?"

In our view, shareholders are best served by an independent Board Chair who can provide a balance of power between the CEO and the Board. The primary duty of a Board of Directors is to oversee the management of a company on behalf of shareholders. A CEO serving as Chair can result in excessive management influence on the Board and weaker oversight of management. We urge BMS' Board to take the opportunity to appoint a new independent Board Chair in the next round of succession.

Numerous institutional investors recommend independence for these two roles. For example, California's Retirement System CalPERS' Principles & Guidelines encourage separation, even with a lead director in place. In addition investor interest in this governance practice is growing.

According to ISS "2017 Board Practices", (March 2017), 58% of S&P 1,500 firms separate these two positions and the number of companies separating these roles is growing.

To simplify the transition, this policy would be phased in and implemented when the next CEO is chosen.

Independent Board Chair

Johnson & Johnson

RESOLVED: Shareholders request the Board of Directors adopt as policy, and amend the bylaws as necessary, to require henceforth that the Chair of the Board of Directors, whenever possible, be an independent member of the Board. This independence policy shall apply prospectively so as not to violate any contractual obligations. If the Board determines that a Chair who was independent when selected is no longer independent, the Board shall select a new Chair who satisfies the requirements of the policy within a reasonable amount of time. Compliance with this policy is waived if no independent director is available and willing to serve as Chair.

Supporting Statement

We believe:

- The role of the CEO and management is to run the company.
- The role of the Board of Directors is to provide independent oversight of management and the CEO.
- There is a potential conflict of interest for a CEO to have an inside director act as Chair.

In our view, shareholders are best served by an independent Board Chair who can provide a balance of power between the CEO and the Board. We believe that Johnson & Johnson's Board should adopt best practice governance policies, including having an independent board chair. Taking this step is in the long-term interests of shareholders and will promote effective oversight of management.

As of October 2018, 50% of the S&P 500 have separated the role of Chair and CEO approximately 30% of S&P 500 firms have an independent chair. McKesson, Cardinal Health and AmerisourceBergen have reached agreements to separate their chair and CEO positions.

In August 2019, a judge in Oklahoma made a factual finding that Johnson & Johnson had intentionally played down the dangers and oversold the benefits of opioid treatment for chronic pain. The judge also concluded that the company's behavior caused a "public nuisance," finding that had it had developed "false, misleading, and dangerous marketing campaigns" that had "caused exponentially increasing rates of addiction, overdose deaths" and babies born exposed to opioids.

The company's recent controversies also extend to claims that its talcum powder contained asbestos and caused cancer; it failed to warn that its blood-thinner Xarelto increased the risk of internal bleeding; and it did not adequately disclose the risks of its vaginal mesh implant. In July 2019, the U.S. Department of Justice launched a criminal probe into whether the Company lied about the possible cancer risks of its talcum powder.

In October 2019, a Philadelphia jury reached a \$8 billion verdict over the company's marketing of the anti-psychotic drug Risperdal. In October 2019, the Wall Street Journal reported that at the time JNJ was "facing lawsuits from more than 100,000 plaintiffs over its product safety and marketing tactics."

According to PWC's 2019 survey of over 700 directors, 57% of directors surveyed who sit on a board with a chair/CEO say it is difficult to voice dissent.

Independent Board Chair

Eli Lilly and Company

RESOLVED: Eli Lilly (“Lilly” or the “Company”) shareholders request the Board of Directors adopt as policy (the “Policy”), and amend the bylaws as necessary, to require henceforth that the Chair of the Board of Directors, whenever possible, be an independent member of the board. The Policy shall apply prospectively so as not to violate any contractual obligations. If the board determines that a Chair who was independent when selected is no longer independent, the board shall select a new Chair who satisfies the requirements of the policy within a reasonable amount of time. Compliance with this policy is waived if no independent director is available and willing to serve as Chair.

Supporting Statement

We believe:

- The role of the CEO and management is to run the company.
- The role of the Board is to provide independent oversight of management and the CEO.
- There is a potential conflict of interest for a CEO to have a non-independent director act as Chair.

In 2018, the Minnesota Attorney General sued three makers of synthetic insulin, including Lilly, alleging that the companies’ publication of “deceptive and misleading” list prices for insulin violates federal and state law. According to the complaint, substantial list price increases for insulin have imposed financial burdens on patients because list prices are used to determine the amount some patients and institutional purchasers must pay. Congressional hearings have been held on the rising cost of insulin, and candidates for the Democratic presidential nomination are campaigning on promises to lower drug prices. Media attention continues to focus on the effects of high insulin prices, including patient deaths.

Concerns about these risks have led to growing investor interest in the Company’s governance practices. In our view, shareholders are best served by an independent board Chair who can provide a balance of power between the CEO and the board. The board is responsible for overseeing management, and conflicts of interest may arise when one person holds both the Chair and CEO positions. We believe that Lilly’s board should adopt best practice governance policies, including having an independent board chair.

As of October 2018, 50% of companies in the S&P 500 have separated the CEO and Chair roles. Numerous institutional investors recommend such a separation. For example, California’s Retirement System CalPERS’ Principles & Guidelines encourage separation, even with a lead director in place. The Council of Institutional Investors’ corporate governance policies favor independent board chairs.

In order to ensure that our board can provide rigorous oversight for our Company and management with greater independence and accountability, we urge a vote FOR this shareholder proposal.

Independent Board Chair

Gilead Sciences, Inc.

“RESOLVED: Gilead Sciences (“Gilead” or the “Company”) shareholders request the Board of Directors adopt as policy (the “Policy”), and amend the bylaws as necessary, to require henceforth that the Chair of the Board of Directors, whenever possible, be an independent member of the board. The Policy shall apply prospectively so as not to violate any contractual obligations. If the board determines that a Chair who was independent when selected is no longer independent, the board shall select a new Chair who satisfies the requirements of the policy within a reasonable amount of time. Compliance with this policy is waived if no independent director is available and willing to serve as Chair.

Supporting Statement

We believe:

- The role of the CEO and management is to run the company.
- The role of the Board is to provide independent oversight of management and the CEO.
- There is a potential conflict of interest for a CEO to have a non-independent director act as Chair.

In November 2019, the U.S. government sued Gilead for infringement of patents. The cost of PrEP treatment – Gilead’s Truvada and Descovy products taken daily – is up to \$20,000 per year. PrEP is an integral part of global HIV prevention and the Company’s pricing may impede these efforts. Negative media attention surrounding this lawsuit presents challenges for the Company.

Concerns about these risks have led to growing investor interest in the Company’s governance practices. In our view, shareholders are best served by an independent board Chair who can provide a balance of power between the CEO and the board. The board is responsible for overseeing management, and conflicts of interest may arise when one person holds both the Chair and CEO positions. We believe that Gilead’s board should adopt best practice governance policies, including having an independent board chair.

As of October 2018, 50% of companies in the S&P 500 have separated the CEO and Chair roles. Numerous institutional investors recommend such a separation. For example, California’s Retirement System CalPERS’ Principles & Guidelines encourage separation, even with a lead director in place. The Council of Institutional Investors’ corporate governance policies favor independent board chairs.

In order to ensure that our board can provide rigorous oversight for our Company and management with greater independence and accountability, we urge a vote FOR this shareholder proposal.

Independent Board Chair

Amgen Inc.

RESOLVED: The shareholders request the Board of Directors to adopt as policy, and amend the bylaws as necessary, to require the Chair of the Board of Directors, whenever possible, to be an independent member of the Board. This policy would be phased in for the next CEO transition.

If the Board determines that a Chair who was independent when selected is no longer independent, the Board shall select a new Chair who satisfies the requirements of the policy within a reasonable amount of time. Compliance with this policy is waived if no independent director is available and willing to serve as Chair.

Supporting Statement: We believe:

- The role of the CEO and management is to run the company.
- The role of the Board of Directors is to provide independent oversight of management and the CEO.
- There is a potential conflict of interest for a CEO to have a past CEO an inside director act as Chair.

As Andrew Grove, Intel's former chair, stated, "The separation of the two jobs goes to the heart of the conception of a corporation. Is a company a sandbox for the CEO, or is the CEO an employee? If he's an employee, he needs a boss, and that boss is the Board. The Chairman runs the Board. How can the CEO be his own boss?"

In our view, shareholders are best served by an independent Board Chair who can provide a balance of power between the CEO and the Board. The primary duty of a Board of Directors is to oversee the management of a company on behalf of shareholders. A CEO serving as Chair can result in excessive management influence on the Board and weaker oversight of management. We urge Amgen's Board to take the opportunity to appoint a new independent Board Chair in the next round of succession.

Amgen's financial involvement with industry groups that advocate against biosimilars¹ may run counter to the company's endorsement of balanced and accurate policy information on biosimilars and its own interests as a developer of biosimilar treatments. These types of inconsistencies and the reputational damage that may ensue indicate the need for governance best practices. An independent Board Chair can demonstrate our company's concern for proper oversight and governance.

Numerous institutional investors recommend independence for these two roles. For example, California's Retirement System CalPERS' Principles & Guidelines encourage separation, even with a lead director in place. In addition investor interest in this governance practice is growing.

According to ISS "2017 Board Practices", (March 2017), 58% of S&P 1,500 firms separate these two positions and the number of companies separating these roles is growing.

To simplify the transition, this policy would be phased in and implemented when the next CEO is chosen.

1. https://www.washingtonpost.com/business/economy/drugmakers-alleged-scare-tactics-may-hold-back-competition/2019/01/09/612ac994-046d-11e9-9122-82e98f91ee6f_story.html

Independent Board Chair **AMEREN (Union Electric)**

RESOLVED: Shareholders of Ameren Corporation ("Ameren") ask the Board of Directors to adopt a policy, and amend the bylaws as necessary, to require the Chair of the Board to be an independent director. The policy should provide that (i) if the Board determines that a Chair who was independent when selected is no longer independent, the Board shall select a new Chair who satisfies the policy within 60 days of that determination; and (ii) compliance with this policy is waived if no independent director is available and willing to serve as Chair. This policy shall apply prospectively so as not to violate any contractual obligation.

Supporting Statement: In our view, shareholder value is enhanced by an independent Board Chair who can provide a balance of power between the chief executive officer ("CEO") and the Board and support strong Board oversight of management. According to proxy advisor Glass Lewis "shareholders are better served when the board is led by an independent chairman who we believe is better able to oversee the executives of the Company and set a pro-shareholder agenda without the management conflicts that exist when a CEO or other executive also serves as chairman."

While separating the roles of Chair and CEO is the norm in Europe, 53% of S&P 500 company boards have also implemented this best practice. Directors on boards with a joint CEO-Chair report being more likely to have difficulty voicing a dissenting view (57% versus 41%) and to believe that one or more of their fellow directors should be replaced (61% versus 47%) according to a 2019 survey by PwC. (<https://pwc.to/2Xbp9eo>)

Except for a brief apprenticeship period, Ameren CEOs have also served as Chair of the Board since 1997.

We believe that independent board leadership would be particularly useful at Ameren to oversee the strategic transformation the company must undergo in order to capitalize on the opportunities available in the transition to a low carbon economy. Ameren has the highest carbon dioxide emission rate of any of the top twenty US privately/investor-owned power producers. (https://www.mjbradley.com/sites/default/files/Presentation__of Results_2019.pdf) Unlike its peers Xcel Energy, Duke Energy, DTE and NRG, Ameren has failed to set a target of achieving net zero emissions by 2050. We believe that a board chair independent of management would be better able to lead the process of setting a strategy to position Ameren to take advantage of increased demand for decarbonized electricity from transportation and other sectors of the economy.

We urge shareholders to vote for this proposal.

Independent Board Chair

Marathon Petroleum

RESOLVED: Shareholders of Marathon Petroleum Corporation (the “Company”) urge the Board of Directors (the “Board”) to take the steps necessary to adopt a policy to require that the Chairman of the Board be an independent director who has not previously served as an executive officer of the Company. The policy should be implemented so as not to violate any contractual obligations, with amendments to the Company’s governing documents as needed. The policy should also specify the process for selecting a new independent Chairman if the current Chairman ceases to be independent between annual meetings of shareholders. Compliance with the policy may be excused if no independent director is available and willing to be Chairman.

Supporting Statement: CEO Gary Heminger has also been the Chairman of the Board since 2016. We believe that combining the roles of CEO and Chairman of the Board both weakens the corporation’s governance and places an undue burden on a single person. In our view, the Chairman should be an independent director, who has not previously served as an executive, in order to provide robust oversight and accountability of management, and to facilitate effective deliberation of corporate strategy, which we believe, is difficult to accomplish when the CEO serves as Chairman.

The Board is responsible for monitoring the CEO’s performance, for providing objective guidance to the CEO and for determining the CEO’s compensation. Having an individual chair the Board that is tasked with measuring his job performance and determining his compensation has the potential to weaken the Board’s oversight and may lessen shareholder confidence. In addition, of great importance to any company’s success is the value of external perspectives, which can be accomplished by having an independent Board. However, we believe that this benefit is nullified for the Chairman when he also serves as the CEO.

From a 2016 report drafted by Glass Lewis, a prominent proxy advisory service, “It is the board’s responsibility to select a chief executive who can best serve the Company and its shareholders and to replace this person when his or her duties have not been appropriately fulfilled. We believe replacing a CEO becomes more difficult and happens less frequently than it should when the chief executive is also in the position of overseeing the board.” In the same report, Glass Lewis cites a 2009 study from the Millstein Center for Corporate Governance at the Yale School of Management that states, “[t]he independent chair curbs conflicts of interest, promotes oversight of risk, manages the relationship between the board and CEO, serves as conduit for regular communication with shareowners, and is a logical next step in the development of an independent board.”

We do not believe that having a lead independent director is a sufficient alternative to an independent Chairman. In our view, an independent Chairman can increase investor confidence in our Company and provide for enhanced oversight of our CEO.

For these reason, we urge shareholders to vote FOR this resolution.

Independent Board Chair

J.P. Morgan Chase & Co.

RESOLVED: Shareholders of JPMorgan Chase & Co. (“JPM”) ask the Board of Directors to adopt a policy, and amend the bylaws as necessary, to require the Chair of the Board to be an independent director. The policy should provide that (i) if the Board determines that a Chair who was independent when selected is no longer independent, the Board shall select a new Chair who satisfies the policy within 60 days of that determination; and (ii) compliance with this policy is waived if no independent director is available and willing to serve as Chair. This policy shall apply prospectively so as not to violate any contractual obligation.

Supporting Statement: In our view, shareholder value is enhanced by an independent Board Chair who can provide a balance of power between the chief executive officer (“CEO”) and the Board and support strong Board oversight of management. According to proxy advisor Glass Lewis, “shareholders are better served when the board is led by an independent chairman who we believe is better able to oversee the executives of the Company and set a pro-shareholder agenda without the management conflicts that exist when a CEO or other executive also serves as chairman.”

While separating the roles of Chair and CEO is the norm in Europe, 53% of S&P 500 boards have also implemented this leading practice. Directors on boards with a joint CEO-Chair report being more likely to have difficulty voicing a dissenting view (57% versus 41%) and to believe that one or more of their fellow directors should be replaced (61% versus 47%) according to a 2019 survey by PwC.

James Dimon has held the dual roles of Chair and CEO of JPM since 2006. JPM’s lack of independent board leadership may be exacerbated by the fact that Lee Raymond, JPM’s lead director and former Chair/CEO of ExxonMobil, has served on the Board of JPM and its predecessor corporations since 1987. According to ISS Governance QualityScore, “an excessive tenure is considered to potentially compromise a director’s independence.” The Council of Institutional Investors cautions that “Extended periods of service may adversely impact a director’s ability to bring an objective perspective to the boardroom.” CalPERS’ Governance and Sustainability Principles state that independence “can be compromised at 12 years of service.”

We believe independent Board leadership would be particularly useful in establishing more rigorous oversight of risk management at JPM, which paid tens of billions of dollars in fines and regulatory settlements over the past decade. The brands of both Chase and JPMorgan fell in Brand Finance’s 2019 ranking of banks.¹ While JPM economists have warned that standard models of a “business-as-usual” approach toward climate change may be flawed, JPM is the largest funder of fossil fuel projects, according to a 2019 report.²

We urge shareholders to vote for this proposal.

1. <https://brandfinance.com/knowledge/entrepreneur/reports/brand-finance-banking-500-2019/>

2. <https://www.ran.org/bankingonclimatechange2019/#data-panel>

Independent Board Chair

Chevron Corp.

RESOLVED: Shareholders request the Board of Directors to adopt as policy, and amend the bylaws as necessary, to require that whenever possible the Chair of the Board of Directors be an independent member of the Board. This policy would phase in for the next CEO transition.

If the Board determines that a Chair who was independent when selected is no longer independent, within a reasonable period it shall select a new Chair who satisfies the requirements of this policy. Compliance with this policy can be waived if no independent director is available and willing to serve as Chair.

Supporting Statement: We believe that inadequate board oversight has led to management mishandling of a number of issues, which has increased both risk and cost to stockholders.

For example, Chevron mishandled risk related to an ongoing legal effort by communities in Ecuador to enforce a \$9.5 billion judgment for oil pollution. When Chevron acquired Texaco in 2001, it inherited significant legal, financial, and reputational liabilities that stemmed from pollution of the water and lands of communities in the Ecuadorian Amazon. In 2018, Ecuador's Constitutional Court unanimously confirmed a \$9.5 billion judgment against Chevron.

Chevron has acknowledged the serious risk from enforcement of the \$9.5 billion judgment. Deputy Controller Rex Mitchell testified, under oath, that such seizures of Company assets "would cause significant, irreparable damage to Chevron's business reputation and business relationships." However, instead of negotiating a swift, reasonable, and comprehensive settlement with the affected Ecuadorian communities, management has pursued a costly and protracted legal strategy that has lasted more than two decades.

As well, investors are concerned that Chevron has not adequately addressed climate change – a massive risk that is already manifest and set to intensify over time via regulation, energy price swings, and growing uncertainty around the value of fossil fuel reserves. Chevron has published a climate risk scenario report and attempted to reduce capital spending; however, investor concerns remain because:

Of Chevron's December 2019 announcement of a \$10 billion+ write-down on the value of its assets. Climate-related tort claims and similar litigation against Chevron are mounting. Chevron's climate risk reports have downplayed significant factors, such as potential competition from low-carbon energy technologies. Chevron has supported lobbying and trade associations that spread dis-information on climate science and policy, such as the American Legislative Exchange Council ("ALEC") and the American Petroleum Institute ("API").

In addition, inadequate board attention could intensify ongoing risks and controversies related to global operations – such as renewed attacks on Chevron's Nigeria assets in 2016, controversy over operations in Myanmar (given United Nations reports of genocide and crimes against humanity committed by the Burmese army against the Rohingya and other ethnic minorities in Burma), and a landmark enforcement action against Chevron for alleged tax evasion in Australia.

An independent Chair would improve oversight of management, and the attention paid to long-range risks such as those noted above.

THEREFORE: Please vote FOR this common-sense governance enhancement.



Proxy Resolutions: Corporate Governance

Include Non-Management Employees on the Board

Square Inc.

Similar resolutions were submitted to Automatic Data Processing, Inc., Badger Meter Inc., Boston Scientific Corporation, IDEX, and Stryker Corporation

WHEREAS: Our company's employees are crucial to our ability to offer shareholders continued return on their investment. A 2018 Forbes article emphasized the need for retaining top employees by "focus[ing] on excellence in engagement";

In August 2019, the Business Roundtable, an association of chief executive officers of America's leading companies, issued a new Statement on the Purpose of a Corporation which emphasized "a fundamental commitment to all of our stakeholders." Shareholders believe that part of fulfilling the Roundtable's commitment to "invest in our employees" could come from a direct line of communication between employees and the board;

In 2018, the Accountable Capitalism Act was introduced into the U.S. Congress to combat "America's fundamental economic problems" such as companies' failure to reinvest proceeds in their operations, including employees. The Act would require that "boards ... include substantial employee participation ... ensur[ing] that no fewer than 40% of [a board's] directors are selected by the corporation's employees";

Several European countries require employee representation on boards. Academic analysis of one such policy stated that it "offer[s] advantages for technical efficiency, skill development and knowledge generation through its protection of specific human capital investments";

A recent poll found that a majority of Americans "would support allowing employees at large companies to elect representatives to those companies' boards of directors...";

Competitiveness in our sector is intense. An IMF report states that "technology and science jobs in the United States outnumbered qualified workers by roughly 3 million as of 2016 ... By 2030, there will be a global shortage of more than 85 million tech workers." With such a shortfall and competition for tech talent, it is crucial that our company work to attract and retain quality talent;

Shareholders believe that our company can advance long-term value creation through a board that includes non-management employee representation.

RESOLVED: Shareholders of Square, Inc. urge the Board of Directors to prepare a report to shareholders describing opportunities for the company to encourage the inclusion of non-management employee representation on the Board.

SUPPORTING STATEMENT: The report should be prepared within one year, at reasonable cost and excluding proprietary and privileged information. The Board is encouraged to assess:

- Any legal, technical, practical, or organizational impediments to non-management employees gaining board nomination; Benefits and challenges associated with board membership of non-management employees;
- Opportunities or procedures through which non-management employees could gain nomination to the board, such as allocation of board slots or special board nomination processes for non-management employees, and any needed changes to corporate governance documents to accomplish such changes.

For purposes of this proposal, the term "non-management employees" should be understood to be employees that are neither management nor company executives.

Consider Pay Grades When Setting CEO Compensation

TJX Companies, Inc.

RESOLVED: Shareholders of The TJX Companies, Inc. (the “Company”) request that the Executive Compensation Committee of the Board of Directors take into consideration the pay grades and/or salary ranges of all classifications of Company employees when setting target amounts for CEO compensation. The Executive Compensation Committee should describe in the Company’s proxy statements for annual shareholder meetings how it complies with this requested policy. Compliance with this policy is excused if it will result in the violation of any existing contractual obligation or the terms of any existing compensation plan.

Supporting Statement This proposal encourages the Executive Compensation Committee to consider whether the CEO’s compensation is internally aligned with the Company’s pay practices for its other employees. Under this proposal, the Compensation Committee will have discretion to determine how other employees’ pay should influence CEO compensation. This proposal does not require the Executive Compensation Committee to use employee pay data in a specific way to set CEO compensation. The Compensation Committee also will retain authority to use peer group benchmarks.

Like at many companies, our Company’s Executive Compensation Committee has used peer group benchmarks of what other companies pay their CEOs to set its target CEO compensation. These target pay amounts are then subject to performance adjustments. To ensure that our Company’s CEO compensation is reasonable relative to our Company’s overall employee pay philosophy and structure, we believe that the Executive Compensation Committee should also consider the pay grades and/or salary ranges of Company employees when setting CEO compensation target amounts.

Over time, using peer group benchmarks as the primary measure to set CEO compensation targets can lead to pay inflation. Although many companies target CEO compensation at the median of their peer group, certain companies have targeted their CEO’s pay above median. In addition, peer groups can be cherry-picked to include larger or more successful companies where CEO compensation is higher.

High levels of CEO pay relative to other employees may hurt organizational performance. High pay disparities between CEOs and other senior executives can undermine collaboration and teamwork. High levels of CEO pay can also negatively affect the morale and productivity of employees who are not senior executives. According to a 2016 MSCI study, labor productivity as measured by sales per employee was lower for companies with higher pay gaps.

Our Company’s CEO annual total compensation for fiscal 2019 was \$18,822,770. In contrast, the Company’s median employee received \$11,791 in total compensation in fiscal 2019 resulting in a pay ratio of 1,596:1 – which is higher than the reported 1,501:1 ratio in fiscal 2018. Recently, the following companies’ pay ratios were: Ross Stores 1,222:1; Starbucks 1,049:1; Macy 582:1; Home Depot 486:1; and Best Buy 610:1. These were all lower ratios as compared to the previous year at these companies.

Consider Pay Grades When Setting CEO Compensation

3M Company

RESOLVED: Shareholders of 3M Corporation (the “Company”) request that the Compensation Committee of the Board of Directors take into consideration the pay grades and/or salary ranges of all classifications of Company employees when setting target amounts for CEO compensation. The Compensation Committee should describe in the Company’s proxy statements for annual shareholder meetings how it complies with this requested policy. Compliance with this policy is excused if it will result in the violation of any existing contractual obligation or the terms of any existing compensation plan.

Supporting Statement: Like at many companies, our Company’s Compensation Committee uses peer group benchmarks of what other companies pay their CEOs to set its target CEO compensation. These target pay amounts are then subject to performance adjustments. To ensure that our Company’s CEO compensation is reasonable relative to our Company’s overall employee pay philosophy and structure, we believe that the Compensation Committee should also consider the pay grades and/or salary ranges of Company employees when setting CEO compensation target amounts.

This proposal does not require the Compensation Committee to use other employee pay data in a specific way to set CEO compensation targets. Under this proposal, the Compensation Committee will have discretion to determine how other employee pay should impact CEO compensation targets. The Compensation Committee also will retain authority to use peer group benchmarks and/or any other metric to set CEO compensation target amounts. Over time, using peer group benchmarks to set CEO compensation can lead to pay inflation. Although many companies target CEO compensation at the median of their peer group, certain companies have targeted their CEO’s pay above median. In addition, peer groups can be cherry-picked to include larger or more successful companies where CEO compensation is higher. (Charles Elson and Craig Ferrere, “Executive Superstars, Peer Groups and Overcompensation,” *Journal of Corporation Law*, Spring 2013).

The current system of using peer group benchmarks, without taking into account the pay grades or salary ranges of all company employees, when determining CEO compensation has had the effect of CEO pay far outpacing that of average employees. In 2018, the average S&P 500 CEO made 287 times that of their median employee. For our Company, the CEO/median employee ratio calculated in 2018 was 302 to 1. According to the 2006 report *The State of Working America* the ratio of CEO pay to average worker pay has risen from 35 to 1 in 1979, to 71 to 1 in 1989, to 248 to 1 in 1998. The current system of determining CEO compensation without taking into account the pay of average company employees has led to glaring inequality between the workers who make our company what it is and the man or woman who sits at the top.

For those reasons, we urge you to vote in favor of this proposal.

Say on Pay

Great-West Lifeco Inc.

RESOLVED that shareholders request that the Board of Directors adopt a policy that Great-West Lifeco Inc. (“GWL”) shareholders be permitted to vote annually, on an advisory basis, on a management proposal to ratify the compensation of Named Executive Officers as set forth in the proxy statement.

Supporting Statement: An advisory shareholder vote on executive compensation (“Say on Pay”) is a corporate governance best practice for public issuers. In Canada, the majority of companies in the S&P/TSX 60 Index hold Say on Pay votes.¹ In Australia, United States, the United Kingdom and Switzerland, Say on Pay is mandatory for publicly-traded companies.²

As of April 2019, over 220 companies in Canada have adopted annual Say on Pay votes, including GWL’s competitors, more than 71 per cent of companies in the TSX Composite Index, and 52 of the TSX60 Index companies.³ Adopting Say on Pay may also allow GWO to get ahead of proposed changes to the Canada Business Corporations Act (CBCA) which we expect will require a similar vote in the future.⁴

Executive compensation disclosure has allowed shareholders to become better informed in respect to amounts paid or payable to Named Executive Officers, the circumstances under which payments will be made, and the reasons for specific compensation structure decisions. However, it does not allow shareholders to provide their views on compensation decisions directly via a vote.

In the absence of a Say on Pay vote at GWO, shareholders who do not support some or all aspects of the company’s executive compensation practices can only register this view indirectly by withholding their votes to re-elect directors to the Human Resources Committee.

Say on Pay will allow all shareholders the ability to clearly and unambiguously express their views regarding executive compensation by voting on it directly.

We urge shareholders to vote FOR this proposal.

1. <https://www.theglobeandmail.com/business/streetwise/article-shareholders-say-on-pay-to-have-strength-of-federal-law-behind-it/>

2. <https://www0.gsb.columbia.edu/mygsb/faculty/research/pubfiles/25655/Final%20version%20plan%20format%20for%20ssrn%20with%20suggested%20citation.pdf>

3. <https://share.ca/wp-content/uploads/2019/04/19-04-09-State-of-Say-on-Pay-in-Canada-FINAL.pdf>

4. <https://www.theglobeandmail.com/business/streetwise/article-shareholders-say-on-pay-to-have-strength-of-federal-law-behind-it/>

Pay Disparity

Canadian National Railway

RESOLVED: Shareholders of Canadian National Railway Company request the Board's Human Resources and Compensation Committee initiate a review of our company's executive compensation policies and make available, upon request, a summary report of that review by December 31, 2021 omitting confidential information and processed at a reasonable cost.

We request that the report include:

1. the percentage gap between the median pay of employees and named executive officers, including base salary and bonus and equity compensation for calendar years 2010, 2015 and 2020;
2. an analysis of any changes in the relative size of the gap and reasons for trend(s) identified;
3. a discussion of whether sizable layoffs or the level of pay of our lowest paid workers should result in an adjustment of senior executive pay, and
4. how the Corporation will monitor these issues annually in the future.

Supporting Statement: Large disparities between the compensation of executives and workers can diminish the value of a company by lowering employee morale and productivity, increasing staff turnover, and lowering profitability. A recent research report by MSCI found that companies with lower intra-corporate pay gaps performed better in terms of average profit margins across the vast majority of sectors.¹

In the past three years, there has been a general upward trend in senior executives' total compensation, made up of salary, share-based awards, option-based awards, non-equity incentive plan, and all other compensation.

In November 2019, our company announced layoffs in the midst of a "weakening of many sectors of the economy."² We believe the proposed report would provide important information on the company's compensation strategies for all of its employees, and enhanced insights for investors on pay philosophy and the goals embedded in the distribution of pay across the entire company.

Additionally, the proposed report will help shareholders understand whether the executive-to-worker pay gap comes at the expense of the wellbeing of the company's workforce and whether the gap should be decreased to avoid cuts to wages and/or benefits that might harm the company's performance over the long term.

We urge shareholders to vote FOR this proposal.

1. <https://www.msci.com/www/research-paper/income-inequality-and-the/0337258305>

2. <https://globalnews.ca/news/6175142/cn-rail-layoffs-furloughs/><https://www.theglobeandmail.com/business/article-cn-rail-to-lay-off-1600-employees-amid-weakening-economy-trade/>

Senior Executive Equity Compensation Retention Policy

Capital One Financial Corp.

A similar resolution was submitted to Home Depot, Inc.

BE IT RESOLVED: The shareholders of Capital One Financial urge the Compensation Committee of the Board of Directors to adopt a policy, applicable to future grants and awards of equity compensation, requiring that senior executives retain a significant percentage of shares acquired through equity compensation programs for a significant period of time following the termination of their employment (through retirement or otherwise). The policy shall apply to future grants and awards of equity compensation.

Supporting Statement: Requiring senior executives to hold a significant portion of shares obtained through compensation plans after the termination of employment is an evolving best practice. For example, CalPERS recently updated its Governance and Sustainability Principles to include language suggesting that equity compensation earned by executives should be held for a minimum of two years after they retire or separate from the company.

Such a policy would help focus the attention of Capital One executives on long term success and better align executive interests with those of Capital One's shareholders. One reason boards provide incentives with stock is to create such long-term alignment. Awards that fail to include sufficient holding requirements instead allow executives to cash out options near or at the top of the market.

A CEO's stake in a company should grow larger with time, yet Capital One Financial CEO Richard Fairbank's beneficial ownership has decreased as he exercised options. In 2018 he exercised 970,403 shares, realizing value of over \$79 million dollars. In 2017 he exercised options for over one million shares, realizing value of over \$40 million dollars.

Shareholders believe it is important for the company to promote long-term and sustainable value creation that can withstand predictable long-term risks. Capital One, however, has faced sharp criticism for its emphasis on sub-prime credit. Analysts have speculated that Capital One may be more at risk than its peers in the next recession. If executives received disproportionate reward for shorter term stock price fluctuations, management may not be incentivized to take such long-range actions.

Capital One currently has a retention requirement that is only effective until its modest ownership guidelines have been met. The Company's recently updated ownership guidelines require the CEO to own six times salary. The company has chosen a "notional salary" of \$1 million. Requiring someone who has cashed in well over \$100 million in options over just a few year to hold \$6 million in shares seems symbolic at best. We view a more rigorous retention requirement as superior to the current stock ownership guidelines.

We urge shareholders to vote for this proposal.

Diversity and Inclusiveness

Research shows that companies that prioritize diversity are likely to have better than average financial returns. Companies in the top quartile for gender diversity, for instance, are more likely to outperform on profitability. Despite such benefits, there remain significant barriers to diverse employees' progress within their careers. While women 25 and older now account for more than half of the U.S. college educated workforce, on average, a man with a bachelor's degree out-earns his female counterpart by about \$26,000 a year. Further, there have been no black women heading Fortune 500 companies since 2016, and there are currently but three black male CEOs of Fortune 500 companies.

Improving workforce diversity and inclusion requires proactive policies and programs. Publishing workforce composition data is the first step, as it helps companies and investors track progress as companies seek to reduce unconscious bias in hiring and mentorship. Progress is further accelerated by measuring the effectiveness of workplace diversification practices and their outcomes.

ICCR members challenge corporations to increase the number of women and people of color on their boards of directors and in senior management roles, to eliminate gender and racial pay gaps, and enhance workplace diversity. Member filings on inclusiveness are the fourth most popular category of resolutions this year, with 42.

Diversity & Inclusiveness	42*
Proposal Topic	Quantity
Board Diversity	8
Workforce Diversity Report	8
Gender Identity Non-Discrimination Policy	7
Assess Company Diversity Efforts	6*
Executive Leadership Diversity	6
Gender and Racial Pay Gap	4
Exec. Pay - Incorporate Diversity and Sustainability Metrics	2
Report on Impact of Mandatory Arbitration	1

* Includes one spring filing

Assess Company Diversity Efforts

Instances of workplace discrimination damage a company's reputation and present costly legal and financial risks that impact share value. JPMorgan Chase, for instance, settled three discrimination suits between 2017 and 2019, costing it over \$80 million, while Home Depot has paid out over \$100 million in similar suits since the late 1990s. By contrast, companies such as Intel, Symantec and Citigroup have set measurable targets for raising the percentage of women and underrepresented minorities in their workforces.

Investors called on 6 companies including **JPMorgan Chase, MasterCard and Morgan Stanley** to issue reports assessing their diversity and inclusion efforts, including goals, metrics and trends related to promotion, recruitment and retention.



Proxy Resolutions: Diversity and Inclusiveness



"Evidence continues to mount that ethnic, racial and gender diversity at the highest levels of leadership is enormously important to a well-functioning organization. The gains made by corporations to diversify both their boards and senior management ranks are noteworthy and

investor engagement has played a valuable role in these advances.

In 2019, women on S&P 500 boards and in the C-suite reached new milestones, comprising 26% and 21%, respectively. Yet, promotional gaps persist, especially at the highest ranks of decision making. Of top earners in the C-suite, just 11% are women and a much smaller percentage are women of color. Also, the percentage of women CEOs in the S&P 500 is unchanged over the past two years. A 2017 survey of business leaders which revealed that women made up just 10% of the short-term CEO candidate pool points to added concerns around future advancement.

Last year, sustainable investment firms and mutual funds began urging companies to specifically address diversity in the executive leadership ranks. A majority vote (50.9%) of Newell Brand shareholders supported a request for an assessment of and plans to expand executive leadership diversity. Related proposals asking for comparable data of total workforce composition received equally strong support (56% at Travelers and 48% at Analog Devices).

The business and societal benefits of diversity are no longer in question. However, in practice much remains to be done. As a result, investors are continuing to urge companies to provide assessments of diversity in the C-suite and plans to expand diversity inclusive of race, ethnicity and gender."

Susan Baker, Vice President - Trillium Asset Management

DISCLOSURE: This is not a recommendation to buy or sell any of the securities mentioned. It should not be assumed that investments in such securities have been or will be profitable. The specific securities were selected on an objective basis and do not represent all of the securities purchased, sold or recommended for advisory clients.

Executive Leadership Diversity

Lack of diversity in executive leadership teams remains a significant challenge for U.S. corporations. While women hold almost 52% of all management and professional-level jobs, they hold just 7% of top executive positions in Fortune 100 companies.

Investors asked 6 companies including **Dell Technologies** and **SVB Financial**, to assess the current state of their management team diversity, disclosing their plans to make the teams more diverse.

Gender and Race Pay Gap

Fresh attention was brought to the pay gap between men and women in March of 2019, when the World Cup-winning U.S. Women's soccer team, whose players make 38 cents for every dollar earned by their male counterparts, sued the U.S. soccer association for discrimination. The median income for women working full time in the U.S. remains just 80% of that of their male counterparts. Overall, black and Hispanic women face the biggest pay gap when compared to white men. If current trends continue, women are not expected to reach pay parity until 2059.

This year, ICCR members filed resolutions highlighting the gender pay gap at 4 companies. **Alphabet, CIGNA, Pfizer** and **Wyndham Worldwide** were asked to report on their global median gender/racial pay gaps, including associated reputational, operational and competitive risks.



Proxy Resolutions: Diversity and Inclusiveness

Gender and Racial Pay Gap

Alphabet, Inc.

WHEREAS: The World Economic Forum estimates the gender pay gap costs the economy 1.2 trillion dollars annually. The median income for women working full time in the United States is 80 percent that of men. This disparity can equal half a million dollars over a career. Intersecting race, the gap for African American and Latina women is 60 percent and 55 percent. At the current rate, women overall will not reach pay equity until 2059, African American women until 2130, and Latina women until 2224.

Research suggests diverse leadership leads to superior stock performance and return on equity. McKinsey states, “the business case for the advancement and promotion of women is compelling.” Best practices include “tracking and eliminating gender pay gaps.”

Women account for 31.6 percent of Google’s workforce, but 26.1 percent of leadership. Actively managing pay equity “is associated with higher current female representation at the professional through executive levels and a faster trajectory to improved representation.”

Assessing if a company has pay gaps requires analyzing both equal pay and equal opportunity. This is done using adjusted and unadjusted (median) pay data. The objective of this proposal—median pay gap disclosure—addresses the structural bias affecting the jobs women and minorities hold, when white men hold most higher paying jobs. It is the key metric used by the Organization for Economic Cooperation and Development, World Economic Forum, and United States Department of Labor.

United States companies have begun reporting statistically adjusted equal pay numbers, assessing the pay of men and women, minorities and non-minorities, performing similar jobs, but ignore unadjusted median gaps. Google reports that for 91 percent of Googlers there are 0 statistically significant pay differences across gender and race on an equal pay basis. Yet, that adjusted number is only half the story, failing to consider how discrimination affects opportunity.

The United Kingdom mandates disclosure of median gender pay gaps. Google reported a 20 percent median base pay gap and a 30 percent bonus gap in the United Kingdom, but has not published its global median pay gap.

Public policy risk is of concern. The Paycheck Fairness Act pends before the United States Congress. California, Massachusetts, New York, and Maryland have strengthened pay legislation. The Congressional Joint Economic Committee reports 40 percent of the wage gap may be attributed to discrimination.

RESOLVED: Shareholders request Alphabet/Google report on the company’s global median gender/racial pay gap, including associated policy, reputational, competitive, and operational risks, and risks related to recruiting and retaining diverse talent. The report should be prepared at reasonable cost, omitting proprietary information, litigation strategy and legal compliance information.

The gender pay gap is the difference between male and female median earnings as a percentage of male earnings (Organization for Economic Cooperation and Development).

Supporting Statement: A report adequate for investors to assess company strategy and performance would include the percentage global median pay gap between male and female employees across race and ethnicity, including base, bonus and equity compensation.



Proxy Resolutions: Diversity and Inclusiveness

Gender and Racial Pay Gap

CIGNA Corporation

A similar resolution was submitted to Wyndham Worldwide Corp.

WHEREAS: The median income for women working full time in the United States is 80 percent of that of their male counterparts. The gap for African America and Latina women is 60 percent and 55 percent. At the current rate, women will not reach pay parity until 2059.

Mercer finds actively managing pay equity “is associated with higher current female representation at the professional through executive levels and a faster trajectory to improved representation.” Research from Morgan Stanley, McKinsey, and Robeco Sam suggests more gender diverse leadership leads to superior stock price performance and return on equity. McKinsey states, “the business case for the advancement and promotion of women is compelling.” Best practices include “tracking and eliminating gender pay gaps.”

Regulatory risks associated with pay equity exist. The Paycheck Fairness Act, pending in Congress, would improve company-level transparency and strengthen penalties for equal pay violations. California, Massachusetts, New York and Maryland have enacted significant changes to their equal pay laws.

Since 2018 the United Kingdom has required large businesses to provide annual gender pay gap reports. The Cigna U.K. 2019 Gender Pay Gap Report shows a 25 percent gender pay gap (up from 22 percent in 2018) and a 34 percent gender bonus pay gap between male and female employees. Women comprised 56 percent of total employees but held only 37 percent of senior positions.

Cigna does not report on the gender pay gap for its U.S. employees.

Last year Cigna shareholders voted 35.63 percent in favor of a similar Gender Pay Gap resolution. Shareholder support represented more than \$17.3 billion at the date of the 2019 annual meeting. Cigna has shown no meaningful progress on this issue.

Leading large-cap companies across industry sectors including Apple, Starbucks and Bank of New York Mellon, among others, have publicly committed to pay equity and published the results of gender pay assessments.

Equal pay and equal opportunity, particularly at the management level, are linked to better financial performance and more robust decision-making. Companies would be well served by understanding the equity attributes of their pay, at all levels of the corporation, by gender as well as other facets of diversity, such as race and ethnicity. Amid increasing regulatory and investor interest, it is apparent that companies should understand, manage, and report on pay equity to shareholders.

RESOLVED: Shareholders request Cigna report on the company’s global mean and median gender pay gap, including associated policy, reputational, competitive, and operational risks, and risks related to recruiting and retaining female talent. The report should be prepared at reasonable cost, omitting proprietary information, litigation strategy and legal compliance information.

The gender pay gap is defined as the difference between male and female median earnings expressed as a percentage of male earnings (Organization for Economic Cooperation and Development).

Supporting Statement: A report adequate for investors to assess company strategy and performance would include the percentage mean and median pay gap between male and female employees across race and ethnicity, including base, bonus and equity compensation.



Proxy Resolutions: Diversity and Inclusiveness

Gender and Racial Pay Gap

Pfizer, Inc.

WHEREAS: Research from Morgan Stanley, McKinsey, and Robeco Sam suggests gender diverse leadership leads to superior stock price performance and return on equity. McKinsey states, “the business case for the advancement and promotion of women is compelling.” Best practices include “tracking and eliminating gender pay gaps.”

Assessing if a company has a gender pay gap requires analyzing both equal pay and equal opportunity. This is most commonly done using adjusted and unadjusted (median) pay data. Median pay data is the key metric used by the Organization for Economic Cooperation and Development, the World Economic Forum, and the U.S Department of Labor, among others.

The 2017 U.S. Census data on median earnings for full-time, year-round workers found that women made 80 percent of that of their male counterparts. The gap for African American and Latina women is 61 percent and 53 percent. At the current rate, women will not reach pay parity until 2059.

Since 2018 the United Kingdom has required large businesses to provide disclosure of both adjusted and unadjusted (median) gender pay data. The 2019 Pfizer U.K. Gender Pay Gap Report showed a 15.9 percent median pay gap (up from 14.5 percent in 2018) and a 29.8 percent median bonus pay gap (up from 24.8 percent in 2018). Women comprised 55.6 percent of the lower quartile of its employees but only 37.8 percent of the upper quartile.

In 2019, shareholders withdrew a Report on Gender Pay Gap resolution when Pfizer agreed to:

“to determine whether and to what extent Pfizer has a global gender pay gap and a U.S race pay gap, on both an unadjusted and an adjusted basis.”

Yet, Pfizer’s gender pay gap statement of October 17, 2019 fails to provide any unadjusted (median pay) data.

The Pfizer statement reports women earn 99+ percent of the compensation received by men on a statistically adjusted equal pay basis (although this adjusted data excludes Pfizer’s executive leadership team and other employee groups).

Pfizer’s statistically adjusted number alone fails to consider how discrimination affects differences in opportunity. In contrast, median pay gap disclosures address the structural bias that affects the jobs women hold, particularly when men hold most higher paying jobs.

RESOLVED: Shareholders request Pfizer report on the company’s global median gender pay gap, including associated policy, reputational, competitive, and operational risks, and risks related to recruiting and retaining female talent. The report should be prepared at reasonable cost, omitting proprietary information, litigation strategy and legal compliance information.

Report on the Impact of Mandatory Arbitration on Workplace Culture

Nordstrom, Inc.

RESOLVED: Shareholders of Nordstrom, Inc. (“Nordstrom”) ask the Board of Directors to oversee the preparation of a report on the impact of the use of mandatory arbitration on Nordstrom’s employees and workplace culture. The report should evaluate the impact of Nordstrom’s current use of arbitration on the prevalence of harassment and discrimination in its workplace and on employees’ ability to seek redress. The report should be prepared at reasonable cost and omit proprietary and personal information.

WHEREAS: Title VII of the Civil Rights Act of 1964 states that it is unlawful “to discriminate against any individual with respect to his compensation, terms, conditions, or privileges of employment, because of such individual’s race, color, religion, sex, or national origin.”¹

Nevertheless, forty-eight percent of African Americans and thirty-six percent of Hispanics have experienced race-based workplace discrimination.² Fifty-five percent of senior-level women say that they have been sexually harassed during their careers.³

A workplace that tolerates harassment invites legal, brand, financial, and human capital risk. Companies may experience reduced morale, lost productivity, absenteeism, and challenges in attracting and retaining talent. Unexpected changes in leadership after allegations of harassment or discrimination, as has occurred at CBS, Nike, Papa Johns, Uber, Walt Disney, and Wynn Resorts, puts shareholder value at risk.

In contrast, consultancy McKinsey found companies with high levels of ethnic and cultural diversity are thirty-three percent more likely to outperform in profitability while those in the top quartile for gender diversity are twenty-seven percent more likely to have superior value creation.⁴ In a 2019 study by the Wall Street Journal, the twenty most diverse companies in the S&P 500 had an average annual five year stock return that was almost six percent higher than the twenty least-diverse companies.⁵

Nordstrom requires its employees to agree to arbitrate employment-related claims. Mandatory arbitration limits employees’ remedies for wrongdoing, keeps misconduct secret, precludes employees from suing in court when discrimination and harassment occur, and prevents employees from learning about shared concerns.⁶

Arbitration clauses face a changing regulatory landscape. In 2019, the U.S. House of Representatives passed a bill banning mandatory arbitration. Attorneys general from every state voiced support for ending forced arbitration of sexual harassment claims. California banned the use of arbitration agreements as a condition of employment and Washington state invalidated contracts requiring arbitration of sexual harassment or assault claims. Other states are expected to follow suit. Continuing to rely on arbitration clauses when these protections may be removed, with retroactive implications, creates a long-tail risk for Nordstrom.

Investors’ concerns about non-transparent working conditions which allow for potential harassment and discrimination are particularly pertinent to Nordstrom. In 2018, its staff were sixty-eight percent female and fifty-six percent people of color. Furthermore, as a consumer-facing retailer, Nordstrom’s brand is reliant on the trust and confidence of its consumers.

1. <https://www.eeoc.gov/laws/statutes/titlevii.cfm>

2. <https://www.nbcnews.com/politics/politics-news/poll-64-percent-americans-say-racism-remains-major-problem-n877536>

3. https://www.wsj.com/articles/what-metoo-has-to-do-with-the-workplace-gender-gap-1540267680?mod=ig_womenintheworkplaceoctober2018&mod=article_inline

4. <https://www.mckinsey.com/~/media/mckinsey/business%20functions/organization/our%20insights/delivering%20the%20rough%20diversity-delivering-through-diversity-full-report.ashx>

5. <https://www.wsj.com/articles/the-business-case-for-more-diversity-11572091200>

6. <https://www.eeoc.gov/eeoc/systemic/review/>

Proxy Resolutions: Diversity and Inclusiveness

Assess Company Diversity and Inclusion Efforts

MasterCard Incorporated

A similar resolution was submitted to Metlife, Inc.

A similar resolution is under consideration for the spring at Procter & Gamble Company.

RESOLVED: Shareholders request that Mastercard Incorporated (“Mastercard”) publish annually a report assessing the Company’s diversity and inclusion efforts, at reasonable expense and excluding proprietary information. At a minimum the report should include:

- the process that the Board follows for assessing the effectiveness of its diversity and inclusion programs,
- the Board’s assessment of program effectiveness, as reflected in any goals, metrics, and trends related to its promotion, recruitment and retention of employees it has committed to protect from discrimination.

Supporting Statement: Investors seek quantitative, comparable data to understand the effectiveness of the company’s diversity, equity, and inclusion programs.

WHEREAS: Numerous studies have pointed to the corporate benefits of a diverse workforce. These include:

- Companies with the strongest racial and ethnic diversity are 35% more likely to have financial returns above their industry medians.
- Companies in the top quartile for gender diversity are 21% more likely to outperform on profitability and 27% more likely to have superior value creation.¹
- Business teams outperform on sales and profits when their gender mix is equal.²

Despite such benefits, significant barriers exist for diverse employees advancing within their careers. Women enter the workforce in almost equal numbers as men (48%). However, they only comprise 22% of the executive suite; as a percentage of representation, this indicates a drop of 26%. Similarly, people of color comprise 33% of entry level positions, but only 13% of the c-suite.³

Mastercard publicizes on its website a number of its diversity and inclusion initiatives, including its efforts around recruitment, compensation, and employee training and leadership. It has received recognition from Forbes, Diversity Inc., Human Rights Campaign, and others, for these programs.

However, Mastercard, has been reticent to disclose those statistics that would allow investors to determine the effectiveness of its human capital management programs as they relate to workplace diversity. For example, Mastercard provides cursory information on key topics such as the promotion rates of women and people of color, but does so without the necessary context of its promotion rates of Caucasians and men.

Stakeholders may become concerned that Mastercard’s statements and data disclosures are selective, reflecting corporate puffery, language described by the United States Federal Trade Commission as marketing exaggerations intended to “puff up” products and not able to be relied upon by consumers and investors.

Investor desire for information on this issue is significant. In June, 2019, \$1.74 trillion in represented assets released an Investor Statement which spoke to the importance of increased corporate transparency on workplace equity data. As it stated:

It is essential that investors have access to the most up-to-date and accurate information related to diverse workplace policies, practices, and outcomes.⁴

1. McKinsey & Company, “Delivering through Diversity”, January 2018 (https://www.mckinsey.com/~media/mckinsey/business%20functions/organization/our%20insights/delivering%20through%20diversity/delivering-through-diversity_full-report.ashx)

2. Hoogendoorn, Sander, Hessel Oosterbeek and Mirjam van Praag, “The Impact of Gender Diversity on the Performance of Business Teams: Evidence from a Field Experiment”, Management Science, July 2013(<http://gap.hks.harvard.edu/impact-gender-diversity-performance-business-teams-evidence-field-experiment>)

3. McKinsey & Company, “Women in the Workplace 2018”, (<https://womenintheworkplace.com/>)

4. <https://www.asyousow.org/our-work/gender-workplace-equity-disclosure-statement>



Proxy Resolutions: Diversity and Inclusiveness

Assess Company Diversity and Inclusion Efforts

J.P. Morgan Chase & Co.

A similar resolution was submitted to Morgan Stanley

BE IT RESOLVED: Shareholders request that JPMorgan Chase & Co. publish annually a report assessing the Company's diversity and inclusion efforts, at reasonable expense and excluding proprietary information. At a minimum the report should include:

- the process that the Board follows for assessing the effectiveness of its diversity and inclusion programs,
- the Board's assessment of program effectiveness, as reflected in any goals, metrics, and trends related to its promotion, recruitment and retention of protected classes of employees.

Supporting Statement: Investors seek quantitative, comparable data to understand the effectiveness of the company's diversity, equity, and inclusion programs.

WHEREAS: Numerous studies have pointed to the corporate benefits of a diverse workforce. These include:

- Companies with the strongest racial and ethnic diversity are 35% more likely to have financial returns above their industry medians.
- Companies in the top quartile for gender diversity are 21% more likely to outperform on profitability and 27% more likely to have superior value creation.
- A 2019 study of the S&P 500 by the Wall Street Journal found that the 20 most diverse companies had an average annual five year stock return that was 5.8% higher than the 20 least-diverse companies.

Despite such benefits, significant barriers exist for diverse employees advancing within their careers. Women enter the workforce in almost equal numbers as men (48%). However, they only comprise 22% of the executive suite; as a percentage of representation, this indicates a drop of 26%. Similarly, people of color comprise 33% of entry level positions, but only 13% of the c-suite.

On its website, JPMorgan Chase states it "will recruit, hire, retain, develop and promote the best talent—with an emphasis on underrepresented groups—to ensure our businesses can continue to grow and provide sustained value for our clients, customers, employees and shareholders."

However, the company does not disclose meaningful statistics that allow investors to determine the effectiveness of its human capital management as it relates to workplace diversity. Stakeholders may become concerned that JPMorgan Chase's statements are corporate puffery, language described by the United States Federal Trade Commission as marketing exaggerations intended to "puff up" products and not able to be relied upon by consumers and investors.

Investors have reason to be wary, as JPMorgan Chase has settled at least three discrimination suits between 2017-2019, costing the company over \$80 million.

Investor desire for information on this issue is significant. In June, 2019, \$1.74 trillion in represented assets released an Investor Statement which spoke to the importance of increased corporate transparency on workplace equity data. As it stated:

It is essential that investors have access to the most up-to-date and accurate information related to diverse workplace policies, practices, and outcomes.



Proxy Resolutions: Diversity and Inclusiveness

Assess Company Diversity and Inclusion Efforts

Gilead Sciences, Inc.

WHEREAS: Numerous studies have pointed to the corporate benefits of a diverse workforce. These include:

- Companies with the strongest racial and ethnic diversity are 35% more likely to have financial returns above their industry medians.
- Companies in the top quartile for gender diversity are 21% more likely to outperform on profitability and 27% more likely to have superior value creation.
- Business teams outperform on sales and profits when their gender mix is equal.

Despite such benefits, significant barriers exist for diverse employees advancing within their careers. Women enter the workforce in almost equal numbers as men (48%). However, they only comprise 22% of the executive suite; as a percentage of representation, this indicates a drop of 26%. Similarly, people of color comprise 33% of entry level positions, but only 13% of the c-suite.

On its website, Gilead states that inclusion is one of its five core values, writing “we know that we are stronger and more innovative at Gilead when we are informed by a diverse set of backgrounds, experiences and points of view.” Gilead further writes that it wants “all of our employees to embrace and leverage each other’s talents and diverse perspectives, foster a sense of belonging, achieve their full career potential and contribute to Gilead’s success.”

However, Gilead does not disclose meaningful statistics that allow investors to determine the effectiveness of its human capital management as it relates to workplace diversity. Stakeholders may become concerned that Gilead Science’s statements are corporate puffery, language described by the United States Federal Trade Commission as marketing exaggerations intended to “puff up” products and not able to be relied upon by consumers and investors.

Investor desire for information on this issue is significant. In June, 2019, \$1.74 trillion in represented assets released an Investor Statement which spoke to the importance of increased corporate transparency on workplace equity data. As it stated:

It is essential that investors have access to the most up-to-date and accurate information related to diverse workplace policies, practices, and outcomes.

BE IT RESOLVED: Shareholders request that Gilead Sciences publish annually a report assessing the Company’s diversity and inclusion efforts, at reasonable expense and excluding proprietary information. At a minimum the report should include:

- the process that the Board follows for assessing the effectiveness of its diversity and inclusion programs,
- the Board’s assessment of program effectiveness, as reflected in any goals, metrics, and trends related to its promotion, recruitment and retention of protected classes of employees.

Supporting Statement: Investors seek quantitative, comparable data to understand the effectiveness of the company’s diversity, equity, and inclusion programs.

Proxy Resolutions: Diversity and Inclusiveness

Workforce Diversity Report

Hyatt Hotels Corporation

Similar resolutions were submitted to Choice Hotels International, Inc. and Williams-Sonoma, Inc.

RESOLVED: Shareholders request that Hyatt Hotels Corporation (Hyatt) provide a report to shareholders, by year-end 2020, at reasonable cost and omitting confidential information, including:

1. A breakdown of its workforce by race and gender, preferably according to the Equal Employment Opportunity Commission (EEOC) defined job categories (the EEO-1 Report); and
2. A description of policies and programs implemented to increase the number of minority and female employees in job categories where they are underutilized.

Supporting Statement: Companies with inclusive workplaces are better positioned to recruit the most talented employees from the broadest possible labor pool. Numerous studies have found that employee diversity provides a competitive advantage by encouraging varied, valuable perspectives, creativity and innovation, and increased productivity and morale.

Conversely, charges of discrimination can result in costly litigation or reputational damage. Since 2000, Fortune 500 companies paid greater than \$1 billion in penalties in cases alleging discrimination based on race or gender, with several companies paying greater than \$100 million.¹ In addition, the #MeToo movement has coincided with a 13.6 percent increase in sexual harassment and retaliation charges filed with the EEOC over the year ending September 30, 2018, with greater than 7,600 allegations of workplace discrimination.²

The accommodation and food services sector, which includes Hyatt, is characterized by persistent underrepresentation of women and people of color in senior positions. According to 2017 aggregate EEO-1 data for accommodation and food service companies (the most recent data available), women account for 34 percent of executive and senior level officials and managers despite representing 52 percent of total employees. Similarly, people of color comprise 23 percent of these management positions versus 55 percent of total employees.

We agree with Hyatt's strong statement on the benefits of an inclusive workplace, "[C]ompanies that make diversity and inclusion an essential part of their business strategy are able to continually improve performance, productivity and customer satisfaction in the local and global marketplaces. Our I&D Framework is not only good for building our business in the local community; it's also good for our global bottom line."³ We also commend its recognition by Forbes as among The Best Employers for Diversity (#69, January 2019).

We believe transparency and public accountability are essential components of leadership on diversity and inclusion. Many consumer-facing companies report EEO-1 data including Chipotle, Gap, Marriott, Target, and Walmart.

Disclosure of EEO-1 data would allow shareholders to benchmark and evaluate the effectiveness of Hyatt's diversity and inclusion initiatives. In addition, better disclosure would encourage management and the Board to more fully integrate diversity into Hyatt's culture and practices, strengthening its reputation and accountability to shareholders.

Federal law already requires Hyatt to submit annually an EEO-1 Report to the EEOC. Hence, this request for greater transparency does not require additional corporate resources for data collection or analysis.

1. <https://www.goodjobsfirst.org/sites/default/files/docs/pdfs/BigBusinessBias.pdf>

2. <https://www.eeoc.gov/eeoc/newsroom/release/4-10-19.cfm>

3. <https://about.hyatt.com/en/inclusion-diversity.html>

Proxy Resolutions: Diversity and Inclusiveness

Workforce Diversity Report

Marriott International, Inc.

WHEREAS: The business case for workforce diversity is compelling. McKinsey & Company, for example, found in 2015, and in a larger study in 2017 that highly diverse executive teams had higher returns on equity and earnings performance than those with low diversity. Companies in the top quartile for gender diversity on executive teams were 21 percent more likely to have industry-leading profitability. Companies in the top quartile for ethnic/cultural diversity were 33 percent more likely to have industry-leading profitability.¹

In 2019, Marriott's CEO signed the Business Roundtable's "Statement² on the Purpose of a Corporation," joining 180 chief executives who publicly commit to lead their companies for the benefit of all stakeholders—customers, employees, suppliers, communities, the environment and shareholders. Further, Marriott states "our Company has one of the most diverse and inclusive workforces and we value the differences of our associates as a strategic business priority."³ However, Marriott does not disclose comprehensive workforce data or share results of its efforts to expand diversity and foster inclusion thereby leaving one with an insufficient understanding of successes or challenges.

Peer companies including Starbucks, McDonalds and Nike publish workforce composition data by race, ethnicity and/or gender as well as approaches to foster inclusion and expand diversity in their employment. Several companies have set targets including Intel which set measurable targets for raising the percentage of women and underrepresented minorities in its workforce. Symantec created a sub-goal of increasing the percentage of women in leadership (Director-level and above) to 30 percent by 2020. Financial services sector companies similarly have begun setting diversity targets. Citigroup, in August 2018, announced plans to reverse "falling diversity" by setting public quantitative goals and holding senior leaders accountable for meeting them.

Companies are increasingly recognizing the importance of diversity and inclusion as business and social imperatives. Leveraging the contributions of a diverse employee population creates an environment in which individual differences and capabilities are valued. Further, operationalizing an effective inclusion and diversity strategy requires inclusive leadership and goal setting. Companies that hold themselves publicly accountable to diversity goals are more likely to make rapid progress toward achieving those goals.

RESOLVED: Shareholders request that Marriott prepare a diversity report, at reasonable cost and omitting confidential information, available to investors including:

1. A chart identifying employees according to gender and race in major EEOC-defined job categories, listing numbers or percentages in each category;
2. A description of policies/programs focused on increasing diversity in the workplace.

Supporting Statement: A report adequate for investors to assess strategy and performance would include disclosures, such as a review of appropriate time-bound benchmarks for judging current and future progress, and practices in use to ensure progress can be achieved, for example, the extent to which incentive compensation packages include diversity and inclusion goals for named executive officers.

1. McKinsey & Company, Delivering through Diversity; V. Hunt, S. Prince, S. Dixon-Fyle, L. Yee; January, 2018

2. <https://opportunity.businessroundtable.org/wp-content/uploads/2019/09/BRT-Statement-on-the-Purpose-of-a-Corporation-with-Signatures-1.pdf>

3. <https://www.marriott.com/diversity/corporate-diversity.mi>



Proxy Resolutions: Diversity and Inclusiveness

Workforce Diversity Report

Hanesbrands, Inc.

WHEREAS: The business case for workforce diversity is compelling. A growing body of empirical research indicates a significant positive relationship between firm value and the percentage of women and people of color in senior leadership roles. McKinsey & Company, for example, found companies in the top quartile for gender or racial ethnicity are more likely to financially outperform national industry medians. Specifically, companies with greater ethnic diversity were 35 percent more likely to outperform. For every 10 percent increase in racial and ethnic diversity on the senior-executive team, earnings before interest and taxes rise 0.8 percent.¹ In a study released in September by the Stanford Graduate School of Business, a group of researchers found that share prices jumped when companies reported better-than-expected gender diversity; they fell when firms announced demographics that underwhelmed.²

Hanesbrands does not disclose workforce data, or disclose results of diversity initiatives. Approximately 85% of Hanesbrands' executive team is white and male. As a result, shareholders have insufficient information to determine if Hanesbrands has a diverse workforce or has been successful in expanding diversity into senior roles. Without detailed workforce diversity information investors cannot accurately evaluate Hanesbrands' commitment to diversity and progress over time.

Leading consumer companies such as VF Corporation, Nike and Adidas provide details of diversity programs and policies, and disclose workforce statistics consistent with data provided to the Equal Employment Opportunity Commission (EEOC).

Expanding workforce diversity requires policies and programs that attract and retain diversity in the workplace. A company's family leave policies, for example, can play a role. McKinsey & Company reports that paid parental leave and the availability of on-site child care can significantly impact women's ability to rise to higher productivity roles and therefore perpetuate a gender wage gap.

Diversity benchmarks can help ensure companies hiring create competitive workforces. Further, we believe that linking diversity performance metrics to senior executive compensation packages can sharpen management's focus on managing human capital management risks, incentivize the achievement of inclusion and diversity goals, and increase accountability.

RESOLVED: Shareholders request that Hanesbrands prepare a diversity report, at a reasonable cost and omitting confidential information, available to investors including:

1. A chart identifying employees according to gender and race in major EEOC-defined job categories, listing numbers or percentages in each category;
2. A description of policies/programs focused on increasing gender and racial diversity in the workplace.

Supporting Statement: A report adequate for investors to assess strategy and performance can include a review of appropriate time-bound benchmarks for judging current and future progress, and details of policies and practices designed to reduce unconscious bias in hiring and to build mentorship.

1. McKinsey & Company, Delivering through Diversity; V. Hunt, S. Prince, S. Dixon-Fyle, L. Yee; January, 2018

2. <https://www.bloomberg.com/news/articles/2019-09-17/when-companies-improve-their-diversity-stock-prices-get-a-boost>

Proxy Resolutions: Diversity and Inclusiveness

Workforce Diversity Report

Travelers Companies, Inc.

WHEREAS: Travelers Companies states that “diversity and inclusion is a business imperative for us” and “We are committed to not only increasing diversity in our hiring at all levels but also fostering an inclusive environment where all employees can develop and thrive.”¹

However, all six of Travelers named executive officers are white males. Women represent only 24% of the 26 member executive team, but comprise 55% of the company’s total workforce.

Beyond this, Travelers Companies does not disclose comprehensive workforce data, or disclose results of diversity initiatives. As a result, shareholders have insufficient information to determine if Travelers Companies has a diverse and inclusive workforce or has been successful in expanding diversity into senior roles.

Leading insurance companies such as MetLife, Aflac, and Allstate Corporation provide details of diversity programs and policies, and disclose workforce statistics consistent with data provided to the Equal Employment Opportunity Commission. Other financial services firms such as PNC, Bank of America, JPMorgan, and Bank of New York Mellon are also disclosing comprehensive workforce diversity statistics.

A growing body of empirical research indicates a significant positive relationship between firm value and the percentage of women and people of color in senior leadership roles. A McKinsey & Company report found that companies in the top quartile for gender or racial ethnicity are more likely to financially outperform national industry medians. Companies with greater ethnic diversity were 35 percent more likely to outperform. In a study released by the Stanford Graduate School of Business, a group of researchers found that share prices jumped when companies reported better-than-expected gender diversity; they fell when firms announced demographics that underwhelmed. Without detailed workforce diversity information, investors cannot accurately evaluate Travelers’ commitment to diversity and progress over time.

Earlier this year Travelers joined the Business Round Table and 180 other CEOs in a revised Statement of Purpose of a Corporation which calls on companies to serve communities, stakeholders, employees, and investors.

Diversity benchmarks can help ensure companies hiring financial professionals, such as Travelers Companies, create competitive workforces. Companies that are publicly accountable to diversity goals are most likely to make rapid progress toward achieving their goals.

RESOLVED: Shareholders request that Travelers Companies prepare a diversity report, at a reasonable cost and omitting confidential information, available to investors including:

1. A chart identifying employees according to gender and race in major EEOC-defined job categories, listing numbers or percentages in each category;
2. A description of policies/programs focused on increasing gender and racial diversity in the workplace.

Supporting Statement: Last year, this proposal received a vote of 50.9% - a majority level of support that management should not continue to ignore. A report adequate for investors to assess strategy and performance can include a review of appropriate time-bound benchmarks for judging current and future progress, and details of policies and practices designed to reduce unconscious bias in hiring and to build mentorship.

1. <https://www.travelers.com/about-travelers/diversity>



Proxy Resolutions: Diversity and Inclusiveness

Workforce Diversity Report

Home Depot, Inc.

WHEREAS: Equal employment opportunity (EEO) is a fair employment practice and an investment issue. We believe companies with good EEO records have a competitive advantage in recruiting/retaining employees. We believe Home Depot customers are increasingly diverse. A diverse work force is more likely to anticipate and respond effectively to consumer demand.

EEO practices have economic relevance. Home Depot annually files an EEO-1 report with the Equal Employment Opportunity Commission. This information could be available to shareholders at a minimal additional cost. In 2001, Home Depot provided EEO information to investors upon request. Since then, Home Depot reversed policy on its disclosure of this information.

Allegations of discrimination in the workplace burden shareholders with costly litigation/fines which can damage a company's reputation.

Home Depot has paid out \$100 million plus to settle discrimination lawsuits, including \$87 million in a 1997 settlement and \$5.5 million to settle charges of class-wide gender, race and national origin discrimination at 30 Colorado stores.

In 2015, Home Depot settled a gender discrimination lawsuit for \$83,400, alleging that women who were qualified for sales positions were relegated to cashier jobs rather than sales jobs.

In 2016, Judge David Carter approved a \$3 million Home Depot class action lawsuit settlement, ending allegations that Home Depot violated the Fair Credit Reporting Act (FCRA) by using improper background check forms on job applications. Home Depot agreed to comply with FCRA.

In 2018, an EEOC lawsuit was resolved with Home Depot paying \$100,000 for failing to accommodate and then firing an employee with a disability-related emergency. The Peru, Illinois, store is required to provide ADA training and semi-annual reporting to the EEOC.

In 2019, 33.08% of Home Depot shares voted (counting votes for and against) supported this proposal.

RESOLVED: Shareholders request that Home Depot prepare a diversity report, at reasonable cost and omitting confidential information, available to investors by September 2020, including the following:

1. A chart identifying employees according to their gender and race in the nine major EEOC-defined job categories for the last three years, listing numbers or percentages in each category;
2. A summary description of any affirmative action policies and programs to improve performance, including job categories where women and minorities are underutilized;
3. A description of policies/programs oriented toward increasing diversity in the workplace.

SUPPORTING STATEMENT:

In 2015, the U.S. Equal Employment Opportunity Commission reported racial minorities comprised 37.2 percent of the private industry workforce, but just 14.01 percent of executives and managers. Women represented 47.85 percent of the workforce, but just 29.73 percent of executives and managers.

We agree with a recommendation of the 1995 bipartisan Glass Ceiling Commission that “public disclosure of diversity data—specifically data on the most senior positions—is an effective incentive to develop and maintain innovative, effective programs to break the glass ceiling barriers.” Home Depot has demonstrated leadership on many corporate social responsibility issues. We ask the company to demonstrate leadership in diversity by committing to EEO disclosure.



Proxy Resolutions: Diversity and Inclusiveness

Workforce Diversity Report

Fastenal Co.

WHEREAS: Our company's business success depends upon a customer-facing sales force, comprising 73% of our roughly 22,000 employees;

Workforce diversity and inclusion, reflecting possible discrimination based upon gender, race and ethnicity is a significant policy issue;

Underrepresentation of women and minorities in management structures can result in allegations of discriminatory labor practices, including those related to promotions and wages. The resulting lawsuits can both eat into the thin margins of this industry, as well as cause reputational damage for the responsible companies;

The U.S. population is currently undergoing a massive demographic shift, with an increase in minority populations;

Distributors that respond to this demographic trend and employ staff who will be able to recognize the needs of these populations may be better able to capture demand from these segments, which can provide companies a competitive advantage;

Fastenal's website states that our company supports diversity in hiring:

"As a service-focused business, we're dedicated to creating a diverse workforce that reflects our customer base and the world at large. We value diversity and encourage minorities, women, individuals with disabilities, and veterans to apply for positions;"

Yet Fastenal's disclosures do not provide metrics enabling shareholders or other stakeholders to assess progress in meeting these values. Management's belief that it is creating a diverse workforce is contradicted by recent research suggesting that Fastenal ranks near the bottom among leading companies in its diversity achievements. The Massachusetts Institute of Technology Sloan Management Review teamed with CultureX and Glassdoor on the Culture 500 project to rank companies based on a series of cultural factors, culled from employee comments on the Glassdoor website. Based on an analysis of Glassdoor reviews, Fastenal ranks 478 out of 496 major corporations on the diversity dimension. In the Supply Chain and Logistics Industry Grouping, Fastenal ranks 17 out of 18. Even more concerning from a governance standpoint is Fastenal's ranking on the Integrity dimension, explained as, "Employees consistently act in an honest and ethical manner. Do the right thing; Be ethical; Play by the rules." Here, Fastenal ranks 445 out of 527. In the Supply Chain and Logistics Industry Grouping, Fastenal ranks 15 out of 18. Glassdoor data have been used in academic studies to predict both financial returns and financial fraud;

BE IT RESOLVED: Shareholders request that the Board of Directors issue a report to shareholders by 180 days after the 2020 Annual Meeting, at reasonable expense and excluding confidential information, assessing the diversity of our company's workforce.

Supporting Statement: Proponents recommend that the assessment include, at a minimum:

- metrics on the percentage of gender categories for global operations, and the standard EEO-1 racial and ethnic group categories for U.S. operations, disaggregated, at a minimum, into management (Executive/Senior-Level, and First/Mid-Level Officials) and non-managerial employees (all other EEO-1 Standard Occupational Classifications);
- and the amounts of any legal or regulatory fines and settlements associated with diversity issues.



Proxy Resolutions: Diversity and Inclusiveness

Board Diversity

ANI Pharmaceuticals, Inc.

BE IT RESOLVED: Shareholders request that the Board of Directors of ANI Pharmaceuticals, Inc. ("ANI") adopt a policy for improving board diversity requiring that the initial list of candidates from which new director nominees are chosen by the Nominating and Corporate Governance Committee should include, but need not be limited to, qualified women and minority candidates.

Supporting Statement: ANI's website states: "We encourage diversity within each department and the Company as a whole." However, ANI appears to have no women and no ethnic or racially diverse members on its Board of Directors.

A McKinsey study found that companies in the top quartile for gender diversity in corporate leadership had a twenty-one percent likelihood of outperforming bottom-quartile industry peers on profitability. Similarly, leaders in racial and ethnic diversity are thirty-three percent more likely to outperform peers on profitability.

A 2019 study of the S&P 500 by the Wall Street Journal found that the twenty most diverse companies had an average annual five year stock return that was almost six percent higher than the twenty least-diverse companies.

Seventy-nine percent of board directors believe that diversity enhances board performance, and more than half believe it enhances company performance.

Adopting a policy that requires the consideration of women and minority candidates for every open Director seat enhances the nomination process, and assists the Nominating and Corporate Governance Committee in developing a diverse Board.

A 2016 study published by Harvard Business Review found that including more than one woman or minority in a finalist pool changes the status quo to help combat unconscious bias among interviewers. Researchers found that the odds of hiring a woman were seventy-nine times greater when there were at least two women in the finalist pool, and the odds of hiring a minority were 193 times greater when there were at least two minority candidates in the finalist pool.

Diverse search policies have been adopted by the Nominating and Governance Committees of Amazon, Facebook, Intel, Costco, Home Depot, Oracle, Marathon Petroleum, and United Continental, among others. Additionally, in its 2016 Principles of Corporate Governance, the Business Roundtable calls on boards to "develop a framework for identifying appropriately diverse candidates that allows the nominating/governance committee to consider women, minorities, and others with diverse backgrounds as candidates for each open board seat."

This proposal resembles the Rooney Rule in the National Football League (NFL), which requires teams to interview minority candidates for head coaching and senior operations openings. In the twelve years before the Rule was implemented, the NFL had four minority head coaches and one minority general manager. Twelve years after, the NFL had sixteen minority head coaches and eight minority general managers.



Proxy Resolutions: Diversity and Inclusiveness

Board Diversity

World Fuel Services Corporation

RESOLVED: Shareholders request that the Board of Directors of World Fuel Services adopt a policy for improving board diversity (the “Policy”) requiring that the initial list of candidates from which new management supported director nominees are chosen (the “Initial List”) by the Governance Committee should include, but need not be limited to, qualified women and minority candidates. The Policy should provide that any third-party consultant asked to furnish an Initial List will be requested to include such candidates.

WHEREAS: Currently, World Fuel Services does not have any women on its Board of Directors and lags its peers with respect to board gender diversity.

A McKinsey study found that companies in the top quartile for gender diversity in corporate leadership had a 21 percent likelihood of outperforming bottom-quartile industry peers on profitability. Similarly, leaders in racial and ethnic diversity are 33 percent more likely to outperform peers on profitability.¹

Adopting a policy that requires the consideration of women and minority candidate for every open director seat enhances the nomination process and assists the committee in developing a diverse board. A 2016 study published by Harvard Business Review found that including more than one woman or minority in a finalist pool changes the status quo to help combat unconscious bias among interviewers. Researchers found that the odds of hiring a woman were 79 times greater when there were at least two women in the finalist pool, and the odds of hiring a minority were 193 times greater when there were at least two minority candidates in the finalist pool.²

Many companies inadvertently narrow the candidate pool in new director searches by only considering CEOs and C-Suite nominees. Given that roughly 72 percent of CEOs on the Fortune 500 are white and male,³ boards with “prior executive experience” policies are less likely to select women and minority candidates simply because there are less of these candidates to choose from. Looking beyond the C-Suite allows companies to augment their candidate pool with more diverse candidates.

Diverse search policies have been adopted by the Nominating and Governance Committees of Amazon, Facebook, Intel, Costco, Home Depot, Oracle, McDonald’s, Marten Transport, Marathon Petroleum, and United Continental. Additionally, key leaders in the business community support this policy direction. In its 2016 Principles of Corporate Governance, the Business Roundtable calls on boards to “develop a framework for identifying appropriately to consider women, minorities, and others with diverse backgrounds as candidates for each open board seat.”⁴

The proposal resembles the Rooney Rule in the National Football League (NFL), which requires teams to interview minority candidates for head coaching and senior football operations openings. In the twelve years before the Rule was implemented, the NFL had four minority head coaches and one minority general manager. Twelve years after, the NFL had sixteen minority head coaches and eight minority general managers.

While corporate boards may face different circumstances, it is difficult to ignore the positive impact of the Rooney Rule on diversity.⁵

1. <https://www.mckinsey.com/business-functions/organization/our-insights/delivering-through-diversity>

2. <https://hbr.org/2016/04/if-theres-only-one-woman-in-your-candidate-pool-theresstatistically-no-chance-shell-be-hired>

3. <http://fortune.com/2017/10/18/american-express-ceo-ken-chenault-black/>

4. <http://businessroundtable.org/corporate-governance>

5. <https://www.sec.gov/comments/s7-06-16/s70616-293.pdf>

Proxy Resolutions: Diversity and Inclusiveness

Board Diversity

Liberty Broadband Corp.

WHEREAS, The Liberty Broadband Corporation appears to have no women and no ethnic or racially diverse members on its Board of Directors.

A McKinsey study found that companies in the top quartile for gender diversity in corporate leadership had a twenty-one percent likelihood of outperforming bottom-quartile industry peers on profitability. Similarly, leaders in racial and ethnic diversity are thirty-three percent more likely to outperform peers on profitability.¹ A 2019 study of the S&P 500 by the Wall Street Journal found that the twenty most diverse companies had an average annual five year stock return that was almost six percent higher than the twenty least-diverse companies.²

Seventy-nine percent of board directors believe that diversity enhances board performance, and more than half believe it enhances company performance.³

Adopting a policy that requires the consideration of women and minority candidates for every open Director seat enhances the nomination process, and assists the Nominating and Corporate Governance Committee in developing a diverse Board.

A 2016 study published by Harvard Business Review found that including more than one woman or minority in a finalist pool changes the status quo to help combat unconscious bias among interviewers. Researchers found that the odds of hiring a woman were seventy-nine times greater when there were at least two women in the finalist pool, and the odds of hiring a minority were 193 times greater when there were at least two minority candidates in the finalist pool.⁴

Diverse search policies have been adopted by the Nominating and Governance Committees of Amazon, Facebook, Intel, Costco, Home Depot, Oracle, Marathon Petroleum, and United Continental, among others. Additionally, in its 2016 Principles of Corporate Governance, the Business Roundtable calls on boards to “develop a framework for identifying appropriately diverse candidates that allows the nominating/governance committee to consider women, minorities, and others with diverse backgrounds as candidates for each open board seat.”⁵

These policies are similar to the Rooney Rule in the National Football League (NFL), which requires teams to interview minority candidates for head coaching and senior operations openings. In the twelve years before the Rule was implemented, the NFL had four minority head coaches and one minority general manager. Twelve years after, the NFL had sixteen minority head coaches and eight minority general managers.

In its 2018 annual report, Liberty Broadband Corporation states, “The nominating and corporate governance committee does not have a formal policy with respect to diversity; however, our board and the nominating and corporate governance committee believe that it is important that our board members represent diverse viewpoints.” Shareholders agree.

RESOLVED, shareholders request that the Board of Directors of Liberty Broadband Corporation adopt policies for improving board diversity including that the initial list of candidates from which new director nominees are chosen by the Nominating and Corporate Governance Committee should include, but need not be limited to, qualified women and minority candidates.

1. <https://www.mckinsey.com/business-functions/organization/our-insights/delivering-through-diversity>

2. <https://www.wsj.com/articles/the-business-case-for-more-diversity-11572091200>

3. <https://www.pwc.com/us/en/governance-insights-center/annual-corporate-directors-survey/assets/pwc-2017-annual-corporate--directors--survey.pdf>

4. <https://hbr.org/2016/04/if-theres-only-one-woman-in-your-candidate-pool-theres-statistically-no-chance-shell-be-hired>

5. <https://s3.amazonaws.com/brc.org/Principles-of-Corporate-Governance-2016.pdf>



Proxy Resolutions: Diversity and Inclusiveness

Board Diversity

T-Mobile USA (subsidiary of Deutsche Telekom)

WHEREAS: T-Mobile has only one woman on its Board of Directors.

We believe that diversity, inclusive of gender and race, is a critical attribute of a well-functioning board and a measure of sound corporate governance.

Research identifies a strong business case for diversity on corporate boards including improved company financial performance, increased innovation, better problem solving, stimulated group performance and enhanced company reputation. It suggests several explanations for this improved performance: a stronger mix of leadership skills, better understanding of consumer preferences, a larger candidate pool from which to pick top talent and improved risk management.

The Guiding Principles of Corporate Governance of the Business Roundtable, an influential association of executives, state: "Boards should develop a framework for identifying appropriately diverse candidates that allows the nominating/corporate governance committee to consider women, minorities and others with diverse backgrounds as candidates for each open board seat." A 2016 study published by the Harvard Business Review found that including more than one woman or minority in a finalist pool helps overcome unconscious biases and increases the likelihood of a diverse hire.

Investor engagement by prominent institutional investors to promote greater board diversity is increasing dramatically. While we have encouraged greater board diversity through our proxy voting guidelines for years, many other investors, including BlackRock, State Street, and numerous state and city pension funds, are now doing so as well.

Legislation mandating board diversity has arrived in the US. California legislation enacted in 2018 mandates gender diversity on the boards of companies with principal executive offices in that state, and other states and municipalities are following suit.

Despite recent progress, particularly among the largest companies, women and people of color remain significantly underrepresented on U.S. corporate boards. 20 percent of companies in the Russell 3000 have all male boards. Excluding S&P 500 companies, women account for just 19 percent of the directorships in the Russell 3000. And, among board members of Russell 3000 companies whose race was identified, non-white directors represent less than 11 percent.

Several of T-Mobile's peers have at least three women directors, including Verizon Communications and AT&T, and numerous companies have adopted diverse director search policies (the "Rooney Rule").

RESOLVED: Shareholders request that the Board of Directors prepare a report by September 2020, at reasonable expense and omitting proprietary information, on steps T-Mobile is taking to foster greater diversity on the Board, such as:

1. Embedding a commitment to diversity inclusive of gender, race, ethnicity in governance documents;
2. Committing publicly to include women and people of color in each candidate pool for board and senior leadership seats;
3. Disclosing the racial, ethnic and gender composition of the board in annual proxy statements.
4. An annual assessment of progress and challenges experienced advancing greater diversity.

We believe this report will foster Board accountability on this issue.

Proxy Resolutions: Diversity and Inclusiveness

Board Diversity

Bridge Bancorp, Inc.

Similar resolutions were submitted to Ensign Group, FirstCash, Inc., and SBA Communications Corporation

WHEREAS: Bridge Bancorp has one woman on its Board of Directors.

We believe that diversity, inclusive of gender and race, is a critical attribute of a well-functioning board and a measure of sound corporate governance.

Corporate leaders recognize the strong business case for board diversity. The Guiding Principles of Corporate Governance of the Business Roundtable, an influential association of chief executives, state: "Boards should develop a framework for identifying appropriately diverse candidates, which asks the nominating/corporate governance committee to consider women and/or minority candidates for each open board seat."¹ Benefits associated with board and management diversity include a larger candidate pool from which to pick top talent, better understanding of consumer preferences, a stronger mix of leadership skills, and improved risk management. The Wall Street Journal reports that firms are seeking diverse representation in the boardroom in the wake of sexual harassment claims.²

Numerous institutional investors have updated their proxy voting guidelines to reflect their belief that diversity on boards, as well as, in senior and mid-level management, is an indicator of good corporate governance. BlackRock, the world's largest asset manager, published updated proxy voting guidelines in 2018 that stated, "we would normally expect to see at least two women directors on every board."³ State and city pension plans across the country have adopted proxy voting policies with minimum thresholds for board diversity.

Legislation mandating board diversity has arrived in the US. California legislation enacted in 2018 mandates gender diversity on the boards of companies with principal executive offices in that state and other states and municipalities are following suit.

Despite recent progress, particularly among the largest companies, women and people of color remain significantly underrepresented on U.S. corporate boards. 20 percent of companies in the Russell 3000 have all male boards.⁴ Excluding S&P 500 companies, women account for just 19 percent of the directorships in the Russell 3000. And, among board members of Russell 3000 companies whose race was identified, non-white directors represent less than 11 percent.⁵

Making diversity the norm will require attention to the board search process and board refreshment.

Resolved: Shareholders request that the Board of Directors prepare a report by September 2020, at reasonable expense and omitting proprietary information, on steps Bridge Bancorp is taking to enhance board diversity beyond current levels, such as:

1. Embedding a commitment to diversity inclusive of gender, race, ethnicity in governance documents;
2. Committing publicly to include women and people of color in each candidate pool for board and senior leadership seats;
3. Disclosing the racial, ethnic and gender composition of the board in annual proxy statements.

We believe this report will foster Board accountability on this issue.

1. <https://www.businessroundtable.org/policy-perspectives/corporate-governance/principles-of-corporate-governance>

2. Vanessa Fuhrmans, Women on Track to Gain Record Number of Board Seats, Wall St. J. (June 21, 2018), <https://www.wsj.com/articles/women-on-track-to-gain-record-number-of-board-seats-1529573401>.

3. <https://www.blackrock.com/corporate/literature/fact-sheet/blk-responsible-investment-guidelines-us.pdf>

4. <https://www.weinberg.udel.edu/IIRCIResearchDocuments/2019/04/TCB-Corporate-Board-Practices-2019-FINAL.pdf>

5. ISS Analytics U.S. Board Diversity Trends in 2019



Proxy Resolutions: Diversity and Inclusiveness

Executive Leadership Diversity

IPG Photonics Corporation

Similar resolutions were submitted to Dell Technologies, Hanover Insurance Group, Ormat Technologies Inc., SVB Financial Group, and Tractor Supply Company.

WHEREAS: We believe that diversity, inclusive of gender and race, are critical attributes of a well-functioning executive team and necessary to meaningfully drive diversity throughout an organization.

Currently, IPG Photonics management team¹ has no woman and an undeterminable number of people of color.

The business case for workforce diversity is compelling. McKinsey & Company, found in 2015, and in a larger 2017 study that highly diverse executive teams had higher returns on equity and earnings performance than those with low diversity.² ISS Analytics examined companies where the CEO had a tenure of at least three years and found companies that combined gender diversity in the boardroom and the C-Suite showed, overall, the best results in terms of risk-adjusted quality of performance. (ISS Analytics /Governance Insights/October, 2018)

Yet, the number of women and people of color in leadership roles remains low. Nine percent of top executive roles in the Russell 3000 are held by women.³ Among S&P500 companies women comprise 44.7 percent of all employees yet just 26.5 percent of executives, senior officials and managers. Women of color face a wider gap.⁴

Companies across industries are setting goals to address this significant issue. Intel has been tracking diversity data since 2014 and ties diversity goals to incentive compensation. In 2018, two years ahead of schedule, Intel achieved full representation of underrepresented minorities and women in its U.S. workforce. Symantec set a goal to increase the percentage of women in leadership (Director-level and above) to thirty percent by 2020. Citigroup, in 2018, announced plans to reverse “falling diversity” by setting public quantitative goals and holding senior leaders accountable for meeting them.

IPG Photonics has strengthened diversity on its board of directors. It is time to extend focus and accountability to building diversity in its leadership ranks.

To address the lack of diversity in senior roles we believe the Board must set clear policies to attract, retain and promote women and people of color, including reporting on gender pay equity, establishing sponsorship programs, and family support programs.

Further, we believe that linking diversity performance metrics to senior executive compensation packages can sharpen management’s ability to manage human capital risks, increase accountability and successfully reach inclusion and diversity goals.

RESOLVED: Shareholders request that the Board of Directors prepare a report (at a reasonable cost, in a reasonable time, and omitting confidential information) providing its assessment of the current state of its management team diversity and if and how it plans to make the company’s management team more diverse in terms of race, ethnicity, and gender.

1. <https://investor.ipgphotonics.com/governance/management-team/default.aspx>

2. McKinsey & Company, Delivering through Diversity; V. Hunt, S. Prince, S. Dixon-Fyle, L. Yee; January, 2018

3. <https://corpgov.law.harvard.edu/2018/08/13/women-in-the-c-suite-the-next-frontier-in-gender-diversity/>

4. <https://www.catalyst.org/research/women-in-sp-500-companies/>



Proxy Resolutions: Diversity and Inclusiveness

Gender Identity Non-Discrimination Policy

International Flavors & Fragrances Inc

Similar resolutions were submitted to Aqua America, Inc., EastGroup Properties, LKQ Corporation, Rogers Corporation, Smith (A.O.) Corporation, and Syneos Health

WHEREAS International Flavors & Fragrances does not explicitly prohibit discrimination based on gender identity or gender expression in its written employment policy;

According to the Human Rights Campaign Foundation's 2019 survey, 85 percent of Fortune 500 companies prohibit discrimination based on gender identity or expression, a historic high. Organizations like the Business Roundtable have also called for strong LGBT workplace practices. The US Chamber of Commerce recently published "Business Success and Growth Through LGBT-Inclusive Culture" to discuss the business imperative for LGBT inclusion in the workplace.

We believe that corporations that prohibit discrimination on the basis of gender identity or expression have a competitive advantage in recruiting and retaining employees from the widest talent pool;

According to an analysis of surveys conducted by the Williams Institute at the UCLA School of Law, sixteen to sixty eight percent of LGBT (lesbian, gay, bisexual and transgender) people report experiencing employment discrimination. Ninety percent of transgender individuals have encountered some form of harassment or mistreatment in the workplace;

Although federal law does not provide sexual orientation and gender identity employment discrimination protection, twenty-one states, the District of Columbia, and more than 114 cities and counties have laws prohibiting employment discrimination based on gender identity or expression;

International Flavors & Fragrances currently provides discrimination protections based on sexual orientation but not gender identity or expression. We are concerned International Flavors & Fragrances may be lagging behind peers with comprehensive equal employment opportunity policies. According to the Human Rights Campaign, many materials and manufacturing companies such as Newell Brands, Kimberly-Clark, Eastman Chemical, and Air Products & Chemicals explicitly prohibit discrimination based on gender identity or expression in their written policies.

RESOLVED Shareholders request that International Flavors & Fragrances amend its written equal employment opportunity policy to explicitly prohibit discrimination based gender identity or expression and to take concrete action to implement the policy.

SUPPORTING STATEMENT We believe employment discrimination on the basis of sexual orientation or gender identity diminishes employee morale and productivity. Because state and local laws are not comprehensive with respect to prohibiting employment discrimination, our company would benefit from a comprehensive, consistent, corporate-wide policy to enhance efforts to prevent discrimination, resolve complaints internally, access employees from the broadest talent pool, and ensure a respectful and supportive atmosphere for all employees. We believe International Flavors & Fragrances will enhance its competitive edge by joining the growing ranks of companies guaranteeing equal opportunity for all employees.



Proxy Resolutions: Diversity and Inclusiveness

Executive Pay-Incorporate Diversity and Sustainability Metrics

Amazon.com, Inc.

WHEREAS: Studies suggest that companies that integrate environmental, social, and governance (ESG) factors into business strategy reduce reputational, legal, and regulatory risks and improve long-term performance.

A leading group of companies has integrated sustainability metrics into executive pay incentive plans, among them Unilever and Walmart. Guidance from the UN Principles for Responsible Investment (2012) states that including ESG factors in executive incentive schemes can help protect long-term shareholder value.

Diversity, inclusion, and equity are key components of business sustainability and success:

- McKinsey research shows that companies in the top quartiles for gender and racial/ethnic diversity were more likely to have above-average financial returns (“Diversity Matters,” McKinsey & Company, 2015).
- In a 2013 Catalyst report, diversity was positively associated with more customers, increased sales revenue, and greater relative profits.

Yet technology companies have not seized this opportunity. Underrepresented people of color hold just 9 percent of technical roles in the sector (Intel/Dalberg, 2016). Women hold 36 percent of entry-level tech jobs and just 19 percent of C-suite positions (“Women in the Workplace,” McKinsey, 2016).

The tech diversity crisis creates challenges for talent acquisition and retention, product development, and customer service. These human capital risks are playing out at Amazon. Bloomberg Businessweek argued that, among the major tech companies struggling with diversity and inclusion, “Amazon is one of the bigger sinners” (“Amazon Has a Rare Chance to Get More Diverse Fast, Bloomberg Businessweek, 2018).

Amazon has taken steps to address diversity. However, challenges are mounting as Amazon remains predominantly white and male, especially in leadership roles.

- Among Amazon’s top 105 executives in 2016 (according to the most recent EEO-1 report made available), just 22 percent were women, and only one executive was an underrepresented person of color.
- In 2018, Bloomberg Businessweek reported “[o]f the 10 people who report directly to Chief Executive Officer Jeff Bezos, all are white, and only one ... is a woman.”
- In January 2019, CNBC reported: “Almost all of the executives at the top of Amazon’s consumer-facing businesses, like retail, cloud and hardware, are white men.”

Investors seek clarity regarding how Amazon drives improvement and how that strategy is supported by executive accountability. Clearly disclosed, comprehensive links among sustainability, diversity, and executive compensation would enhance Amazon’s approach.

Peers such as Microsoft, Intel, and IBM have already set diversity goals and begun linking parts of compensation to such goals. Amazon should consider changing to keep pace with leaders and to strengthen human capital management.

RESOLVED: Shareholders request the Board Compensation Committee prepare a report assessing the feasibility of integrating sustainability metrics, including metrics regarding diversity among senior executives, into performance measures or vesting conditions that may apply to senior executives under the Company’s compensation plans or arrangements. For the purposes of this proposal, “sustainability” is defined as how environmental and social considerations, and related financial impacts, are integrated into long-term corporate strategy, and “diversity” refers to gender, racial, and ethnic diversity.



Proxy Resolutions: Diversity and Inclusiveness

Executive Pay-Incorporate Diversity and Sustainability Metrics

Alphabet, Inc.

WHEREAS: Studies suggest that companies that integrate environmental, social, and governance (ESG) factors into business strategy reduce reputational, legal, and regulatory risks and improve long-term performance. Leading companies have integrated sustainability metrics into executive pay plans, among them Unilever and Walmart. The UN Principles for Responsible Investment (2012) state that considering ESG factors in compensation can help protect long-term shareholder value.

Diversity, inclusion, and equity are key components of business sustainability and success:

McKinsey research shows that companies in the top quartiles for gender and racial/ethnic diversity were more likely to have above-average financial returns (“Diversity Matters,” McKinsey & Company, 2015). In a 2013 Catalyst report, diversity was positively associated with more customers, increased sales revenue, and greater relative profits.

Yet technology companies have not seized this opportunity. Underrepresented people of color hold just 9 percent of technical roles in the sector (Intel/Dalberg, 2016). Women hold 36 percent of entry-level tech jobs and just 19 percent of C-suite positions (“Women in the Workplace,” McKinsey, 2016).

The tech diversity crisis threatens worker safety, talent retention, product development, and customer service. These human capital risks are playing out as controversies and employee unrest at Alphabet:

In 2018, approximately 20,000 workers walked out protesting Alphabet’s mishandling of sexual misconduct cases. In 2019, “more than 2,000 Googlers ... signed a petition to remove a member of the company’s newly formed council on artificial intelligence ethics for alleged anti-trans and anti-immigrant views. The board was disbanded after only a week, in response to the outcry.” (“Google loses diversity chief amid unrest over workplace issues,” CNET, April 2019)

Alphabet has taken steps to address inclusion, but risks remain as our Company remains predominantly white and male. According to Google’s 2019 diversity report, underrepresented people of color account for only 7.3 percent of Google’s tech workforce and only 6.6 percent of leadership. In contrast, Silicon Valley’s lower-wage subcontracted workforce (e.g. janitors, cafeteria workers, shuttle drivers) is 58 percent Black or Latinx, earning on average \$19,900 yearly (UC Santa Cruz, 2016) and often facing housing instability.

Investors seek clarity regarding how Alphabet drives improvement and how that strategy is supported by executive accountability. Clearly disclosed, comprehensive links among sustainability, diversity, and executive compensation would enhance Alphabet’s approach.

Peers such as Microsoft, Intel, and IBM have already set diversity goals and begun linking parts of compensation to such goals. Alphabet should consider changing to keep pace with leaders and to strengthen human capital management.

RESOLVED: Shareholders request the Board Compensation Committee prepare a report assessing the feasibility of integrating sustainability metrics, including metrics regarding diversity among senior executives, into performance measures or vesting conditions that may apply to senior executives under the Company’s compensation plans or arrangements. For the purposes of this proposal, “sustainability” is defined as how environmental and social considerations, and related financial impacts, are integrated into long-term corporate strategy, and “diversity” refers to gender, racial, and ethnic diversity.

Executive Pay – Incorporate Sustainability Metrics

Apple Computer, Inc.

RESOLVED: Shareholders request the Board Compensation Committee prepare a report assessing the feasibility of integrating sustainability metrics into performance measures, performance goals or vesting conditions that may apply to senior executives under the Company's compensation incentive plans. Sustainability is defined as how environmental and social considerations, and related financial impacts, are integrated into corporate strategy over the long term.

Supporting Statement: Effectively managing for sustainability offers positive opportunities for companies and should be a key metric by which senior executives are judged. Linking sustainability metrics to executive compensation could reduce risks related to sustainability underperformance, incentivize employees to meet sustainability goals and achieve resultant benefits, and increase accountability. Metrics relevant to our Company could include indicators related to pressing issues such as: environmental impacts and waste, supply chain human rights and risk management, worker health and safety, diversity and inclusion, and data privacy and security.

WHEREAS: Numerous studies suggest companies that integrate environmental, social and governance (ESG) factors into their business strategy reduce reputational, legal and regulatory risks and improve long-term performance.

BlackRock, the largest asset manager in the world, said in 2017: "Environmental, social, and governance (ESG) factors relevant to a company's business can provide essential insights into management effectiveness and thus a company's long-term prospects."

Apple has taken steps to address ESG issues and provide public disclosure. However, our Company has not explicitly linked sustainability goals with senior executive incentives. Investors seek clarity on how Apple drives sustainability improvement and how that strategy is supported by executive accountability. Integrating sustainability into executive compensation assessments would enhance Apple's approach.

Many multi-national companies, including Intel, Alcoa, PepsiCo, and Mead Johnson, have integrated sustainability metrics into their executive pay incentive plans. Another prominent example is Royal Dutch Shell, which announced in December 2018 its plans to tie a portion of executive pay to concrete targets linked to the company's net carbon footprint.

The increasing incorporation of sustainability metrics into executive pay evaluative criteria stems from the growing recognition that sustainability strategies can drive growth, as well as enhance profitability and shareholder value.

The 2016 Glass Lewis report In-Depth: Linking Compensation to Sustainability found a "mounting body of research showing that firms that operate in a more responsible manner may perform better financially.... Moreover, these companies were also more likely to tie top executive incentives to sustainability metrics."

A Harvard Business School study of S&P 500 executives' pay packages found a positive relationship between the presence of explicit incentive compensation for corporate social responsibility (CSR) and firms' social performance (Hong, et al, 2015).

A 2012 guidance issued by the United Nations Principles for Responsible Investment and the UN Global Compact found "the inclusion of appropriate Environmental, Social and Governance (ESG) issues within executive management goals and incentive schemes can be an important factor in the creation and protection of long-term shareholder value."

Proxy Resolutions: Diversity and Inclusiveness

Executive Pay – Incorporate Sustainability Metrics

Stryker Corporation

WHEREAS: Stryker seeks to improve healthcare “by working with our customers to make the world better for patients, caregivers, employees and the environment.”

In 2019, Stryker’s CEO signed the Business Roundtable’s “Statement¹ on the Purpose of a Corporation,” joining 180 chief executives who publicly commit to lead their companies for the benefit of all stakeholders—customers, employees, suppliers, communities, the environment and shareholders. To do so, we believe Stryker will require mechanisms that better align executive leadership incentives to goals that account for health impacts on the communities it serves and the environment.

Including sustainability metrics in executive compensation can create value for all stakeholders, and linking executive pay to performance across sustainability metrics (“CSR contracting”) improves firm value and increases social and environmental initiatives, according to a 2019 study.² Moreover, the paper finds that major companies are increasingly tying sustainability to incentive awards. For example, “While only 12 percent of S&P 500 companies had adopted CSR contracting by 2004, this ratio increased to 37 percent by 2013.” In surveying the S&P Global 1200, the Conference Board found a fivefold increase of companies implementing this practice.³

Companies have introduced sustainability metrics into compensation philosophies and methodologies.

- At IDEXX Laboratories in 2019, the “preparation and publication of the Company’s first Corporate Responsibility Report” factored into the annual performance-based cash bonus award for top executives.⁴
- At Thermo Fisher Scientific Inc. in 2019, 30 percent of executive short-term incentive awards were based on non-financial goals, including ‘customer allegiance’ and ‘workforce diversity.’⁵
- Walmart Inc.’s, annual incentive awards are contingent on progress in implementing enhancements to its ethics and compliance program. 2019 objectives “covered various subject matters including anti-corruption, health and safety, food safety, environmental compliance, and licensing and permits.”⁶
- Herman Miller Inc. states a “key objective[s] of our executive officer compensation program” is to “reinforce our commitment to our people, planet, and communities.”⁷

Sustainability metrics relate to environmental and public health impacts, among other impacts on stakeholders, and are distinct and vitally important strategic issues for Stryker. In its 2019 proxy, Stryker selects specific compensation performance metrics to further the objectives of its strategic plan. Therefore, we believe the Board should consider incorporating specific sustainability metrics into executive compensation design, as evidence shows their inclusion would incentivize leadership to improve customer relations, reduce risk, enhance financial performance, and increase accountability. The 2019 proxy states, “The Board oversees strategic direction and priorities for the Company...and monitors the Company’s risk, performance and impact on its stakeholders, including environmental, social and governance (ESG) related matters...” making increased executive accountability for sustainability more imperative.

RESOLVED: Shareholders request the Board’s Compensation Committee publish a report (at reasonable expense, within a reasonable time, and omitting confidential or proprietary information) assessing the feasibility of integrating specific sustainability metrics into Stryker’s executive compensation program.

1. <https://opportunity.businessroundtable.org/wp-content/uploads/2019/09/BRT-Statement-on-the-Purpose-of-a-Corporation-with-Signatures-1.pdf>

2. http://sites.bu.edu/cflammer/files/2018/12/FlammerHongMinor_Dec2018.pdf and <https://onlinelibrary.wiley.com/doi/pdf/10.1002/smj.3018>

3. <https://www.conference-board.org/publications/publicationdetail.cfm?publicationid=7351>

4. <https://www.idexx.com/files/definitive-proxy-statement-filed-march-25-2019.pdf>

5. <http://d18rn0p25nwr6d.cloudfront.net/CIK-0000097745/a8fb8f09-c9a7-4542-bab9-b9c046a204cc.pdf>

6. https://corporate.walmart.com/media-library/document/2019-shareholders-meeting-proxy-statement/_proxyDocument?id=0000016a-4c1d-dad5-adea-ed9fe7b90000

7. <https://investors.hermanmiller.com/static-files/d13c7501-dda9-4249-9a06-99494da0ef52>

Environmental Health and Sustainability

For decades, investors have argued that managing and reporting on ESG factors such as environmental impacts and resource dependency helps companies compete in a business environment driven by increasing public sensitivity to waste and pollution, finite natural resources, and growing public expectations for corporate accountability. As the plastic pollution crisis has worsened, shareholders have increasingly called for corporate innovation to address wasteful plastic products – from single-use bags, cups, takeout containers, and straws – to nurdles and packaging. Much of this work is led by As You Sow.

In 2018, China, which previously processed roughly 70% of the world's recycled plastic, announced it would decline almost all imports of recycling. Today, 91% of plastic is not recycled, but instead ends up as trash where it can take more than 400 years to degrade, either on land or in our oceans.

Environmental health and sustainability resolutions typically deal with plastic pollution, recycling, pollution/toxins, e-waste, and the environmental impacts of drilling and mining, including hydraulic fracturing, as well as sustainability reporting.



Environmental Health and Sustainability 17

Proposal Topic	Quantity
Increase Scale and Pace of Support for Solutions to Plastic Pollution	4
Report on Plastic Pellet Pollution	3
Assess Environmental Impacts of Consumer Packaging	1
Assess Environmental Impacts of Single-Use Plastic Shopping Bags	1
Board Oversight of ESG Risks of Third-Party Sellers	1
Develop Commitments on Plastic Pollution and Recycling	1
Integrate Community Impacts into Exec Compensation	1
Offshore Drilling Impacts	1
Report on Coal Ash Risks	1
Report on Plans to Reduce Chemical Footprint	1
Step Up Scale and Pace of Sustainable Packaging Initiatives	1
Sustainable Packaging Report	1

Increase Scale and Pace of Support for Solutions to Plastic Pollution

Between 8 and 12 million metric tons of plastic enter the ocean every year. While restrictions on single-use plastics were implemented in 150 countries in 2019, far more needs to be done to divert plastic and other recyclables from landfills, particularly as historical reliance on China has led to a stagnation in other plastic processing markets.

Investors asked **Sonoco Products, Waste Management, CVS Health and Republic Services** to issue reports discussing if and how they can increase the scale and pace of their efforts to support industry and public policy solutions to address the problems caused by plastic pollution.

Investors withdrew their Sonoco Products resolution after the company agreed to report on its efforts to support solutions to reduce plastic pollution.

Proxy Resolutions: Environmental Health and Sustainability

Report on Plastic Pollution

Most plastic products originate from plastic pre-production pellets (“nurdles”), manufactured in polymer production plants, or powders or granules. Through either spills or poor handling, billions of plastic pellets are swept into waterways annually during production or transport resulting in significant harm to marine life. Plastic pellets are estimated to be the second largest direct source of micro plastic pollution in the ocean.

Shareholders asked **Huntsman Corporation**, **Occidental Petroleum** and **Westlake Chemical** to report on their plastic pollution including trends in amount of pellets, powder or granules released into the environment as well as an assessment of the effectiveness of the companies’ actions to reduce the volume of plastic pollution.



Assess Environmental Impacts of Single-Use Plastic Shopping Bags

There are an estimated one trillion single-use plastic bags used annually across the globe. Walmart lags behind its peers in addressing the problem, and distributes an estimated 18-20 billion single-use plastic shopping bags each year. By contrast, Kroger has agreed to a phase-out by 2025, while Costco, Trader Joe’s and Whole Foods have already stopped using single-use plastic bags.

Investors asked **Walmart** to issue a report assessing the environmental impacts of continuing to use single-use plastic bags.





Proxy Resolutions: Environmental Health and Sustainability

Assess Environmental Impacts of Single-Use Plastic Shopping Bags

Walmart Stores, Inc.

A similar resolution is under consideration for the spring at Kroger Co.

WHEREAS: There is a global plastic pollution crisis and Walmart distributes an estimated 18 billion to 20 billion single-use plastic carry out shopping bags per year, which contribute to plastic pollution. About one trillion single-use plastic bags are used annually across the globe, or 2 million every minute.

From 8 million to 12 million tons of plastics are carried into oceans annually. Plastic bags are among the most common items found in beach cleanups. These lightweight bags can easily become airborne on city streets or in landfills and migrate into waterways, where they cause harm. Plastics bags degrade in water to small particles that animals mistake for food. Plastic pollution affects 260 species, causing fatalities from ingestion, entanglement, suffocation, and drowning. Sea turtles mistake plastic bags for jellyfish. An estimated 100,000 marine animals are killed annually by plastic bags. They have also been found in the stomachs of many land animals including elephants, tigers, zebras, cows, and camels, according to National Geographic.

By 2050 there could be more plastic than fish, according to the Ellen MacArthur Foundation. Former UN Undersecretary-General Erik Solheim called the issue “an ocean Armageddon.” The environmental cost of consumer plastic products and packaging exceeds \$139 billion annually, according to the American Chemistry Council.

More than 470 U.S. municipalities in 28 states now ban or charge fees for single-use plastic carry out bags. California, Connecticut, Delaware, Oregon, Hawaii, Maine, New York, and Vermont and more than 50 countries have taken action to ban or restrict plastic bags. U.S. plastic bag recycling rates are estimated at less than 5%. Plastic bags collected curbside often clog municipal recycling machinery.

The company has goals for its private brand packaging to be 100% recyclable, reusable, or compostable by 2025, but no apparent policies or plans to phase out single-use shopping bags. The company states that reducing unnecessary plastic waste is a key priority. It has taken actions to reduce bag waste and promote reusable bags, but has not disclosed efforts to phase out distribution of single-use plastic bags.

Our company lags competitors on this issue. Kroger Co. has agreed to phase out single-use plastic bags by 2025. Other competitors including Costco, Trader Joe’s, and Whole Foods Market have previously stopped using single-use plastic bags.

Further, Walmart has not disclosed current plastic bag usage; Kroger has stated it distributes 6 billion bags annually, and that its phase out action will reduce landfill waste by 123 million pounds.

RESOLVED: Shareowners of Walmart request that the board of directors issue a report, at reasonable cost, omitting confidential information, assessing the environmental impacts of continuing to use single-use plastic shopping bags.

Supporting Statement: Proponents believe that the report should include an assessment of the reputational, financial, and operational risks associated with continuing to single-use plastic bags and, if possible, goals and a timeline to phase them out.



Proxy Resolutions: Environmental Health and Sustainability

Increase Scale and Pace of Support for Solutions to Plastic Pollution

Sonoco Products Company

Whereas: Plastic pollution has become a pressing, unavoidable global problem. On a global basis, experts estimate that 8 to 12 million metric tonnes of plastic enter the ocean from land sources each year and this discharge is growing rapidly¹. According to EPA data for 2015, 34.5 million tons of plastic waste was generated in the U.S. and only nine percent was recycled; seventy five percent was sent to landfill. Experts estimate that 300,000 metric tonnes of plastic are polluted to the ocean from U.S. land sources every year – the equivalent of 65 dump trucks/day.²

Plastic waste breaks down and persists in the environment, eventually accumulating in agricultural soils, water supplies, food supplies, and the human body – with as yet unknown health repercussions.

Six of the top nine global plastic packaging producers (Amcor, Sealed Air, ALPLA Group, Aptargroup, Berry Global, RPC Group) have committed to ensure all plastic packaging is reusable, recyclable, or compostable in practice by 2025, through a prominent global multi-stakeholder initiative working to keep plastic material out of landfills and the environment.

Sonoco Products CEO Rob Tiede states, “solving this issue [plastic pollution] will require a collaborative approach by key stakeholders, including policy makers, consumers, the industry and communities.” Unfortunately, Sonoco, which is a plastic packaging manufacturer and one of the world’s largest recyclers, has not disclosed how it works with other industry players to address the plastic pollution issue.

Restrictions on single-use plastics were implemented in 150 countries and approximately 350 U.S. municipalities heading into 2019. However, aggressive lobbying and threats of lawsuits by industry trade associations has helped prevent even more laws from taking effect, such as bottle bills or extended producer responsibility type legislation. Sonoco has not discussed if, or how, it participates in legislative processes, either directly or through its trade association memberships.

Given its scale and expertise, proponents believe Sonoco is uniquely suited and has a responsibility to work collaboratively on solutions to reduce plastic pollution and strengthen plastic recycling in the United States.

Resolved: Shareholders request the Board of Directors of Sonoco Products issue a report, at reasonable cost and omitting proprietary information, discussing how it can increase the scale and pace of its efforts to constructively support public policy and industry solutions to address the environmental problems caused by plastic pollution.

Supporting Statement: In the report, shareholders seek information, among other issues at board and management discretion, on the relative benefits and drawbacks of integrating the following actions:

- Efforts to work with other companies to further design products and facilities to recycle materials that are often landfilled;
- How Sonoco works with policymakers and communities to support recycling infrastructure and legislation, either directly or via trade associations;
- A discussion of related R&D expenditures and initiatives.

1. Jambeck, et al “Plastic waste inputs from land into the ocean”, 2015) Link.

2. Jambeck, et al “Plastic waste inputs from land into the ocean”, 2015) Link.



Proxy Resolutions: Environmental Health and Sustainability

Increase Scale and Pace of Support for Solutions to Plastic Pollution

Waste Management Inc.

WHEREAS: Plastic pollution has become a critical and urgent global problem. Experts estimate 300,000 metric tonnes of plastic are polluted to the ocean from U.S. land sources every year. The global figure is eight to twelve million tonnes and is projected to increase rapidly. The environmental impacts of plastic pollution are vast, including significant harm to marine and terrestrial ecosystems and wildlife.

Plastic waste breaks down and persists in the environment, eventually accumulating in agricultural soils, water supplies, food supplies, and the human body – with as yet unknown health repercussions.

Due to heightened global awareness of the impacts of plastic pollution, restrictions on single-use plastics were implemented in 150 countries and approximately 350 U.S. municipalities through 2018. However, aggressive lobbying by industry and trade associations helped prevent even more laws from taking effect, including container deposit and extended producer responsibility (EPR) laws that are proven to reduce plastic pollution and increase recycling rates.

Waste Management (WM) reportedly lobbied against EPR legislation in California in 2019, in contrast to peers like Republic Services that supported the legislation. This was despite Waste Management's CEO saying: "we are supporting the development of domestic recycling markets." WM actually has a public stance against EPR programs for materials such as paper, packaging, and bottles, claiming these materials are already handled under curbside recycling programs. Yet, EPA data shows only nine percent of the 34.5 million tons of plastic waste generated in the U.S. was recycled in 2015; seventy five percent was sent to landfill.

Proponents believe more can be done to divert plastic waste from landfill and boost recycling rates above nine percent. Because Waste Management brands itself as "North America's leading post-consumer recycler," proponents believe Waste Management is uniquely suited and has a responsibility to further provide constructive solutions to reduce plastic waste and strengthen plastic recycling in the United States.

RESOLVED: Shareholders request the Board of Directors of Waste Management issue a report, at reasonable cost and omitting proprietary information, discussing if, and how, the Company can increase the scale and pace of its efforts to constructively support industry and public policy solutions to address the environmental problems caused by plastic pollution.

Supporting Statement: In the report, shareholders suggest Waste Management discuss the following strategies, among others, at board and management discretion:

- An assessment by region or state comparing collected plastic waste materials with local market demand and providing recommendations for establishing new plastic processing facilities in local markets to address any gaps;
- The current technical efficiency of its material recovery facilities (MRFs) and availability of cost-effective upgrades that would boost recycling yields;
- A root cause assessment of economic and technical challenges at MRFs, including identifying lost-time impacts of top contaminants (e.g. plastic bags);
- Efforts to facilitate public policy initiatives that would reduce the environmental impacts of plastic waste without harming the Company, including various container deposit and EPR type legislation.



Proxy Resolutions: Environmental Health and Sustainability

Increase Scale and Pace of Support for Solutions to Plastic Pollution

CVS Health Corp

WHEREAS: Plastic pollution has become a critical and urgent global problem. Experts estimate 300,000 metric tonnes of plastic are polluted to the ocean from U.S. land sources every year. The global figure is eight to twelve million tonnes and is projected to increase rapidly. The environmental impacts of plastic pollution are vast, including significant harm to marine and terrestrial ecosystems and wildlife. Plastic waste breaks down and persists in the environment, eventually accumulating in agricultural soils, water supplies, food supplies, and the human body – with as yet unknown health repercussions.

EPA data shows only 8.4 percent of plastic waste generated in the U.S. was recycled in 2017; 76 percent was sent to landfill. Single-use plastic packaging is the largest source of this plastic waste.

139 companies, including Nestle, PepsiCo, Unilever, Coca-Cola, WalMart, Target, and Colgate-Palmolive have committed to eliminate unnecessary plastic packaging and ensure the remainder is reusable, recyclable, or compostable in practice by 2025. In addition, Unilever and Procter & Gamble have committed to cut their use of virgin plastic in half by 2025 and 2030, respectively.

CVS Health (CVS) has identified packaging as a material issue and “Sustainable Products and Packaging” is a key component of CVS’s CSR strategy. However, CVS has not disclosed the amount or types of plastic used in its packaging; whether its packaging is recyclable, reusable, or compostable in practice; or if it intends to incorporate recycled content into its plastic packaging. Such information is important as CVS Health offers more than 2,500 private label products (according to its website), ranging from medicines to beauty products to snacks and beverages. Many have a high reliance on plastic packaging, likely contributing to plastic pollution problems.

In its 2018 CSR report, CVS states it will be “developing our criteria for CVS Pharmacy brand printed packaging to create more sustainable packaging for our products.” This sounds like a promising first step, but given CVS’s mission to “leverage our scale, expertise and innovative spirit in ways that positively impact all of our stakeholders,” proponents believe CVS should ramp up its efforts to reduce the harmful environmental impacts of its plastic packaging and help improve plastic recycling rates above 8.4 percent.

RESOLVED: Shareholders request CVS Health Corporation issue a report, at reasonable cost and omitting proprietary information, discussing if, and how, it can further reduce its environmental impacts by increasing the scale and pace of its sustainable plastic packaging initiatives.

Supporting Statement: In the report, shareholders seek information on (among other issues at board and management discretion):

- Current plastic usage levels by type, the percentage of plastic packaging that is recyclable in practice, and the percentage that contains post-consumer recycled content;
- Any initiatives CVS has implemented or explored to increase the use of post-consumer recycled content or pursue alternative packaging materials;
- How CVS works with policymakers to support recycling infrastructure and legislation, both directly and via trade associations.



Proxy Resolutions: Environmental Health and Sustainability

Increase Scale and Pace of Support for Solutions to Plastic Pollution

Republic Services, Inc.

WHEREAS: Plastic pollution has become a critical and urgent global problem. Experts estimate 300,000 metric tonnes of plastic are polluted to the ocean from U.S. land sources every year. The global figure is 8 to 12 million tonnes and projected to increase rapidly. The environmental impacts of plastic pollution are vast, including significant harm to marine and terrestrial ecosystems and wildlife.

Plastic waste breaks down and persists in the environment, eventually accumulating in agricultural soils, water supplies, food supplies, and the human body – with as yet unknown health repercussions. Due to heightened global awareness of the impacts of plastic pollution, restrictions on single-use plastics were implemented in 150 countries and approximately 350 U.S. municipalities through 2018.

China's "National Sword" policy, enacted in January 2018, banned import of most plastics and other materials. Without access to China's processing capacity, many municipalities are facing crises as recyclables pile up in warehouses and are being burned or buried, instead of recycled. The historical heavy reliance on China for processing of plastics and other recyclables also resulted in stagnation of domestic processing markets. The U.S. waste processing industry needs to step up and help to reinvigorate domestic processing, while improving outmoded recycling infrastructure.

Republic Services Inc., as second largest provider of solid waste collection, disposal, and recycling services in the U.S., is uniquely suited and has a responsibility to provide additional scaled solutions to reduce plastic waste and strengthen recycling of all recyclables in the United States.

Proponents believe far more can be done to divert plastic and other recyclable waste from landfill and to boost recycling rates. Our company processes 6 million tons of recyclable materials per year, making it one of the largest processors of recovered recyclables. Yet overall U.S. recycling performance, especially for plastics, is a national embarrassment. U.S. Environmental Protection Agency data indicates the amount of plastics recycled fell from 9.1% to 8.4% from 2015 to 2017; a drop in tonnage of nearly 6%. Less than 30% of in-demand plastic PET bottles and less than 50% of highly valuable aluminum cans are recycled annually. Is lack of advanced optical scanners and other state of the art sorting equipment at company recycling facilities a factor in declining recovery rates? How does the operating efficiency of our facilities compare with competitors? Extraordinary, unprecedented efforts are needed to develop new materials processing markets; what is the company doing to show leadership in this area?

BE IT RESOLVED: Shareholders request the Board of Directors of Republic Services issue a report, at reasonable cost and omitting proprietary information, discussing how the Company can increase the scale and pace of its efforts to increase plastics recovery and recycling to address environmental problems caused by plastic pollution.

SUPPORTING STATEMENT: In the report, shareholders suggest discussion of regional market and technical capacities for materials recovery and recycling of plastics, and any public policy, technical or collaborative opportunities to upgrade those conditions and capacities to increase plastics recovery and recycling.



Proxy Resolutions: Environmental Health and Sustainability

Step up Scale and Pace of Sustainable Packaging Initiatives

Starbucks Corp.

WHEREAS an estimated 8 million tons of plastics are carried into oceans annually; by 2050 there could be more plastic than fish. Plastic beverage containers are among the most common items found in beach cleanups. One-half of Starbucks drinks are now cold drinks, most served in plastic cups, with no reported recycled content. Plastics degrade in water to small particles that animals mistake for food; plastic pollution impacts 260 species, causing fatalities from ingestion, entanglement, suffocation, and drowning. Former UN Undersecretary-General Erik Solheim called the issue “an ocean Armageddon.”

As Starbucks and peers have fostered a wasteful “to go” disposable coffee cup culture, plastic pollution of land and water has become an urgent environmental issue. Starbucks aspires to reduce the environmental impact from its packaging; however, it has failed to achieve several signature goals, such as cup recycling and serving a quarter of beverages in reusable cups in all operated U.S. and Canada stores. Explosive business growth in China suggests the company’s waste footprint may be expanding instead of shrinking.

The company operates in 75 countries, but has cup recycling goals apparently for only the U.S. and Canada. Starbucks operates 3,300 stores in China and plans to nearly double that to 6,000 by 2022. It opens a new store in China every 15 hours. China has been cited as the leading source of plastic waste in oceans (28%). Starbucks has not reported taking steps to recycle cups in China. Competitor McDonald’s Corp. will recycle packaging at all locations globally by 2025. Lack of similar commitment by Starbucks could lead to backlash by its environmentally aware customer base.

The company failed to attain greatly reduced goals regarding reusable containers, a key step toward reducing environmental impact. Starbucks rescinded a 2008 goal to deliver 25% of beverages in reusables by 2015, then failed to meet a reduced goal of 5%. Estimates of beverages served in reusable cups fell from 1.6% in 2015 to 1.3% in 2018. Starbucks replaced clear reporting on the number of stores recycling cups with a vague goal to double recyclability of cups, raising questions about the status of these signature initiatives.

BE IT RESOLVED Shareholders request that the Board of Directors of Starbucks issue a report to shareholders, at reasonable cost and omitting proprietary information, on reducing the company’s environmental impacts by stepping up the scale and pace of its sustainable packaging initiatives.

Supporting Statement: Proponent believes that the Board should evaluate and report on the potential for fulfilling the company’s environmental impact leadership commitments and goals toward reducing ocean pollution, including more detailed disclosure of any trends, policies and metrics on issues such as:

- Progress toward recycling cups in operations, worldwide,
- Assessing the environmental impact of business expansion in markets lacking recycling and waste management capacity,
- Disclosing how many cups collected in stores are actually recycled,
- Progress towards a significantly increased reusable container goal, and
- Progress toward using recycled content in plastic cups.



Proxy Resolutions: Environmental Health and Sustainability

Develop Commitments on Plastic Pollution and Recycling

Restaurant Brands International

WHEREAS: plastic pollution is a global environmental crisis and Restaurant Brands International has not developed comprehensive packaging sustainability policies to deal with low recycling rates of its packaging and the high volume of plastic waste that ends up in oceans.

As our Burger King and Tim Hortons brands have helped to foster a wasteful “to go” disposable packaging culture, plastic pollution of land and water has become an urgent environmental issue. The ocean contains 150 million tons of plastic, with up to 12 million tons added annually, equivalent to a garbage truck load every minute. Experts predict there will be more plastic than fish by weight in oceans by 2050. In the marine environment, plastic straws, cups, and lids break down into small indigestible particles that birds and marine animals mistake for food, resulting in illness and death. Packaging that degrades in waterways can also transfer hazardous chemicals to animals and potentially to humans.

Fast food plastic straws, cups, and lids are prevalent in street and marine litter. They are among the top 10 items found in beach cleanups. Americans and Canadians use 550 million plastic straws daily, which are not recycled and can harm marine animals. Tim Hortons was cited as the second largest Canadian plastic polluter in Greenpeace Canada’s 2018 and 2019 beach cleanup brand audits.

The company does not disclose the extent to which paper and plastic cups are collected and recycled at its brands. Most of the billions of cups our company uses every year end up in landfills. A Canadian media investigation found that significant amounts of Tim Hortons cups collected for recycling ended up in the trash. Our company lags competitors. Starbucks has a specific goal for reusable coffee container usage, recycles plastic and paper cups left in stores, set a deadline for phase out of plastic straws, and uses 10% recycled paper cup fiber. Blue Bottle Coffee plans to phase out all single use beverage cups by the end of 2020. Our brands lack any of these commitments.

Burger King has locations in China, Indonesia, and the Philippines, countries suffering some of the worst impacts of the plastic pollution crisis. The company is vulnerable to environmental impacts of business expansion in markets lacking waste management capacity.

BE IT RESOLVED: Shareholders request the company issue a report to shareholders, to be prepared at reasonable cost and omitting proprietary information, to develop environmental leadership commitments on plastic pollution and recycling through a comprehensive policy on sustainable packaging.

SUPPORTING STATEMENT: Proponent believes the company should evaluate and report on policies and metrics relative to the company’s performance, such as: recycled content and container recycling goals, adopting reusable/refillable beverage mug programs, ensuring that single-use cups collected actually get recycled, eliminating non-recyclables such as plastic straws and polystyrene foam, and plans to recycle or compost packaging waste at company restaurants. We believe the requested report is in the best interest of the company and its shareholders.



Proxy Resolutions: Environmental Health and Sustainability

Sustainable Packaging Report

Yum! Brands, Inc.

WHEREAS: waste and recycling issues were ranked among the 10 most important issues to stakeholders in a Yum Brands 2017 materiality assessment, yet the company lags competitors by lacking a commitment to phase out plastic straws, uses harmful polystyrene foam beverage cups in some markets, and lacks a commitment to front of house on-site container recycling.

The ocean contains an estimated 150 million tons of plastic, with about 8 million tons added annually, equivalent to a garbage truck load every minute. Experts predict there will be more plastic than fish by weight in oceans by 2050. Company straws, cups, and lids are found in street and marine litter. 500 million plastic straws are used by Americans daily, which are not recycled. Polystyrene foam used for beverage cups, is rarely recycled. Non-recyclable plastic packaging is more likely to be littered and carried into waterways. In the marine environment, plastic straws, cups, and cup lids break down into small indigestible particles that birds and marine animals mistake for food, resulting in illness and death.

Company packaging that degrades in waterways can also transfer hazardous chemicals to animals and potentially to humans. Plastics absorb toxics like PCBs, pesticides, and metals from water, transferring them to the marine food web and potentially to human diets, increasing risk of adverse effects to wildlife and humans. Foam may pose a higher risk to marine animals than other plastics due to its hazardous constituent chemicals and research showing it can accumulate high concentrations of water borne toxins in a short time frame. Polystyrene has caused decreased reproduction in laboratory populations of oysters and fish.

Antigua and Barbuda, Bangladesh, Barbados, France, Guyana, Haiti, Rwanda, Taiwan and states in India and Malaysia have enacted bans on foam packaging. More than 100 U.S. cities or counties have banned or restricted foam packaging. The problem can be exacerbated in developing countries with less sophisticated solid waste management systems. Recent scientific research estimates that one half of ocean plastic deposition comes from several rapidly developing Asian countries where our company does substantial business.

Competitor McDonald's announced that it would phase out use of polystyrene foam packaging globally at the end of 2018. Competitor Starbucks has agreed to phase out plastic straws by 2020. The company also lacks a commitment to recycle front of house on-site post-consumer packaging. McDonald's has committed to recycle post-consumer packaging in all restaurants globally by 2025.

BE IT RESOLVED: Shareholders request that YUM Brands issue a report to shareholders, to be prepared at reasonable cost and omitting proprietary information, detailing efforts to achieve environmental leadership through a comprehensive policy on sustainable packaging.

SUPPORTING STATEMENT: Proponent believes that a comprehensive policy on sustainable packaging should, for example, address plastic straws, polystyrene beverage and food containers, and policies for front of house recycling.



Proxy Resolutions: Environmental Health and Sustainability

Report on Plastic Pellet Pollution

Occidental Petroleum Corporation

Similar resolutions were submitted to Huntsman Corporation and Westlake Chemical

WHEREAS: Plastic pollution is a global environmental crisis. Occidental Chemical, a subsidiary of Occidental Petroleum Corp., is a leading petrochemical manufacturer, making plastic products like polyvinyl chloride resins.

Most plastic products originate from plastic pre-production pellets, or nurdles, manufactured in polymer production plants, or powders or granules. Due to spills and poor handling procedures, billions of such plastic pellets are swept into waterways during production or transport annually and increasingly found on beaches and shorelines, adding to harmful levels of plastic pollution in the environment.

Eight million tons of plastics leaks into oceans annually. Plastics degrade in water to small particles that animals mistake for food; plastic pollution impacts 260 species, causing fatalities from ingestion, entanglement, suffocation, and drowning. Plastic does \$13 billion in damage to marine ecosystems annually. If no action is taken, oceans are expected to contain more plastic than fish by 2050. Pellets are similar in size and shape to fish eggs and often mistaken by marine animals for food. Plastic pellets can absorb toxins such as dioxins from water and transfer them to the marine food web and potentially to human diets, increasing the risk of adverse effects to wildlife and humans.

Nearly 200 nations pledged to eliminate plastic pollution in the world's oceans at the United Nations Environment Assembly in 2018. The United Nations Undersecretary-General has called this issue "an ocean Armageddon."

Plastic pellets are estimated to be the second largest direct source of micro plastic pollution to the ocean by weight; up to 53 billion pellets may be spilled annually in the United Kingdom alone. A recent study concluded that up to 36 million plastic pellets might be spilled from one major industry production complex in Sweden.

Pellet spills create financial risk. Formosa Plastics Corp. USA agreed to a \$50 million settlement of a Clean Water Act lawsuit over plastic pellet pollution at its Texas facility in 2019.

Occidental is not listed as a member of Operation Clean Sweep, an industry program that encourages use of best practices for pellet, granule, and powder management and containment to reduce product loss.

Given the severe biodiversity and economic impacts of plastic pollution described above, there is an urgent need to increase and improve reporting on pellet spills and remediation, as well as discussing accountability for pellet spill remediation in more detail. Earlier this year, our corporate peers ExxonMobil Chemical, Chevron Phillips Chemical, and Dow Chemical agreed to public reporting of pellet spills.

BE IT RESOLVED: Shareholders request that the Board of Directors of Occidental issue an annual report to shareholders, at reasonable cost and omitting proprietary information, on plastic pollution. The report should disclose trends in the amount of pellets, powder or granules released to the environment by the company annually, and concisely assess the effectiveness of the company's policies and actions to reduce the volume of the company's plastic materials contaminating the environment.

SUPPORTING STATEMENT: Proponent recommends that the report include discussion of pellet loss prevention, cleanup and containment.



Proxy Resolutions: Environmental Health and Sustainability

Report on Coal Ash Risks

PNM Resources

DISCUSSION: PNM Resources' (PNM) San Juan Generation Station (SJGS) began operation in 1973. At full capacity, it burned approximately 20,000 tons of coal a day, 20% of which remained as Coal Combustion Residuals (CCR, or coal ash). In 2017 alone the SJGS produced 1,360,871 tons of coal ash. As of June 30, 2019, PNM estimates that approximately 59,000,000 tons of CCR have been produced since SJGS began operation. At SJGS this material has been used as backfill in the surface mine near the plant and not far from the San Juan River, with no provision to isolate the ash from the groundwater which will saturate the mine when mining operations cease.

Coal ash contains a mix of arsenic, mercury, lead and other heavy metals and toxins. These metals and toxins have been linked to cancer, organ failure, and other serious health problems. Though in a vitrified state when dry, when wet the coal ash begins to "devitrify" and release the toxic material it contains.

The EPA has found evidence at numerous sites that coal ash has polluted ground and surface waters. Companies have paid substantial fines and suffered reputational consequences as a result of the contamination.

PNM plans to close the remaining two units of SJGS by 2022. PNM has therefore filed a SJGS abandonment case at the New Mexico Public Regulation Commission (NMPRC), which will determine the amount of costs for decommissioning and reclamation at the SJGS plant and mine, including the costs of any required CCR mitigation.

In its SEC filing of 09/2019, PNM states that it cannot say whether future federal rulemaking regarding CCR regulation "will have a material impact on operations, financial position, or cash flows," but that "PNM would seek recovery from its ratepayers of all CCR costs. . . that are ultimately incurred" at SJGS.

There is, however, a risk of financial consequence to the company related to PNM's storage of CCR, and no guarantee that the NMPRC will allow the company to pass on these costs to ratepayers, especially considering the uncertain applicability to the SJGS abandonment proceedings of the recently passed New Mexico Energy Transition Act. Information in current SEC filings and on the PNM Sustainability Portal is not sufficient to allow shareholders to determine whether PNM has adequately anticipated and prepared for those risks.

RESOLVED: Shareholders request that the Board prepare a complete report on the company's efforts, above and beyond current compliance, to identify and reduce environmental and health hazards associated with past, present and future handling of coal combustion residuals and how those efforts may reduce legal, reputational and financial risks to the company. This report should be available to the shareholders and the public on PNM's website by January 1, 2021, be prepared at reasonable cost, and omit confidential information such as proprietary data or legal strategy.



Proxy Resolutions: Environmental Health and Sustainability

Integrate Community Impacts into Exec Compensation

Marathon Petroleum

WHEREAS: Marathon Petroleum states that “the well-being of our employees, contractors and neighboring communities is our highest priority...[and] minimizing our environmental impact is a serious priority.”

Marathon has one of the largest inventory of toxic hydrogen fluoride among US refiners subjecting the company to myriad risks. According to the EPA, Marathon’s Garyville, Louisiana facility handles 445 tons on site – the most hydrogen fluoride of any of the 48 U.S. refineries reporting inventories. Its Texas City, Texas facility reported storing 180 tons to the EPA.

In June 2019, an explosion of hydrogen fluoride at a Philadelphia oil refinery, which stores less than one half the amount stored at Marathon’s Garyville plant, injured workers, drew national attention, disrupted the community, and sent gasoline prices upward revealing the deadly harm and risks this chemical can cause – especially for neighboring communities.

However, safer alternatives exist. For example, some refineries are using safer catalysts such as advanced sulfuric acid and ionic liquids that have a dramatically lower risk of contributing to an explosion that would threaten surrounding communities.

At the same time, Marathon’s inability to attend to the community concerns of its Detroit neighbors has led to considerable negative press attention and a local congressional hearing on pollution. At a September 2019 hearing, US Representative Tlaib called into question Marathon’s commitment to community well-being after citing recent vapor leaks that sent workers to hospitals. She drew public attention to 13 documented violations of air permits and the Clean Air Act over six years at Marathon’s Detroit refinery. These releases reportedly sent cancer causing toxic chemicals into nearby neighborhoods.

In 2019, Marathon’s CEO signed the Business Roundtable’s statement on the purpose of the corporation joining 180 CEOs who publicly commit to lead their companies for the benefit of all stakeholders – customers, employees, suppliers, communities, and shareholders. Implementing this commitment will require Marathon to include a broader set of stakeholders into its decision making. We believe that in order to deliver value to communities where it operates Marathon will need mechanisms that better align its community impact and executive compensation incentives.

For example, Newfield Exploration’s incentive plan now includes community engagement among other more common metrics such as environment and safety factors.

RESOLVED: shareholders request the Board’s Compensation Committee publish a report (at reasonable expense, within a reasonable time, and omitting confidential or propriety information) assessing the feasibility of integrating community stakeholder concerns and impacts into Marathon’s executive compensation program which it describes in its annual proxy materials.

Supporting Statement: According to pages 30-34 of Company’s 2018 proxy materials, the Annual Cash Bonus program includes internal safety and environmental performance metrics. While these are necessary and positive, community stakeholder concerns and impacts are a distinct and vitally important issue for Marathon and should be included, as we believe it would incentivize leadership to improve community relations and impact, reduce risk, enhance financial performance, and increase accountability.



Proxy Resolutions: Environmental Health and Sustainability

Offshore Drilling Impacts

Noble Energy, Inc.

Noble Energy's offshore natural gas operations in Israel represented 43 percent of its known reserves as of year-end 2018. These projects have generated intense controversy.

The Tamar platform's staggering emission and pollution rate, and the decision to relocate Leviathan's production platform from 70 miles offshore to just six miles offshore has triggered lawsuits, scientific condemnation, opposition from more than 20 local and regional governments, and the largest health and environmental protests in Israel's history.

Environmental, health and financial risks include:

AIR POLLUTION A 2016 Israel Ministry of Environmental Protection (MoEP) report stated that Noble's Tamar natural gas operations produced 30x more emissions than originally estimated and emitted 51 percent of Israel's carcinogenic benzene between 2013-2018. Leviathan is projected to produce more gas and condensate than Tamar. Leviathan's new Flare Gas Recovery Unit, used to reduce emissions, has not yet been deployed on gas processing platforms before, which raises questions about how well it will perform in practice. In 2018 MoEP rejected the Leviathan Production Platform permit application stating they had "serious doubts regarding the reliability of all of the information" in the application.

WATER POLLUTION The Leviathan Production Platform will release approximately 800 tons of produced water into the sea daily, potentially impacting marine life and public beaches. A water leak in Leviathan 2 took 16 months to repair and cost \$60 million. Spill simulations and international experts concur there is little chance of containing a condensate or gas spill this close to shore.

CONDENSATE Condensate is a liquid by-product of natural gas drilling that is volatile, flammable and highly toxic. Leviathan will annually produce approximately 1 million barrels of condensate. A condensate spill would likely cause the closure of the nearby Hadera desalination plant that supplies 15 percent of Israel's clean water. The condensate pipeline runs above groundwater sources and will be stored in highly dense population centers. In 2015 Noble and the EPA agreed to a \$75 million settlement regarding emission leaks at its condensate storage tanks.

SECURITY Hezbollah has threatened to attack Israel's natural gas operations and numerous security experts including a former Israeli Minister of Defense have criticized the near-shore Leviathan platform as an easy target within Hezbollah's missile range.

HEALTH No comprehensive health impact assessment was done for the Leviathan Production Platform despite it being near population centers including Haifa, Israel's third largest city. We believe the above issues pose significant reputational, regulatory, legal and financial risk to the company and its shareholders. Noble's 2018 10K states: "The insurance we carry is insufficient to cover all of the risks we face, which could result in significant financial exposure."

BE IT RESOLVED: Shareholders request that Noble Energy publish a report regarding the extent of potential environmental and public health impacts in the event of major spills or breaches at its Israel offshore drilling operations including an assessment of the magnitude of related financial, operational and reputational impacts on our Company. It should be published at reasonable expense and omit proprietary information.

Proxy Resolutions: Environmental Health and Sustainability

Report on Plans to Reduce Chemical Footprint

TJX Companies, Inc.

WHEREAS: For investors the costs of environment chemical exposure to the health of the global economy raises significant concerns.

Economic costs are rising: a 2017 study by researchers showed that costs associated with environmental chemical exposures worldwide likely exceed 10 percent of global GDP or 11 trillion dollars.¹

At the same time, new analytical methods providing direct measures of toxic chemicals show that risks to human health may be dramatically underestimated. A recent National Institute of Health- supported study² provides compelling evidence that human exposures to Bisphenol A, for example, is much greater than previous estimates that use indirect measurement tools. Bisphenol A affects tissue development linked to behavior, fertility and cancer risks. Approximately 9 million tons annually is used in a variety of consumer products including plastics, epoxy resins and thermal receipts.

States have begun restricting hazardous chemicals. Since 2000, more than 35 states have passed 173 policies that establish state chemicals programs to identify, limit or ban the use of harmful chemicals in products including baby bottles, furniture, electronics, toys, cosmetics and cleaning products.³

Toxic chemical impacts present systemic portfolio risks to investors. In the last decade, poor management of regulatory, legal, reputation and redesign risks from hazardous chemicals in products and supply chains has harmed investors as confirmed by plummeting company stock prices (Bayer, Lumber Liquidators) and bankruptcy (Siggs, USA).

Retailers and manufacturers are demonstrating improvements resulting from comprehensive chemical management policies and practices.⁴ Walmart, Target, and Dollar Tree have set public goals to address their chemical footprints. In 2018, Target set time-bound goals to remove unwanted chemicals from its textile categories.⁵

TJX Companies does not offer evidence of an overarching chemical management policy, while at the same time investments in its buying organization have allowed it to increasingly rely on goods made to order, including private label.

Recent negative press highlights growing consumer concern and the company's laggard status.⁶ Improving scale, pace, and rigor of its policies and practices may help unlock important opportunities for growth for TJX Companies as consumers are increasingly demanding transparency and environmental accountability from manufacturers and retailers.

Given the impact of toxic chemicals on the economy, human health, and the environment, proponents believe TJX Companies has a clear responsibility to investors and other stakeholders to account for whether, and how, it plans to manage and reduce its chemical footprint.

RESOLVED: Shareholders request TJX Companies issue a report, at reasonable cost and omitting proprietary information, describing if, and how, it plans to reduce its chemical footprint.

Supporting Statement: In the report shareholders seek information, at board and management discretion, on the relative benefits and drawbacks of integrating the following actions:

- Developing a comprehensive chemical policy;
- Adopting short- and long-term priority chemical lists;
- Increasing the scale, pace, and rigor of existing initiatives aimed at identifying chemicals of high concern and improving chemical safety; and
- Investing in safer alternatives.

1. <https://ehjournal.biomedcentral.com/track/pdf/10.1186/s12940-017-0340-3?site=ehjournal.biomedcentral.com>

2. [https://www.thelancet.com/journals/landia/article/PIIS2213-8587\(19\)30381-X/fulltext](https://www.thelancet.com/journals/landia/article/PIIS2213-8587(19)30381-X/fulltext)

3. saferstates.org/bill-tracker/.

4. <https://thehill.com/changing-america/sustainability/infrastructure/471942-major-retailers-make-major-progress-on-toxic>

5. https://corporate.target.com/_media/TargetCorp/csr/pdf/2019_corporate_responsibility_report.pdf

6. <https://www.metrowestdailynews.com/news/20191119/tjx-and-other-chain-stores-accused-of-lax-chemical-safety>

Proxy Resolutions: Environmental Health and Sustainability

Board Oversight of ESG Risks of Third-Party Sellers

Amazon.com, Inc

WHEREAS: In August 2019, the Wall Street Journal published an extended article entitled “Amazon Has Ceded Control of Its Site. The Result: Thousands of Banned, Unsafe or Mislabeled Products” examining the ability of the company to prevent sale on its site of unsafe and toxic products. Wall Street Journal investigators found 4,152 items for sale on Amazon’s site that “had been declared unsafe by federal agencies, are deceptively labeled or are banned by federal regulators.” While Amazon responded to the investigation and removed or revised labeling for many of the identified products, new items with the same policy violations continued to appear for sale on Amazon.

Other recent investigations of products sold on Amazon.com have found instances of products that violated the company’s Restricted Products Policy,¹ contain hazardous substances,²³ or are sourced from unethical or unsafe factories⁴. Additionally, Amazon is facing litigation in the state of Pennsylvania for the sale of unsafe products, as well as fines from the EPA for selling unregistered pesticides.

The Journal noted that people who shop on Amazon.com see it as if it were an American big-box store but in practice it has evolved like a flea market, with “limited oversight over items listed by millions of third-party sellers, many of them anonymous, many in China, some offering scant information.”

As stockholders, we feel this situation poses significant risks and liability to our company. While Amazon is exerting control over the content and safety of its private label brands, the safety of products from third-party sellers on the site is jeopardizing Amazon’s reputation.

Amazon.com is incorporated in the state of Delaware. As fiduciaries, our company’s board is responsible for stewardship of business performance and long-term strategic plans, while reviewing specific risk factors. A recent decision in the Delaware Supreme Court, *Marchand v. Barnhill*, No. 533, 2018 (Del. June 19, 2019), confirmed that directors may be liable for failure to ensure that a reasonable information and reporting system exists on material risks.

Although Amazon issues sustainability reports and has published a blog post⁵ responding to the Journal article discussing its existing management systems for detecting safety breaches in products sold, the Journal’s investigation demonstrated significant weaknesses in Amazon’s oversight of third-party sales.

We believe that information regarding Amazon’s efforts to manage ESG risks and ensure the safety of products sold on its site, including disclosure of board oversight, implementation of company policies and processes, and whether and how Amazon is extending policies such as its Chemical Policy to include third-party products, will help investors more accurately evaluate the company’s long-term financial and sustainability risks.

RESOLVED: Shareholders request that the Board of Directors issue a report to shareholders, at reasonable expense and avoiding proprietary information, on the process and effectiveness of board oversight of ESG risks associated with third-party sellers on Amazon’s website, including the board’s assessment of any progress, policies and trends toward reducing the presence of unsafe products for sale on the site.

1. <https://www.washingtonpost.com/technology/2019/08/06/google-amazon-prohibit-firearm-parts-listings-its-easy-find-them-anyway/>

2. <https://saferchemicals.org/2019/10/24/toxic-tv-binge-hazardous-flame-retardant-chemicals-uncovered-in-best-buy-amazon-tvs/>

3. <https://www.sierraclub.org/articles/2019/11/toxic-trade-online-retailers-are-selling-mercury-filled-skin-lighteners>

4. <https://www.wsj.com/articles/amazon-sells-clothes-from-factories-other-retailers-shun-as-dangerous-11571845003>

5. <https://blog.aboutamazon.com/company-news/product-safety-and-compliance-in-our-store>

Food

In order to grow the food necessary for an expanding global population, industrial agriculture, characterized by large-scale monoculture, heavy use of chemical fertilizers and pesticides, and meat production via concentrated animal feeding operations (CAFOs), has become the predominant method of food production. Unfortunately, industrial ag is rife with serious and unmanaged environmental and social “externalities” that pollute local waterways, exacerbate the climate crisis, and threaten the health and safety of both workers and communities.

ICCR members’ resolutions on food call on companies to better manage these impacts to ensure our food is safely and sustainably produced. This year, many highlighted the role of agriculture in driving the climate crisis.

Report Quantitative Metrics on Supply Chain Pesticide Use

Scientists have linked pesticide exposure to numerous health harms, including developmental defects and cancer, and for this reason consumer demand for pesticide-free foods is increasing. Failure to manage pesticide use within supply chains can expose a company to legal and reputational risk. Proactive companies have begun taking impactful steps, including Sysco, which has reduced its pesticide use by almost 4.9 million pounds, and Unilever, which has phased out Class 1 pesticides in its tea production.

Investors asked **Campbell Soup, Kellogg, Kroger** and **The Smucker Company** to report quantitative metrics on pesticide use in their supply chains.

Investors withdrew their resolution at Kellogg in exchange for an agreement.

Food	13*
Proposal Topic	Quantity
Report Quantitative Metrics on Supply Chain Pesticide Use	4*
Assess Strategies to Strengthen Supplier Antibiotic Use Standards	2*
Deforestation	2
Demonstrate Progress Towards Phasing Out Routine Use of Antibiotics	2
Curtailling the Climate Impacts of Deforestation in Company Supply Chain	1
Reduce Food Waste	1
Reduce Medically Important Antibiotics in Supply Chain	1
*Includes multiple spring filings	

Demonstrate Progress towards Phasing out Routine Use of Antibiotics

Antibiotic resistance is one of the world’s top health threats, rendering many life-saving drugs useless. The routine use of medically-important antibiotics in animal agriculture – to prevent contagion among large numbers of animals raised in close, unsanitary conditions – is a major contributor to this resistance. ICCR members encourage meat suppliers and fast food restaurants, which purchase large quantities of meat, to use their leverage to help reduce this threat.

ICCR members asked **Wendy’s** to report quantitative metrics demonstrating progress, if any, toward phasing out routine use of medically important antibiotics in the company’s beef and pork supply chains. **Costco** was asked to report metrics on its private label meat and poultry supply chains.

Investors withdrew their resolutions at Wendy’s and Costco after reaching agreements with the companies.



"All pathways to limit global warming to 1.5°C require mitigating deforestation and forest degradation. Protecting forests is also one of the quickest and most cost effective solutions to the

climate crisis.

Unfortunately, deforestation is turning the world's forests into carbon sources, contributing more greenhouse gas emissions than the entire European Union. It doesn't have to be this way.

Deforestation is driven primarily by clearing land to grow commodity crops like soybeans and palm oil, to raise cattle, and to supply the globe's demand for pulp and paper.

Deforestation is incidental to this commodity production, not an inherent part of the process. For example, after the Soy Moratorium was put in place – an industry agreement to stop buying Amazonian soy grown on recently cleared lands – deforestation rates in the Amazon declined, while soy production in the region increased 400%.

Companies linked to deforestation face any number of material risks—operational, reputational, regulatory, market access—in addition to systemic risks posed by widespread ecosystem damage and climate change.

An increasing number of companies have adopted policies to more sustainably source forest-risk commodities. Yet, nearly half of global companies with exposure have yet to act on deforestation. And even among those that have policies, only 4 percent are communicating quantitative progress.

2020 is an instrumental year for both forests and climate. It's imperative that companies adopt—and implement—comprehensive no-deforestation policies and report progress toward those goals. All investors concerned about climate risk should push companies to address deforestation."

Jessye Waxman, Shareholder Advocate
– Green Century Funds

Deforestation

Deforestation contributes to biodiversity loss, soil erosion, disrupted rainfall patterns, community land conflicts, and forced labor, and accounts for over 10% of global GHG emissions. Commodities including palm oil, soy, beef, and pulp/paper are among the leading drivers of deforestation globally. In August of 2019, the world watched as over 30,000 fires burned through the Amazon, most thought to have been started by farmers and loggers clearing land for cattle grazing and crops.

Investors asked **Tyson** to issue a report assessing if and how it could increase the sale, pace and rigor of its efforts to eliminate deforestation from its supply chains, using quantitative data. **Bloomin' Brands** received a similar resolution which specifically called for mitigation of GHG emissions. **Yum! Brands** was asked to report on how the company is curtailing the impact on the earth's climate caused by deforestation in its supply chain. **ADM** was asked to report metrics demonstrating any progress towards reducing its supply impacts on deforestation.

Shareholders withdrew their ADM resolution after reaching an agreement with the company.



Curtailing the Climate Impacts of Deforestation in Company Supply Chain

Yum! Brands, Inc.

Resolved: Shareholders request that Yum! Brands, Inc. (“YUM”) report annually to investors, at reasonable expense and excluding proprietary information, on how the company is curtailing the impact on the Earth’s climate caused by deforestation in YUM’s supply chain. The report should include quantitative metrics on supply chain impacts on deforestation and progress on goals for reducing such impacts.

Supporting Statement: YUM utilizes beef, soy, palm oil, and pulp/paper in its business: the leading drivers of deforestation globally. But YUM’s limited action on deforestation sets the company behind peers like McDonald’s and exposes the company to significant business risks, given the link between deforestation and climate change. These include supply chain unreliability, brand damage, and failure to meet shifting consumer and market expectations.

A 2019 IPCC report that stated that “Agriculture, forestry and other types of land use account for 23% of human greenhouse gas emissions” and urged the world to halt deforestation.¹ Six million people participated in global climate strikes in September 2019, and consumers are increasingly making choices to reduce their environmental footprint. Yet YUM is still sourcing from Cargill and JBS, the two companies most responsible for the Amazon fires.²

Deforestation has attracted significant attention from civil society, business and governments. Value chains that are illegally engaged in deforestation are vulnerable to interruption with new regulations and enforcement. In the EU, regulators are planning new laws that will require companies to demonstrate that goods they put on the EU market are not tainted with deforestation or human rights abuses.³

The SCRIPT Soft Commodity Risk Platform scores YUM at 24 out of 100 due to lack of a strategy for addressing deforestation, risk awareness, board oversight, traceability, and time-bound targets.⁴ Where policies have been adopted, there is a lack of transparency on implementation or they are limited in scope. For example YUM does not disclose its palm oil mill lists, which is an essential first step in verifying no deforestation or exploitation in its supply chain. Lack of transparency erodes investor and consumer confidence.

Proponents believe meaningful indicators in a report like the one we request could include:

- For key commodities that YUM sources such as palm oil, soy, beef, and pulp/paper, the proportion that can be traced back to its source, and the proportion verified as not contributing to physical expansion into peatlands or forests using High Carbon Stock Approach methods, and including the supply chain across all geographies;
- Tracking these figures against an anticipated timeframe (as established by management) for meeting its sourcing goals for each commodity consistent with the criteria above, including processes for verification, supplier non-compliance protocols, supplier suspension procedures, and trackable grievance processes.

We urge shareholders to support this proposal.

1. <https://www.ipcc.ch/2019/08/08/land-i5-a-critical-re5source srcc/>

2. <https://stories.mightyearth.org/amazonfires/index.html>

3. https://ec.europa.eu/environment/forests/eu_comm_2019.htm

4. <https://www.script.fina nee/too1/portfolio- risk/com panies/973>

Deforestation

Tyson Foods, Inc.

Similar resolutions were submitted to: Archer Daniels Midland and Bloomin' Brands.

WHEREAS: Tyson Foods, Inc. (Tyson) utilizes beef, soy, palm oil, and pulp/paper in its business. These commodities are leading drivers of deforestation.

Deforestation contributes to climate change, biodiversity loss, soil erosion, disrupted rainfall patterns, land conflicts, and forced labor. Commercial agriculture and ranching drives two-thirds of tropical deforestation and is the second largest driver of global climate change. There is a growing consensus that deforestation and the climate crisis must be addressed.

Companies that do not adequately address and mitigate exposure to deforestation in their supply chains are vulnerable to material financial risk. Those that fail to take proactive measures are increasingly vulnerable to interruption from regional, global, and local governmental regulations and enforcement. The devastating effects of deforestation have received extensive coverage from international media outlets, such as The New York Times and Bloomberg. Reputational damage has been shown to impact a company's value by as much as 30 percent.¹

In light of shifting market expectations for sustainable production of commodities linked to deforestation, more than 450 companies, including industry peers, have committed to eliminating deforestation within their supply chains:

- JBS S.A., a leading global animal protein processing company, has committed to zero deforestation in its beef and soy supply chains;
- Cargill has committed to eliminate deforestation across its entire agricultural supply chain by 2030; and
- Hormel Foods Corporation has reaffirmed the Consumer Goods Forum's commitment to achieve deforestation-free supply chains by 2020.

By contrast, Tyson recognizes "escalating" stakeholder concern over deforestation in its 2018 Sustainability Report, but has no public statements or commitments regarding deforestation. Ending deforestation would help Tyson achieve its goal of reducing GHG emissions by 30% by 2030, as agricultural emissions constitute 80% of the Company's total Scope 3 emissions.

Furthermore, the Company has limited transparency around its supply chain risks and practices: although Tyson reports to CDP, it does not disclose information on either its palm oil or international supply chains, which are higher-risk for deforestation. In the 2018 Forest 500 assessment, Tyson scored 1/5, compared with Cargill and JBS, which both scored 3/5.

Failure both to meet shifting consumer and market expectations and to keep pace with industry peers could expose the company to significant business risks, including restricted market access, damage to its brand value, loss of goodwill, and supply chain disruption.

Resolved: Shareholders request that Tyson issue a report to investors by July 30, 2020 at reasonable expense and excluding proprietary information, including quantitative data on its global supply chain impacts on deforestation, and assessing if and how the company could increase the scale, pace, and rigor of its efforts to eliminate deforestation from its supply chains.

Supporting Statement: Proponents defer to management's discretion, but believe meaningful indicators in such disclosure could include:

- Reporting any progress toward specific no-deforestation policies for all relevant commodities;
- Reporting evidence of proactive implementation efforts, such as time-bound plans, verification processes, and non-compliance protocols; and
- Public disclosure of progress toward these goals through CDP Forests Questionnaire or similar platforms.

1. <https://chainreactionresearch.com/report/deforestation-driven-reputation-risk-could-become-material-for-fmcgs/>

Demonstrate Progress Towards Phasing Out Routine Use of Antibiotics

Wendy's International, Inc.

WHEREAS: The World Health Organization deems antimicrobial resistance one of the top 10 global health threats of 2019. Antibiotic resistance renders life-saving drugs useless; by 2050, this could cause an estimated 300 million premature deaths and up to \$100 trillion in global economic damage.

The use of antibiotics in animal agriculture is a major contributor to antibiotic resistance. Nearly two-thirds of antibiotics sold for use in the U.S. are used in food animals. When antibiotics are routinely administered to animals, even for disease prevention, bacteria can adapt and spread, causing drug-resistant infections in humans.

Despite the urgent threat of antibiotic resistance, Wendy's does not currently have a comprehensive policy to restrict antibiotic use in all of its meat supply chains. While the company has eliminated the use of medically important antibiotics in its chicken supplies, it continues to allow for the routine use of these drugs in its beef and pork supplies. Controlling antibiotics in chicken addresses only the surface of the problem. In the livestock sector, over 80% of medically important drugs are sold for use on cows and pigs, whereas just 4% of these drugs are sold for use on chickens.

Wendy's competitors are making progress. McDonald's announced a policy in 2018, currently being piloted in 10 countries, which will disallow the use of medically important antibiotics for prevention purposes in its beef supplies. Chipotle and Panera Bread have eliminated routine use of antibiotics in all meat. Leading burger chains BurgerFi and Shake Shack only serve meat raised without antibiotics.

Failure to keep up with competitors on an important public health crisis represents significant reputational threat to Wendy's. Wendy's has been directly targeted by major consumer advocacy groups for its lack of a comprehensive policy. In a 2018 survey, 60 percent of consumers said they would be more likely to eat at a restaurant that served meat raised without antibiotics; just as many said they are willing to pay more for that product. It is critical for the longevity of Wendy's business that it meet growing consumer demands. Advocacy groups are testing products for antibiotic-resistant bacteria strains, which could lead to litigation if the company's products are implicated.

Regulatory pressure on beef and pork producers has also increased. Consumer advocates are calling for stricter regulations, including prohibiting medically important antibiotics for the prevention of disease.

Shareholders urge the company to establish forward-looking policies to end the preventive use of antibiotics and keep up with peers and consumer demands across the industry.

BE IT RESOLVED: Shareholders request that Wendy's issue a report, at reasonable cost and excluding proprietary information, providing quantitative metrics demonstrating progress, if any, toward phasing out the routine use of medically important antibiotics in the company's beef and pork supply chains.

Supporting Statement: At company discretion, Shareholders recommend that the company include in its report the percentage of animals treated and types of antibiotics used.

Demonstrate Progress Towards Phasing Out Routine Use of Antibiotics

Costco Wholesale Corp.

WHEREAS: The World Health Organization (WHO) deems antibiotic resistance one of the top 10 global health threats of 2019. Antibiotic resistance renders life-saving drugs useless; by 2050, the phenomenon could cause an estimated 300 million premature deaths and up to \$100 trillion in global economic damage.

The use of antibiotics in animal agriculture is a major contributor to antibiotic resistance. Over 70 percent of antibiotics sold for use in the U.S. are used in food animals. When antibiotics are administered to healthy animals, bacteria can adapt and spread to humans.

Despite the urgent threat of antibiotic resistance, Costco has made plans to build its own chicken supply chain without establishing a clear antibiotics use policy prohibiting the routine use of medically important antibiotics. The company's new vertical farming system will produce two million chickens per week for Costco stores once it is fully operational, making Costco the first retailer in the country to establish its own supply chain for chicken. Last year, Costco published a statement on antibiotics in its animal welfare policy. This policy prohibits use of antibiotics for animal growth, but allows producers to preventively apply medically important antibiotics across entire flocks or herds, rather than restricting use of these drugs to treat actual disease.

By comparison, the four major producers of chicken in the country have adopted policies that prohibit preventive use of medically important antibiotics. Similarly, 18 of the top 25 fast food chains in the country have policies to avoid purchasing chickens raised with medically important antibiotics. Whole Foods Market has a strict policy to only carry meat products raised without any antibiotics.

Costco has a unique opportunity to control antibiotics use in its new chicken supply chain, but the company has not publicly disclosed its policy for the use of antibiotics in this system. Costco has built its brand on corporate social and environmental responsibility. Customers are particularly loyal and enthusiastic about Kirkland rotisserie chickens. The company's failure to address the risks of antibiotic resistance in its chicken operations and meat products represents a substantial reputational threat.

Regulatory pressure on chicken producers may also increase. Consumer advocates are calling for stricter regulations, mirroring recommendations from the WHO to completely disallow medically important antibiotics for the prevention of disease without diagnosis. Costco faces the threat that it will have to revise its operations significantly if regulations or market forces further restrict the use of medically important antibiotics for routine prevention.

Shareholders urge the company to establish forward-looking policies to avoid preventive use of antibiotics and keep up with peer chicken producers and retail customer demands across the industry.

BE IT RESOLVED: Shareholders request that Costco issue a report annually, at reasonable cost and excluding proprietary information, providing quantitative metrics demonstrating any progress toward phasing out the routine use of medically important antibiotics in the company's private label meat and poultry supply chains.

Reduce Medically Important Antibiotics in Supply Chain

Hormel Foods Corp.

WHEREAS: The World Health Organization (WHO) deems antibiotic resistance one of the top 10 global health threats of 2019.¹ Antibiotic resistance renders life-saving drugs useless; by 2050, the phenomenon could cause an estimated 300 million premature deaths and up to \$100 trillion in global economic damage.²

A major contributor to antibiotic resistance in humans is the misuse and overuse of medically important antibiotics in meat and poultry production. Over 70 percent of medically important antibiotics in the U.S. are sold for use in animal agriculture. Rather than being used only to treat sick animals, these drugs are often deployed for routine uses, such as to prevent disease in crowded, unsanitary farm conditions. When antibiotics are administered to healthy animals, bacteria can adapt and spread to humans.

Recognizing these risks, the FAIRR initiative's \$5 trillion investor network has called on the food companies to minimize the use of medically important antibiotics in global livestock supply chains.

According to Hormel's 2018 10-K, turkey and pork are the major raw materials for its products. On average, turkey and pork are also the two most antibiotic intensive animal proteins (on a milligram of antibiotic per kilogram of livestock basis) in the United States.³

One of the four pillars of Hormel's Antibiotic Stewardship program is "reducing the use of antibiotics", including a claim of reductions in antibiotic use, but Hormel does not currently report quantitative data to demonstrate progress on this pillar to shareholders.⁴ This lack of transparency represents a significant gap for investors concerned about the business risks posed by antibiotic misuse corporate supply chains.

Our company recently faced a lawsuit arguing that the "natural" label on products misleads consumers to believe the animals have been raised without the use of antibiotics, and internal court documents revealed that the animals raised for Hormel's "Natural Choice" products are raised no differently than those for the Spam brand.⁵

Smithfield Foods, Inc., which has received significant pushback for its animal welfare practices, reports annually on antibiotic use within its supply chain. Smithfield reports a reduction in total antibiotic use by nearly fifty percent since 2013.⁶

To demonstrate to shareholders that the Company is adequately addressing the risks associated with the use of medically important antibiotics in its supply chain, it is vital that Hormel increase its disclosures to shareholders.

RESOLVED: Shareholders request that Hormel report annually, at reasonable expense and omitting proprietary information, providing quantitative metrics tracking any measurable progress toward the reduction of medically important antibiotic use in the Company's supply chain.

SUPPORTING STATEMENT: Although we defer to management for the precise contents, investors believe that meaningful disclosure within the report could include:

- Metrics tracking the class of antibiotic used, the purpose for its use, and the quantity administered for different categories of protein sources (swine, turkey, etc.)
- As assessment of alternative production practices utilized to enable the reduction in medically important antibiotic use

1. <https://www.who.int/emergencies/ten-threats-to-global-health-in-2019>

2. <https://amr-review.org/>

3. <https://www.nrdc.org/experts/david-wallinga-md/analysis-high-intensity-antibiotics-us-beef-pork>

4. <https://www.hormelfoods.com/responsibility/animal-care/raising-our-animals/>

5. <https://www.law.com/2019/04/12/hormel-lawsuit-exposes-the-beef-over-natural-labeling/?slreturn=20190403165224>

6. <https://www.smithfieldfoods.com/integrated-report/2017/animal-care/antibiotics-use>

Assess Strategies to Strengthen Supplier Antibiotic Use Standards

Walmart Stores, Inc

A similar resolution is under consideration for the spring at Brinker International Inc. (Chili's)

WHEREAS: The World Health Organization deems antibiotic resistance one of the top 10 global health threats of 2019.¹ Antibiotic resistance renders life-saving drugs useless; by 2050, the phenomenon could cause an estimated 300 million premature deaths and up to \$100 trillion in global economic damage.²

The use of antibiotics in animal agriculture is a major contributor to antibiotic resistance.³ Nearly two-thirds of antibiotics sold for use in the U.S. are used in food animals.⁴ When antibiotics are routinely administered to animals, bacteria can adapt and spread, causing drug-resistant infections in humans.

To reduce risks related to antibiotic resistance, meat producers must reduce the routine use of medically important antibiotics in their supply chains. Allowing routine use, even as a preventive measure, creates a greater potential for creating antibiotic resistant superbugs, increasing Walmart's reputational and legal risk.

Despite the urgent threat of antibiotic resistance, Walmart does not appear to prohibit the routine use of medically important antibiotics by its meat and poultry suppliers. The company's published position on antibiotic use aligns with current legal requirements, but those requirements are widely regarded by consumer health advocates as insufficient to prevent antibiotic resistance in meat products.⁵

Antibiotic resistant bacteria were recently found in certain of Walmart's pork products, leading to significant negative press.⁶ Having "superbugs" in its meat products is a substantial reputational and legal risk for Walmart. Not only will many consumers avoid the store, there is legal liability associated with selling meat products proven to contain superbugs.

Walmart announced in April 2019 that it would establish its own supply chain for Angus beef. Beef represents the largest proportion of antibiotics used in food animals (42 percent).⁷ By sourcing directly from producers, Walmart has a unique opportunity to decrease its risk related to antibiotic resistance in its beef supply.

Other major food companies are beginning to address the urgent antibiotic resistance crisis. McDonald's announced a comprehensive policy in 2018 fully disallowing the use of medically important antibiotics for prevention purposes in beef from the top ten countries from which it sources beef. Whole Foods Market has a strict policy to only carry meat products raised without any antibiotics.⁸ The majority of the top 25 fast food and restaurant chains in the U.S. only serve chicken raised without the routine use of medically important antibiotics.⁹ In contrast, Walmart's policy does not explicitly prevent suppliers from using medically important antibiotics for disease prevention. Without an explicit prohibition, it is likely that its suppliers are routinely administering medically important antibiotics.

BE IT RESOLVED: Shareholders request that Walmart issue a report, prepared at reasonable cost and excluding proprietary information, assessing strategies to strengthen the company's existing supplier antibiotic use standards, such as prohibiting or restricting the routine use of medically important antibiotics by meat and poultry suppliers, and assess the costs and benefits to public health and the company compared to current practice.

1. <https://www.who.int/emergencies/ten-threats-to-global-health-in-2019>

2. <https://amr-review.org/>

3. <https://www.who.int/news-room/detail/07-11-2017-stop-using-antibiotics-in-healthy-animals-to-prevent-the-spread-of-antibiotic-resistance>

4. <https://www.fda.gov/media/133411/download>

5. <https://www.keepantibioticsworking.org/blog/2018/10/10/q34scr6v4d181kgngaxi182zzlyi14>

6. <https://www.newsweek.com/walmart-pork-products-superbugs-resistant-critically-important-antibiotics-1473867>

7. <https://www.fda.gov/animal-veterinary/cvm-updates/fda-releases-annual-summary-report-antimicrobials-sold-or-distributed-2016-use-food-producing>

8. <https://media.wholefoodsmarket.com/news/whole-foods-market-no-antibiotics-in-meat-departments>

9. https://uspirg.org/sites/pirg/files/reports/Chain-Reaction-5/ChainReaction5beefReport_12sm.pdf

Report Quantitative Metrics on Supply Chain Pesticide Use

Kellogg Company

Similar resolutions are under consideration for the spring at Campbell Soup Company, Kroger Co., J. M. Smucker Company (The)

WHEREAS: Pesticide-based agricultural practices are creating growing risk to food companies. Scientists have connected pesticide exposure to cancer, developmental defects, and obesity, among a list of health harms. Consumers are increasingly demanding healthy, pesticide and GMO free foods, and food companies are seeing increased litigation around pesticide use. Pesticide-based farming methods degrade soil health, contributes to erosion, and is a major contributor to the loss of pollinator species essential to food production. Weeds and insects develop resistance to pesticides with associated crop losses of \$1.4 billion per year.

To ensure long-term food supply reliability, it is imperative that food companies begin mitigating these risks. Kellogg does not disclose information on pesticide use practices in its supply chains, nor disclose whether it has set goals for pesticide reduction. While Kellogg reports nearly 100% progress toward “responsible sourcing” for potatoes, fruit, corn, and wheat, the evidence is contrary. Potatoes and many fruits are on a “dirty dozen” list for high pesticide residues; most corn is genetically engineered to be sprayed with pesticides; and wheat is commonly sprayed with glyphosate to dry the crop, frequently leading to pesticide residues on food products. Kellogg ignores that these crops are grown with significant pesticide use, raising the risk of misleading consumers.

Kellogg’s failure to address pesticide use in its supply chains creates legal and reputational risk for the company. In 2018 and 2019, juries in three glyphosate trials hit Bayer with multimillion-dollar awards for causing plaintiffs’ cancer. Consumer advocates have recently called out food companies for glyphosate residues in common food products, including Kellogg’s products; and consumer lawsuits have targeted manufacturers of foods containing such residues.

In a recent report comparing food manufacturers on pesticide risk management, Kellogg scored only 8 out of 30 possible points. In contrast, other major food companies have committed to tracking and reducing pesticide use:

- Sysco has reduced pesticide use by nearly 4.9 million pounds in 2015 and reports on the quantity of pesticides avoided annually.
- General Mills has established a regenerative agriculture initiative for which it will report pesticide use data beginning in 2020.
- Unilever phased out World Health Organization Class 1 pesticides for tea production and intends to phase out Class 2 pesticides by 2020.

BE IT RESOLVED: Shareholders request that the Board disclose at regular intervals, at reasonable expense and omitting proprietary information, available quantitative metrics on pesticide use in the company’s supply chain.

Supporting Statement: While the company has the discretion to determine the precise content of the report, meaningful disclosures would allow investors to assess pesticide use over time.

Reduce Food Waste

Amazon.com, Inc

RESOLVED: Shareholders request that Amazon.com, Inc. issue an annual report, at reasonable cost and omitting proprietary information, on the environmental and social impacts of food waste generated from the company's operations given the significant impact that food waste has on societal risk from climate change and hunger.

Supporting Statement: Shareholders leave the method of disclosure to management's discretion. Shareholders also defer to management on the specific approaches used to mitigate food waste and which parts of Amazon's operations are best to target. Some options we recommend as guidelines include:

- Conducting evaluations to determine the causes, quantities, and destinations of food waste;
- Estimating greenhouse gas (GHG) emissions reductions that could be achieved or amounts of food redistributed to the food insecure if the company reduced the generation of food waste;
- Assessing the feasibility of setting goals to reduce food waste and progress made towards meeting these targets.

Whereas: Despite one in seven U.S. households struggling to afford regular, healthy meals, 40 percent of all food produced in the U.S. is wasted, generating devastating social and environmental consequences. Decomposing food in landfills generates 23 percent of U.S. methane emissions, exacerbating climate change. Wasted food production is responsible for consuming 25 percent of U.S. freshwater, 19 percent of fertilizer, and 18 percent of cropland.

Project Drawdown cited food waste reduction as the third most impactful tactic in reducing global GHG emissions.

According to the U.N. Food and Agriculture Organization, ending food waste would preserve enough food to feed 2 billion people — more than twice the number of undernourished people in the world.

Industry peers such as Hello Fresh, Kroger, Walmart, Wegmans, Ahold USA, and WeisMarkets disclose or have committed to quantitative disclosure of food waste levels, set targets for food waste reduction, and publish information on progress towards these goals. Unfortunately, Amazon has yet to report any company-wide food waste management strategy including context, metrics, and quantitative improvement goals.

Action to reduce food waste is even more imperative for online grocery retailers because they may be more susceptible to high rates of food waste given complex distribution systems and the inability to rely on solutions employed by conventional retailers. Amazon has captured 30% of U.S. online grocery spending, outpacing its peers. Amazon invested heavily in its Amazon Fresh and Amazon Direct online grocery services, and spent \$13.7 billion to acquire Whole Foods, thereby increasing the company's exposure to products with greater rates of food waste and spoilage.

The Sustainability Accounting Standards Board cites food waste management as material to food distributors' operating performance, recommending disclosure of the aggregate amount of food waste generated and the percentage diverted from landfills. Strengthened disclosure of food waste reduction efforts could help Amazon meet its social and environmental goals, combat climate change and hunger, and bolster its brand reputation in a rapidly changing market.

Health

The impact of high U.S. drug prices on public health has once again entered the public spotlight as a major theme in the 2020 presidential election. The U.S. far outpaces the world in the cost of branded medications; research shows that Americans paid over \$344 billion for their medications in 2018, an increase of \$20 billion from 2015. Skyrocketing drug prices hurt not only patients, but present business risks for manufacturers.

ICCR members press global pharmaceutical and healthcare companies to increase the access and affordability of medicines in the U.S. and around the globe. This year, ICCR's members continued their campaigns to rein in drug prices and to address the opioid crisis. They also filed one resolution addressing health concerns around teen vaping and one on allocation of corporate tax savings.

Executive Compensation and Drug Pricing Risks – Feasibility Report

Investors argue that to reward the creation of long-term value, incentive arrangements for senior executives at pharma companies should promote responsible practices, including risk management. Yet, current compensation arrangements at many leading pharma companies are not structured to encourage consideration of the risks created by high drug prices.

ICCR members asked 5 companies, including **AbbVie**, **Biogen** and **Pfizer** to issue reports assessing the feasibility of incorporating public concern over high drug prices into senior executive compensation arrangements.

Health

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Board Oversight – Risks Related to the Opioid Crisis

Opioid abuse is a public health crisis with profound economic and social consequences. According to the CDC, in 2017 opioid abuse caused more than 130 overdose deaths a day in the U.S., up from 91 in 2015. Investor work on the opioid crisis is coordinated by the Investors for Opioid and Pharmaceutical Accountability (IOPA), a diverse coalition of global institutional investors with 54 members representing \$3.5 trillion in AUM.

Investors asked **Walmart** and **Johnson & Johnson** to report on the governance measures they have implemented to more effectively monitor and manage financial and reputational risks related to the opioid crisis, including how incentive compensation for senior executives is determined, and how the board obtains input regarding opioids from stakeholders. **Walgreens** was additionally asked to report on how its board oversees its opioid-related programs.



"Higher prescription drug costs negatively impact consumers and their health outcomes and contribute to higher healthcare system costs through unnecessary hospitalizations, emergency services and physician visits.

A 2017 Credit Suisse analyst report stated that "US drug price rises contributed 100% of industry EPS growth in 2016" and characterized that fact as "the most important issue for a Pharma investor today." In response, ICCR shareholders are in their third year of a campaign asking companies to 1) explain how risks related to the public's concern of drug pricing are integrated into the companies' senior executive incentive compensation arrangements or 2) report on how the company assesses the feasibility of incorporating public concern over high drug prices into senior executive compensation.

As investors, ICCR members recognize that the pharmaceutical industry plays a vital role in ensuring healthy and productive societies through the prevention or treatment of some of the most debilitating diseases. Yet, we see the reliance on drug price hikes as a primary revenue or growth strategy as an unsustainable business practice. A recent letter from BlackRock's Chair and CEO states that "a company cannot achieve long-term profits without embracing purpose and considering the needs of a broad range of stakeholders". Companies that consistently raise prices without fully considering the risks to public health may maximize returns in the short term, but will face serious business challenges over the long-term. The convergence of increasing public concern and political commitment to address this issue presents grave reputational, financial, and regulatory risks to the industry."

Donna Meyer, PhD., Director of Shareholder Advocacy - Mercy Investment Services, Inc.

Senior Executive Incentives – Integrate Drug Pricing Risk

As public outrage over high drug prices continues to grow, investors see excessive dependence on drug price increases for revenue growth as a risky and ultimately unsustainable strategy, especially when those same price hikes are used to justify large senior executive payouts.

Investors asked **Merck, Johnson & Johnson** and **Vertex Pharmaceuticals** to report annually on the extent to which risks related to public concern over drug pricing strategies are integrated into their incentive compensation policies, plans and programs for senior executives.

Discourage Nicotine Use Among Youth

The CDC has found that one in five high schoolers used e-cigarettes in 2019. The significant and sudden rise in vaping and vaping-related illnesses threatens to roll back hard-won gains in curbing underage tobacco use. In December, Altria took a 35% stake in vaping manufacturer Juul.

Shareholders asked the **Altria** board to review its adherence to company principles aimed at discouraging the use of their nicotine products among young people, and assess their effectiveness.



Senior Executive Incentives - Integrate Drug Pricing Risk Johnson & Johnson

RESOLVED, that shareholders of Johnson & Johnson ("JNJ") urge the Compensation and Benefits Committee (the "Committee") to report annually to shareholders on the extent to which risks related to public concern over drug pricing strategies are integrated into JNJ's incentive compensation policies, plans and programs for senior executives. The report should include discussion of whether (i) incentive compensation arrangements reward, or not penalize, senior executives for adopting pricing strategies, or making and honoring commitments about pricing, that incorporate public concern regarding the level or rate of increase in prescription drug prices; and (ii) external pricing pressures are considered when setting targets for financial metrics.

Supporting Statement: As long-term investors, we believe that senior executive incentive compensation arrangements should reward the creation of sustainable long-term value. To that end, it is important that those arrangements align with company strategy and encourage responsible risk management.

A key risk facing pharmaceutical companies is backlash against high drug prices. Public outrage over high prices and their impact on patient access may force price rollbacks, prompt legislative/regulatory changes and harm corporate reputation. In 2018, the White House released a 'Blueprint to Lower Drug Prices'; more recently, the bipartisan Prescription Drug Pricing Reduction Act and the Lower Drug Costs Now Act have advanced, each of which includes substantial reforms. Drug prices are also a high-profile issue in the presidential primary campaign.

We applaud JNJ improving transparency on drug pricing and supporting alternative pricing approaches. We are concerned, however, that the incentive compensation arrangements for JNJ's senior executives may not encourage senior executives to pursue JNJ's best long-term financial interests.

JNJ uses operational sales growth and adjusted operational earnings per share (EPS) growth as metrics for the annual bonus, and operational sales and cumulative adjusted operational EPS for performance share unit awards (2019 Proxy Statement, at 9, 59). Increasing revenues by raising prices can boost sales and earnings in the short-term, encouraging executives to support price rises, despite the long-term risk this poses. A 2018 Credit Suisse analyst report identified JNJ as at significant risk from certain proposals in the Blueprint and placed it in the bottom third on "overall resistance to emerging pressures." A 2019 Credit Suisse ranked JNJ among the three major pharmaceutical companies most adversely exposed to the legislative reforms in discussion in Congress and the White House.

Excessive dependence on drug price increases is a risky and unsustainable strategy, especially when price hikes drive large senior executive payouts.

The disclosure we request would allow shareholders to better assess the extent to which compensation arrangements encourage senior executives to responsibly manage risks relating to drug pricing and contribute to long-term value creation in line with the company's stated credo to "maintain reasonable prices," "bear our fair share of taxes," and "put the needs and well-being of the people we serve first."

Senior Executive Incentives - Integrate Drug Pricing Risk

Merck & Co., Inc.

RESOLVED, that shareholders of Merck & Co., Inc. (“Merck”) urge the Compensation and Benefits Committee to report annually to shareholders on the extent to which risks related to public concern over drug pricing strategies are integrated into Merck’s incentive compensation policies, plans and programs (“arrangements”) for senior executives. The report should include, but need not be limited to, discussion of whether (i) incentive compensation arrangements reward, or not penalize, senior executives for adopting pricing strategies, or making and honoring commitments about pricing, that incorporate public concern regarding prescription drug prices; and (ii) such concern is considered when setting financial targets for incentive compensation arrangements.

Supporting Statement: As long-term investors, we believe that senior executive incentive compensation arrangements should reward the creation of sustainable value. To that end, it is important that those arrangements align with company strategy and encourage responsible risk management.

We are concerned that the incentive compensation arrangements applicable to Merck’s senior executives may discourage them from taking actions that lower short-term financial performance even when those actions may be in Merck’s best long-term interests. Merck has committed to limit average price increases of its drugs to no more than the rate of inflation (<https://www.marketwatch.com/story/merck-to-lower-price-of-hep-c-treatment-zepatier-by-60-commits-to-responsible-pricing-2018-07-19>), but incentive compensation arrangements may be inconsistent with that commitment.

Merck uses revenue and pre-tax income as metrics for the annual bonus, and earnings per share (EPS) is a metric for performance share units granted after January 1, 2018. (2019 Proxy Statement, at 46, 54) A 2017 Credit Suisse analyst report identified Merck as a company where U.S. net price increases accounted for at least 100% of 2016 net income growth. (Global Pharma and Biotech Sector Review: Exploring Future US Pricing Pressure, Apr. 18, 2017, at 22)

A key risk facing pharmaceutical companies is backlash against high drug prices. Public outrage over high prices and their impact on patient access may force price rollbacks, prompt legislative/regulatory changes and harm corporate reputation. In 2018, the White House released a ‘Blueprint to Lower Drug Prices’; more recently, the bipartisan Prescription Drug Pricing Reduction Act and the Lower Drug Costs Now Act, which include substantial reforms have advanced. Drug prices are a significant issue in the presidential primary campaign.

Incentives may have societal implications, as one critic of high pay for healthcare executives has noted: “[I]f the most influential executives of these companies are being paid to keep that [cost] trajectory up, that’s money that’s being taken away from education or infrastructure or other parts of the economy that may not be growing as quickly, and maybe that we’d want to grow more quickly.” (<https://www.npr.org/sections/health-shots/2017/07/26/539518682/as-cost-of-u-s-health-care-skyrockets-so-does-pay-of-health-care-ceos>)

The disclosure we request would allow shareholders to better assess the extent to which compensation arrangements encourage senior executives to responsibly manage drug pricing risks and contribute to long-term value creation. For example, it would be useful for investors to know whether incentive compensation target amounts reflect consideration of pricing pressures.

We urge shareholders to vote for this Proposal.

Senior Executive Incentives - Integrate Drug Pricing Risks

Vertex Pharmaceuticals Incorporated

RESOLVED, that shareholders of Vertex Pharmaceuticals Inc. (“Vertex”) urge the Management Development and Compensation Committee (the “Committee”) to report annually to shareholders on the extent to which risks related to public concern over drug pricing strategies are integrated into Vertex’s incentive compensation policies, plans and programs (together, “arrangements”) for senior executives. The report should include, but need not be limited to, discussion of whether (i) incentive compensation arrangements reward, or not penalize, senior executives for adopting pricing strategies, or making and honoring commitments about pricing, that incorporate public concern regarding prescription drug prices; and (ii) such concern is taken into account when setting financial targets for incentive compensation arrangements.

Supporting Statement: As long-term investors, we believe that senior executive incentive compensation arrangements should reward the creation of sustainable long-term value. To that end, it is important that those arrangements align with company strategy and encourage responsible risk management.

A key risk facing drug companies is increased criticism from the public and actions that legislators and regulators are taking regarding pharmaceutical prices. The White House released a “Blueprint” for lowering drug prices in May 2018. As of September 2019, 33 states have enacted a record 51 laws to address drug prices, affordability and access.¹ An October 2019 Kaiser Family Foundation poll found that “large majorities of the public favor various policy options aimed at lowering the cost of prescription drugs, including over eight in ten who favor allowing the federal government negotiate with drug manufacturers.”²

In its 2019 annual report, Vertex cites as a risk factor the dependence of future revenues on the “ability to obtain adequate reimbursement for our products” and the absence of “pricing limitations.” (Annual Report on Form 10-K at p. 20) Vertex’ new cystic fibrosis (CF) drug, Trikafta could, analysts say, push the Company’s CF drug sales to over \$8 billion,³ but the Institute for Clinical and Economic Review has opined that the prices for Vertex’s other CF drugs would need to be reduced by 71-77% to be cost-effective.⁴ In October 2019, Vertex agreed to lower reimbursement than it had originally sought from England’s National Health Service for three drugs.⁵

We are concerned that the incentive compensation arrangements applicable to Vertex’s senior executives may not encourage them to take actions that result in lower short-term financial performance even when those actions may be in Vertex’s best long-term financial interests. Vesting for half of the performance share units Vertex’s named executive officers can earn depends on one-year net CF product revenue goals, and for 2018, revenue growth for Vertex’s CF drugs was the most heavily weighted factor in the quantitative portion of the annual bonus formula. (2019 Proxy Statement, at 53-55)

The disclosure we request would allow shareholders to better assess the extent to which compensation arrangements encourage senior executives to responsibly manage risks relating to drug pricing and contribute to long-term value creation. We urge shareholders to vote for this Proposal.

1. <https://khn.org/news/states-pass-record-number-of-laws-to-reel-in-drug-prices/>

2. <https://www.kff.org/health-reform/poll-finding/kff-health-tracking-poll-october-2019/>

3. <https://www.statnews.com/2019/10/23/we-conquered-a-disease-how-vertex-delivered-a-transformative-medicine-for-cystic-fibrosis/>

4. <https://www.biopharmadive.com/news/icer-vertex-cystic-fibrosis-drugs-expensive/522962/>

5. <https://www.bbc.com/news/health-50144742>

Executive Compensation and Drug Pricing Risks—Feasibility Report

Amgen Inc.

Similar resolutions have been submitted to AbbVie, Biogen, Inc., and Pfizer, Inc.

RESOLVED: Amgen Inc. (“Amgen”) shareholders request that the Compensation and Management Development Committee of the board of directors (the “Committee”) publish a report (at reasonable expense, within a reasonable time, and omitting confidential or propriety information) assessing the feasibility of incorporating public concern over high drug prices into the senior executive compensation arrangements described in Amgen’s annual proxy materials.

Supporting Statement

To reward the creation of long-term value, incentive compensation arrangements for senior executives of branded pharmaceutical companies should promote responsible risk management. A key strategic risk now facing pharmaceutical firms is backlash against the high price of medicines. The effects of high drug prices on patient access, government payer budgets and the broader health care system have kept drug prices in the public spotlight, especially as campaigning for 2020 presidential and congressional elections intensifies.

A 2019 Credit Suisse analyst report stated that US drug price increases contributed 33% of industry net income growth in 2018 and noted “strong political pressure to reduce absolute drug prices.” (Global Pharmaceuticals, “Future of US Drug Rebates Under Review,” Apr. 29, 2019, at 4) In 2019, hearings on rising prescription drug prices were held by the House Committee on Oversight and Reform¹, which is investigating the actions of 12 companies, including Amgen; Senate Aging Committee²; Senate Judiciary Committee³; Senate Finance Committee⁴; and the House Committee on Energy and Commerce⁵. A recent study by the Institute for Clinical and Economic Review (ICER) found that price hikes on Amgen’s Neulasta between 2016 and 2018, which imposed an additional \$489 million in drug costs, were “unsupported by new clinical evidence.” (ICER, “Unsupported Price Increase Report 2019 Assessment,” at 17-18)

We are concerned that Amgen’s senior executive incentive compensation arrangements may not encourage consideration of risks created by high prices. Sixty percent of the annual bonus payout is based on revenue and net income. Earnings per share (EPS) growth is a metric used to determine payout on long-term performance units. (2019 Proxy Statement, at 36, 39-40) Income/EPS and especially revenue are sensitive to price increases. In 2016, price increases accounted for at least 100% of Amgen’s EPS growth, according to Credit Suisse. Dependence on drug price increases create significant risks, which may be exacerbated when price hikes drive large senior executive payouts.

Accordingly, we believe it is advisable for the Committee to explore incorporating measures that relate to the financial and strategic risks created by high drug prices into senior executive compensation arrangements. This Proposal gives the Committee total discretion in selecting potential measures and in analyzing the feasibility of incorporating them. By way of illustration, though, such measures could reward executives for increasing access or limit the extent to which price increases can be used to meet revenue and income targets.

We urge shareholders to vote for this Proposal.

1. <https://oversight.house.gov/legislation/hearings/examining-the-actions-of-drug-companies-in-raising-prescription-drug-prices>

2. <https://www.aging.senate.gov/hearings/the-complex-web-of-prescription-drug-prices-part-i-patients-struggling-with-rising-costs>

3. <https://www.judiciary.senate.gov/meetings/intellectual-property-and-the-price-of-prescription-drugs-balancing-innovation-and-competition>

4. <https://www.finance.senate.gov/hearings/drug-pricing-in-america-a-prescription-for-change-part-ii>

5. <https://energycommerce.house.gov/committee-activity/hearings/hearing-on-lowering-prescription-drug-prices-deconstructing-the-drug>

Executive Compensation and Drug Pricing Risks—Feasibility Report

Eli Lilly and Company

RESOLVED: Eli Lilly and Company (“Lilly”) shareholders request that the Compensation Committee of the board of directors (the “Committee”) publish a report (at reasonable expense, within a reasonable time, and omitting confidential or proprietary information) assessing the feasibility of incorporating public concern over high drug prices into the senior executive compensation arrangements described in Lilly’s annual proxy materials.

Supporting Statement

To reward the creation of long-term value, incentive compensation arrangements for senior executives of pharmaceutical companies should promote responsible risk management. A key strategic risk now facing pharmaceutical firms is backlash against the high price of medicines. The effects of high drug prices on patient access, government payer budgets and the broader health care system have kept drug prices in the public spotlight, especially as campaigning for 2020 presidential and congressional elections intensifies. A 2019 Credit Suisse analyst report stated that US drug price rises contributed 33% of industry net income growth in 2018 and noted “strong political pressure to reduce absolute drug prices.” (Global Pharmaceuticals, “Future of US Drug Rebates Under Review,” Apr. 29, 2019, at 4)

Lilly has faced intense scrutiny over pricing of its insulin: The Senate Finance Committee launched an investigation in early 2019, requesting extensive information on pricing, marketing costs and research and development¹, and Attorneys General from eight states and the District of Columbia have formally or informally sought information from Lilly about insulin pricing². Media reports regularly highlight increases in the cost of Lilly’s Humalog alongside stories of patients rationing or going without insulin due to cost³.

We are concerned that Lilly’s senior executive incentive compensation arrangements may not encourage consideration of risks created by high prices. For example, Lilly uses revenue and earnings per share (EPS) as metrics for the annual bonus, and EPS growth as the metric for performance awards. (2019 Proxy Statement, at 43-46) Income/EPS and especially revenue are sensitive to price increases: In 2016, price increases accounted for at least 100% of Lilly’s EPS growth, according to Credit Suisse. (Global Pharma and Biotech Sector Review: Exploring Future US Pricing Pressure, Apr. 18, 2017, at 1) Dependence on drug price increases create significant risks, which may be exacerbated when price hikes drive large senior executive payouts.

Accordingly, we believe it is advisable for the Committee to explore incorporating measures that relate to the financial and strategic risks created by high drug prices into senior executive compensation arrangements. This Proposal gives the Committee total discretion in selecting potential measures and in analyzing the feasibility of incorporating them. By way of illustration, though, such measures could reward executives for increasing access or limit the extent to which price increases can be used to meet revenue and income targets.

We urge shareholders to vote for this Proposal.

1. See [https://www.finance.senate.gov/imo/media/doc/2019-02-22%20CEG%20RW%20to%20Eli%20Lilly%20\(Insulin%20Prices\).pdf](https://www.finance.senate.gov/imo/media/doc/2019-02-22%20CEG%20RW%20to%20Eli%20Lilly%20(Insulin%20Prices).pdf)

2. <https://www.cnn.com/2019/08/02/eli-lilly-subpoenaed-by-new-yorks-ag-over-insulin-prices.html>

3. See, e.g., <https://www.desmoinesregister.com/story/opinion/editorials/2019/01/31/high-price-insulin-killing-americans-diabetes/2695313002/>; <https://www.washingtonpost.com/news/magazine/wp/2019/01/07/feature/insulin-is-a-lifesaving-drug-but-it-has-become-intolerably-expensive-and-the-consequences-can-be-tragic/>

Establish Deferral Period for Senior Executive Bonuses

Johnson & Johnson

Similar resolutions were submitted to CVS Health Corp and Gilead Sciences, Inc.

RESOLVED that shareholders of Johnson & Johnson (“JNJ”) urge the Compensation & Benefits Committee (the “Committee”) of the board to change any annual cash incentive program (“Bonus Program”) to provide that an award (a “Bonus”) to a senior executive that is based on one or more financial measurements (a “Financial Metric”) whose performance measurement period (“PMP”) is one year or shorter shall not be paid in full for a period (the “Deferral Period”) following the award, including developing a methodology for determining the length of the Deferral Period and adjusting the remainder of the Bonus over the Deferral Period.

The methodology referenced above should allow accurate assessment of risks taken during the PMP that could have affected performance on the Financial Metric(s) and facilitate JNJ’s recoupment of Bonus compensation pursuant to its recoupment policy.

The changes should be implemented in a way that does not violate any existing contractual obligation or the terms of any compensation or benefit plan currently in effect.

Supporting Statement: As long-term shareholders, we support compensation policies that align senior executives’ incentives with the company’s long-term success. We are concerned that short-term incentive plans can encourage senior executives to take on excessive risk.

In our view, the opioid crisis reflects overly risky behavior by companies in the supply chain, including manufacturers such as JNJ. In August 2019, an Oklahoma judge ruled that JNJ subsidiary Janssen engaged in “false, deceptive and misleading” marketing regarding opioids that contributed to the opioid crisis in Oklahoma, which constituted a “public nuisance,” and awarded the state of Oklahoma \$572 million.¹ JNJ has also been dogged by compliance failures related to off-label promotion, kickbacks and foreign bribery.²

To foster a longer-term orientation, this proposal asks that the Committee develop a methodology for withholding some portion of Bonuses to allow adjustment of the unpaid portion during the Deferral Period. The Committee would have discretion to set the terms and mechanics of this process.

Bonus deferral is widely used in the banking industry, where overly risky behavior was widely viewed as contributing to the financial crisis. In 2009, the Financial Stability Board (“FSB”), which coordinates national financial authorities in developing strong financial sector policies, adopted Principles for Sound Compensation Practices and implementation standards for those principles, including bonus deferral. Deferral is “particularly important” because it allows “late-arriving information about risk-taking and outcomes” to alter payouts and reduces the need to claw back compensation already paid out, which may “fac[e] legal barriers,” in the event of misconduct. Banking supervisors in 16 jurisdictions, including the US, have requirements or expectations regarding bonus deferral. (<https://www.fsb.org/wp-content/uploads/P170619-1.pdf>)

We urge shareholders to vote FOR this proposal.

1. See <https://fm.cnbc.com/applications/cnbc.com/resources/editorialfiles/2019/8/26/1044673351-20190826-151346-.pdf>.

2. E.g., <https://www.justice.gov/opa/pr/johnson-johnson-pay-more-22-billion-resolve-criminal-and-civil-investigations>; <https://www.sec.gov/litigation/litreleases/2011/lr21922.htm>

Establish Deferral Period for Senior Executive Bonuses

Walgreens Boots Alliance

RESOLVED that shareholders of Walgreens Boots Alliance Inc. ("Walgreens") urge the Compensation Committee (the "Committee") to make the following changes to any annual cash incentive program ("Bonus Program"), as applicable to senior executives, in order to promote a longer-term perspective:

1. An award to a senior executive under a Bonus Program ("Bonus") that is based on one or more financial measurements (a "Financial Metric") whose performance measurement period ("PMP") is one year or shorter shall not be paid in full for a period (the "Deferral Period") following the award; and
2. The Committee shall develop a methodology for
 - a. determining the length of the Deferral Period and what proportion of a Bonus should be paid immediately,
 - b. adjusting the remainder of the Bonus over the Deferral Period in a manner that
 - i. allows accurate assessment of risks taken during the PMP that could have affected performance on the Financial Metric(s) and
 - ii. allows Walgreens to recoup Bonus compensation pursuant to its clawback policy; and
 - c. paying out the remainder of the Bonus at the end of the Deferral Period.

The changes should be implemented in a way that does not violate any existing contractual obligation or the terms of any compensation or benefit plan currently in effect.

SUPPORTING STATEMENT

As long-term shareholders, we support compensation policies that align senior executives' incentives with the company's long-term success. We are concerned that short-term incentive plans can encourage senior executives to take on excessive risk.

In our view, the opioid crisis reflects overly risky behavior by companies in the supply chain, including retailers such as Walgreens. That behavior has led to costly litigation, as well as civil and criminal enforcement actions, with potential financial and reputational consequences. Walgreens is a defendant in the multi-district opioid litigation in Ohio.

To foster a longer-term orientation, this proposal asks that the Committee develop a methodology for withholding some portion of Bonuses to allow adjustment of the unpaid portion during the Deferral Period both to allow more accurate assessment of the risks taken during the PMP and to facilitate recoupment pursuant to Walgreens' clawback policy. The Committee would have discretion to set the terms and mechanics of this process.

Bonus deferral is widely used in the banking industry, where overly risky behavior generating short-term profits but longer-term losses was widely viewed as contributing to the financial crisis. In 2009, the Financial Stability Board ("FSB"), which coordinates national financial authorities in developing strong financial sector policies, adopted Principles for Sound Compensation Practices and implementation standards for those principles, including bonus deferral. Deferral is "particularly important" because it allows "late-arriving information about risk-taking and outcomes" to alter payouts and reduces the need to claw back compensation already paid out, which may "fac[e] legal barriers," in the event of misconduct. Banking supervisors in 16 jurisdictions, including the US, have requirements or expectations regarding bonus deferral.

(<https://www.fsb.org/wp-content/uploads/P170619-1.pdf>) We urge shareholders to vote FOR this proposal.

Board Oversight - Risks Related to the Opioid Crisis

Walgreens Boots Alliance

RESOLVED, that shareholders of Walgreens Boots Alliance Inc. ("Walgreens") urge the Board of Directors ("Board") to report to shareholders by June 30, 2020 describing the corporate governance changes Walgreens has implemented since 2012 to more effectively monitor and manage financial and reputational risks related to the opioid crisis, including whether and how the Board oversees Walgreens' opioid-related programs and AmerisourceBergen's opioid-related risks, and whether and how Walgreens has changed senior executive incentive compensation arrangements.

The report should be prepared at reasonable cost and should omit confidential and proprietary information.

SUPPORTING STATEMENT: A resolution much like this one received a majority vote of 60.53% at the 2018 Walgreens annual meeting. Opioid abuse continues to be a public health crisis: The Centers for Disease Control and Prevention reported that opioid abuse caused more than 47,000 U.S. deaths in 2017. The economic and social effects of the crisis are profound. A recent report pegged the cumulative economic toll of the opioid epidemic at over \$1 trillion. Walgreens' 2018 corporate social responsibility (CSR) report characterizes prescription drug abuse as a material, "higher priority" CSR issue for the company. (<https://www.walgreensbootsalliance.com/content/1110/files/Walgreens-Boots-Alliance-2018-Corporate-Social-Responsibility-Report.pdf>, at 11-12)

Walgreens has repeatedly come under fire for irresponsible opioid dispensing and distribution. In 2013, Walgreens paid a record civil penalty to settle claims that it committed an "unprecedented number" of federal Controlled Substances Act violations by failing to report suspicious orders, maintaining inadequate controls against diversion and dispensing opioids despite red flags. (<https://www.justice.gov/usao-sdfl/pr/walgreens-agrees-pay-record-settlement-80-million-civil-penalties-under-controlled>)

Walgreens is a defendant in the Ohio multidistrict opioid litigation. The states of Delaware, Kentucky and Florida, the Cities of New York and Miami and the Cherokee Nation have also sued Walgreens for improperly dispensing opioids. (The Kentucky lawsuit contends that Walgreens also acted as a wholesale distributor in that state.) In March 2018, the Drug Enforcement Administration conducted an administrative inspection of a California Walgreens pharmacy that had unusually large opioid purchases and an "unexplained loss" of 8,000 hydrocodone tablets. (<https://www.revealnews.org/article/this-walgreens-gets-5-times-us-average-of-oxycodone-the-dea-is-asking-why/>; <https://www.documentcloud.org/documents/4452667-Return-Accounting-for-Items-Seized.html>)

Walgreens owns 26% of distributor AmerisourceBergen, which faces significant financial and reputational consequences for its role in the opioid epidemic, and the two companies have talked about combining. (<https://www.cnbc.com/2018/02/27/walgreens-and-amerisourcebergen-deal-talks-of-cooled-.html>; https://www.washingtonpost.com/national/drug-executives-to-testify-before-congress-about-their-role-in-us-opioid-crisis/2018/04/12/89e7ccf2-3db6-11e8-974f-aacd97698cef_story.html?utm_term=.5670fdc325f6)

In our view, corporate governance can play an important role in effectively addressing opioid-related risks and we think shareholders would benefit from a fuller understanding of how Walgreens' governance has changed since 2012 to serve that function. For example, Walgreens' most recent proxy statement asserts that individual performance is considered in determining salary and annual incentive awards but does not indicate whether any opioid-related objectives, such as promoting ethical conduct, are part of that assessment. Walgreens' 2018 CSR report does not indicate whether the Board's Nominating and Governance Committee actively oversees opioid-related initiatives or anti-diversion efforts, stating only that the committee "reviews, at least annually, [Walgreens'] policies and activities regarding sustainability and CSR and assesses our management of risks in those areas." (CSR Report, at 8).

We urge shareholders to vote for this proposal.

Board Oversight - Risks Related to the Opioid Crisis

Johnson & Johnson

RESOLVED, that shareholders of Johnson & Johnson (“JNJ”) urge the Board of Directors (the “Board”) to report to shareholders describing the governance measures JNJ has implemented since 2012 to more effectively monitor and manage financial and reputational risks related to the opioid crisis, given JNJ’s sale of opioid medications, including whether increased centralization of JNJ’s corporate functions provides stronger oversight of such risks and any changes in how the Board oversees opioid-related matters, how incentive compensation for senior executives is determined, and how the Board obtains input regarding opioids from stakeholders.

The report should be prepared at reasonable cost and should omit confidential and proprietary information.

Supporting Statement:

Opioid abuse is undeniably a public health crisis. The Centers for Disease Control and Prevention reported that in 2017, opioid abuse caused an average of over 130 overdose deaths per day. The economic and social effects of the opioid crisis have been profound. A recent report pegged the cumulative economic toll of the opioid epidemic at over \$1 trillion.¹ Opioid use and dependency, according to a 2017 study, is a key factor in the decline in prime-age male labor force participation.²

Sale of opioid medications creates legal and reputational risks for JNJ. JNJ recently received a grand jury subpoena from a New York U.S. Attorney’s Office related to the sale of opioids made by subsidiary Janssen.³ In August 2019, an Oklahoma judge ruled that Janssen engaged in “false, deceptive and misleading” marketing regarding opioids that contributed to the opioid crisis in Oklahoma, which constituted a “public nuisance,” and awarded the state of Oklahoma \$572 million.⁴ JNJ has offered to pay \$4 billion to settle over 2,000 lawsuits by state and local governments claiming that JNJ’s marketing of opioid drugs, as well as its sale of opioid active ingredients to other drug makers, contributed to the opioid crisis.⁵

In our view, Board-level oversight and governance reforms can play an important role in effectively addressing opioid-related risks and shareholders would benefit from a fuller understanding of how JNJ’s governance arrangements have changed since 2012 to do so more effectively.

For example, reports indicate that JNJ has begun centralizing its famously decentralized corporate structure, including the compliance function,⁶ which could be expected to affect Board oversight of risks related to opioids. As well, it is not clear from JNJ’s proxy statements whether senior executive compensation incentives have changed to promote compliance or ethical behavior.

We urge shareholders to vote for this proposal.

1. <https://altarum.org/about/news-and-events/economic-toll-of-opioid-crisis-in-u-s-exceeded-1-trillion-since-2001>

2. https://www.brookings.edu/wp-content/uploads/2017/09/1_krueger.pdf

3. <https://www.reuters.com/article/us-johnson-johnson-opioid-probe/justice-department-issues-grand-jury-subpoenas-in-jj-opioid-probe-filing-idUSKBN1X72CB>

4. See <https://fm.cnn.com/applications/cnn.com/resources/editorialfiles/2019/8/26/1044673351-20190826-151346-.pdf>.

5. <https://www.wsj.com/articles/j-j-offers-4-billion-opioid-litigation-settlement-11571247596>

6. See <https://fortune.com/longform/johnson-and-johnson-global-500/>

Board Oversight - Risks Related to the Opioid Crisis

Walmart Stores, Inc.

RESOLVED, that shareholders of Walmart Inc. (“Walmart”) urge the Board of Directors (the “Board”) to report to shareholders describing the governance measures Walmart has implemented since 2012 to more effectively monitor and manage financial and reputational risks related to the opioid crisis, including any changes in how the Board oversees opioid-related matters, how incentive compensation for senior executives is determined, and how the Board obtains input regarding opioids from stakeholders.

The report should be prepared at reasonable cost and should omit confidential and proprietary information.

SUPPORTING STATEMENT

Opioid abuse is undeniably a public health crisis. The Centers for Disease Control and Prevention reported that in 2017, opioid abuse caused an average of over 130 overdose deaths per day. The economic and social effects of the opioid crisis have been profound. A recent report pegged the cumulative economic toll of the opioid epidemic at over \$1 trillion.¹ Opioid use and dependency, according to a 2017 study, is a key factor in the decline in prime-age male labor force participation.²

Sale of opioid medications creates legal and reputational risks for Walmart. Walmart is a defendant in the multidistrict National Prescription Opiate Litigation, accused of failing to adequately train employees or monitor suspicious orders of prescription opioids.

Walmart’s “Opioid Stewardship Initiative”³ describes steps Walmart is taking at the pharmacy level, including requiring e-prescriptions for controlled substances, limiting initial acute opioid prescriptions to seven days, facilitating disposal of unused opioids, and in the public policy arena, but does not address governance changes. In our view, Board-level oversight and governance reforms can play an important role in effectively addressing opioid-related risks and shareholders would benefit from a fuller understanding of how Walmart’s governance arrangements have changed since 2012 to do so more effectively.

For example, none of Walmart’s board committee charters establishes responsibility for overseeing opioid-related risks. As well, it is not clear from Walmart’s proxy statements whether senior executive compensation “ethics and compliance” metrics include goals related to opioids or controlled substances. In our view, the information requested in this proposal would enable shareholders to better understand Walmart’s governance response to the opioid crisis and opioid-related risks.

We urge shareholders to vote for this proposal.

1. <https://altarum.org/about/news-and-events/economic-toll-of-opioid-crisis-in-u-s-exceeded-1-trillion-since-2001>

2. https://www.brookings.edu/wp-content/uploads/2017/09/1_krueger.pdf

3. https://corporate.walmart.com/media-library/document/opioid-fact-sheet/_proxyDocument?id=00000163-3abc-ded8-ab7f-3ffe314e0000

Report on Allocation of Corporate Tax Savings

Merck & Co., Inc.

RESOLVED, that shareholders request the board of directors of Merck & Co., Inc. (“Merck” or the “Company”) to issue a report, prepared at a reasonable cost and omitting proprietary information, describing how the company plans to allocate tax savings that result from the Tax Cuts and Jobs Act (“TCJA”).

Supporting Statement: The TCJA reduced the corporate tax rate from 35 to 21%, and transformed the provisions requiring companies pay taxes on money earned abroad. These changes helped reduce federal corporate income tax collections by nearly \$100 billion, representing more than a 30% decline.¹ One of the overarching goals of the legislation was to boost companies’ long-term investment in the American economy. While still early, there has been no discernible boost in capital formation since the tax reform.² Without more detailed information, investors cannot tell whether a company’s strategy on how to allocate its tax savings aligns with long-term value creation.

We believe this information is important for investors. BlackRock CEO Larry Fink recently stated: “Companies have not been explicit enough about their long-term strategies. In the United States, for example, companies should explain to investors how the significant changes to tax law fit into their long-term strategy. What will you do with increased after-tax cash flow, and how will you use it to create long-term value? This is a particularly critical moment for companies to explain their long-term plans to investors.”

Merck received an estimated \$1.2 billion in tax savings in 2018 from two provisions of the TCJA. Through 2025, the Company will receive an estimated \$6.9 billion tax cut on previously un-taxed offshore profits.³

Merck has an opportunity to strengthen its longer-term value creation by investing in workers, benefits, jobs, communities, capital investments, and R&D. Yet, in contrast to dozens of companies which have shared how they will spend the tax savings to create long-term value,⁴ Merck has not done so adequately. Without any specificity or discussion of these investments, investors cannot understand how the tax law affects the Company’s long-term strategy to create value.

When polled, 52% of Americans thought the tax savings should go towards worker pay, new jobs, and giving back to communities. Passing savings onto shareholders ranked as the lowest priority.⁵

Merck more than doubled its share repurchases from \$4 billion in 2017 to \$9 billion last year. The Company increased its property plant and equipment by just 3%, and its R&D dropped \$456 million in 2018.⁶ All told, Merck was reported to have allocated 81% of its tax cuts to shareholders.⁷ These practices suggest the Company is not prioritizing long-term value creation.

We urge shareholders to vote for this Proposal.

1. See <https://www.cbo.gov/publication/54647>

2. See <https://www.aei.org/economics/dont-give-up-on-the-tax-cuts-and-jobs-act-just-yet/>

3. See <https://www.oxfamamerica.org/explore/research-publications/hazardous-your-health/>

4. See <https://www.businessinsider.com/fedex-boeing-jpmorgan-chase-tax-savings-just-capital-2018-3>

5. See <https://justcapital.com/reports/the-just-capital-rankings-on-corporate-tax-reform/>

6. See Oxfam analysis of Company’s end-of-year 10-K financial statements filed at the Securities and Exchange Commission (SEC).

7. See <https://justcapital.com/reports/the-just-capital-rankings-on-corporate-tax-reform/>

Discouraging Nicotine Use Among Youth

Altria Group, Inc.

Whereas:

Altria has undertaken efforts in the United States to discourage smoking by minors and provides examples on its website.

The company notes on its website that “The significant rise in youth use of e-vapor threatens to undermine the hard-fought gains made in preventing underage use of conventional tobacco products” <http://www.altria.com/harm-reduction/Helping-Reduce-Underage-Tobacco-Use/Pages/default.aspx>

In December 2018 Altria announced it invested \$12.8 billion in Juul, taking a 35% stake in the company. Altria said that it would allow Juul products to be sold alongside Marlboro and that it “will apply its logistics and distribution experience to help Juul expand its reach and efficiency and Juul will have the option to be supported by Altria’s sales organization, which covers approximately 230,000 retail locations.” JUUL currently commands three-quarters of the e-cigarette market.

Altria shares fell as much as 2.7% after Dow Jones reported the FTC is investigating the marketing practices of Juul Labs. https://www.bloomberg.com/amp/news/articles/2019-08-29/altria-falls-after-dow-jones-reports-ftc-investigation-of-juul-jzwwyspr?__twitter_impression=true

Data from the Centers for Disease Control and Prevention’s National Youth Tobacco Survey shows that 78.2% of middle and high school students had been exposed to e-cigarette advertising, and one in five high schoolers used e-cigarettes in 2018. Preliminary 2019 survey data indicates that more than one-fourth of high school students were current (past 30 days) e-cigarette users. <https://www.fda.gov/news-events/press-announcements/trump-administration-combating-epidemic-youth-e-cigarette-use-plan-clear-market-unauthorized-non> Use among middle schoolers increased eight-fold between 2011 and 2018.

The recent spate of vaping-related illnesses has a significant impact on youth populations with the CDC reporting that over half of all cases are impacting people under 25 (vaping became popular approximately 9 years ago when this population was under 18), and 16% of the cases are impacting those 18 and younger. https://www.cdc.gov/tobacco/basic_information/e-cigarettes/severe-lung-disease.html and <https://www.nytimes.com/2019/09/19/health/vaping-cdc.html>

Under increasing scrutiny from federal and state governments as well as retailers, an Altria executive has been tapped as the new CEO for JUUL, affirming Altria’s intent to bolster the JUUL brand in the face of legislative and legal threats.

The FDA issued a warning letter to Juul admonishing it for illegally marketing its product as a safer alternative to cigarettes. <https://www.fda.gov/inspections-compliance-enforcement-and-criminal-investigations/warning-letters/juul-labs-inc-590950-09092019>

The Wall St. Journal reported that the Federal Trade Commission is investigating whether Juul used social media influencers and other marketing to appeal to minors. <https://www.wsj.com/articles/juuls-marketing-practices-under-investigation-by-ftc-11567096073>

RESOLVED: That shareholders request the Board of Directors to review corporate adherence to Altria’s principles and policies aimed at discouraging the use of their nicotine delivery products to young people, assess the effectiveness of those policies, and the damage inflicted on our nation’s youth and report the results of that review to shareholders by November 2020.

Human Rights and Worker Rights

Human rights-related filings were the most popular category this year among ICCR members, with a total of 52 proposals. These resolutions highlight a myriad of human rights risks, including immigrant detention in for-profit private prisons, hate speech and online censorship, prison and forced labor, gun safety, and online child sexual exploitation.

Since its inception in 1971, ICCR's members have worked with companies to eradicate human rights abuses in their operations and global supply chains. The UN Guiding Principles for Business and Human Rights along with the OECD Guidelines for Multinational Enterprises provide a framework for corporations to conduct robust human rights due diligence. The steps in this process begin with 1) adoption of a strong human rights policy articulating a company's respect for human rights, and are followed by 2) policy implementation, including conducting human rights impact assessments, and 3) carrying out human rights due diligence to identify and remediate impacts. This systematic approach has helped shaped members' engagements on human rights and is reflected in many of the proposals filed this year.

To help our readers navigate the many resolutions in this section, this year we have organized human rights resolutions according to theme:

- Adopting a Human Rights Policy (page 143)
- Human Rights Impact Assessment (page 147)
- Human Rights Due Diligence (page 153)
- Human Rights Policy Implementation (page 157)
- Human Rights Governance (page 162)
- Technology & Data Privacy (page 167)
- Immigration (page 173)
- Prison Labor in the Supply Chain (page 180)
- Gun Violence (page 182)
- Child Sexual Exploitation Online (page 184)
- Worker Rights (page 188)
- Conflict Zones (page 192)

Human Rights and Worker Rights	52
Proposal Topic	Quantity
Adopt a Human Rights Policy	5
Child Sexual Exploitation Online	4
Human Capital Management Disclosure	4
Human Rights Due Diligence	4
Human Rights Impact Assessment	3
Recruitment and Forced Labor	3
Human Rights Disclosure	2
Human Rights Policy Implementation	2
Report on Prison Labor in the Supply Chain	2
Adopt Policy on Prison Labor in Supply Chain	1
Customer Due Diligence	1
Director Qualifications : Human Rights Expertise	1
Evaluate Company Whistleblower Policies and Practices	1
Executive Compensation ESG Metrics	1
Gun Sales Risk Reporting	1
Hate Speech Products	1
Human Rights Board Oversight	1
Human Rights Risk Assessment	1
Human Rights Risk Committee of the Board	1
Human Rights Risks Related to US Immigration Policy	1
Human Trafficking Prevention	1
Impact of Plant Closures	1
Improving Board Accountability, Standards on Decent Work and Disclosure on Decent Work	1
Modern Slavery in Company Operations and Supply Chains	1
No Business with Governments Complicit in Genocide - Burma	1
Nominate Human/Civil Rights Expert to the Board	1
Reboot FB to Address Mismanagement around Privacy, Data Collection and Impact on	1
Report on Government-Mandated Content Removal	1
Report on Worker Safety Events and Environmental Violations	1
Review Company Policies Relating to Involuntary Transportation	1
Safety in the Firearms Industry	1
User Privacy	1

Proxy Resolutions: Human Rights and Worker Rights



"Modern slavery continues to be a prominent global issue, with 40 million victims of trafficking, forced labor, and other forms of modern-day slavery on any given day. In response to these human rights

abuses, consumers are demanding ethically sourced products. In addition, regulatory bodies, such as the U.S. Customs and Border Protection, may prevent the importation of goods produced with forced labor, and a growing number of national governments are calling for mandatory human rights due diligence processes. Thus, companies that fail to take a proactive and comprehensive approach to mitigating their actual and potential impact on human rights may face significant reputational, financial, legal, and regulatory risks.

While an increasing number of companies are taking steps to address the impact of their operations and business relationships on human rights, there remain gaps in these commitments and processes. This year's shareholder proposals on human and worker rights focused largely on where companies are in the implementation and due diligence process. The Adrian Dominican Sisters filed a resolution with Amazon asking the company to clarify how it is implementing its commitment to prohibit human trafficking in its operations. With the rapid growth of its transportation and logistics services, shareholders believe it is crucial that Amazon address and mitigate the risk of human trafficking in its operations. Based on Amazon's partnership with Truckers Against Trafficking and its commitment to train its internal fleet of drivers, the Adrian Sisters successfully withdrew their resolution."

**Caroline Boden, Shareholder Advocacy Manager –
Mercy Investment Management**



Forced Labor and Ethical Recruitment

An estimated 16 million people are trapped in conditions of forced labor around the globe. Migrant workers who leave their home countries in search of work are prime targets for exploitation that begins with excessive recruitment fees and leads to debt bondage, wage theft, and confiscated or restricted access to personal documents that limit workers' freedom of movement.

As part of their ongoing campaign, this year shareholder asked 15 companies to report on their management systems and processes for identifying and addressing forced labor risks in their operations and supply chains.

Online Child Exploitation

Child sexual exploitation online is a growing worldwide threat. 45.8 million child sex abuses images and videos were identified in 2017, and estimates suggest that 1 in 5 children are now sexually solicited online.

This year, **Alphabet, Facebook, AT&T, and Verizon** shareholders called on the companies to assess the human rights risks their businesses face from children being sexually exploited across the companies' platforms and businesses.

Proxy Resolutions: Human Rights and Worker Rights



"Internet communications have ushered in a wealth of benefits for society globally. But such innovation, impacting many aspects of our daily lives, also poses a significant risk to children, who are increasingly accessing the Internet

unsupervised and at very young ages. Today, one in three Internet users globally are children. Meanwhile, the technologies used to lure, exploit, coerce, and sexually harm children are ubiquitous, from smartphones to social media, text messaging to cloud storage, and more. Most tech companies rarely discuss these risks their businesses may unintentionally create for children, and even fewer talk about how they are combating the abuses.

Interpol reported 4,000 unique abuse images worldwide in 1995, but then the Internet took off, and so did the various ways child sex materials were produced, shared, and stored.

Fast-forward to 2018, and the National Center for Missing and Exploited Children received 45.8 million images and videos of child sexual exploitation online—double the amount from 2017, and a 10,000% increase from 2004. One in five children are now sexually solicited online, and the World Health Organization estimates that 200 million children are sexually abused each year, much of it captured and distributed digitally.

Investors can raise the need for better solutions with companies at the epicenter of this challenge, including:

- Deploying software to identify, track and remove child sex imagery.
- Encouraging companies to assess products and services for risks posed to child users.
- Partnering with industry to ensure caregivers, educators, and children are educated on digital risks and child safety best practices.
- Advocating for consistent Internet regulations globally that better protect children and their data online."

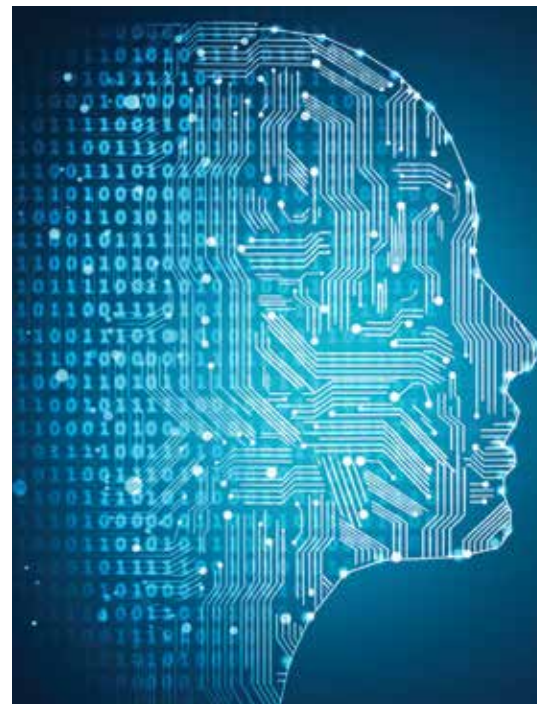
Tracey C. Rembert, Director, Catholic Responsible Investments — Christian Brothers Investment Services, Inc. (CBIS)

Technology & Data Privacy

Information, communications and technology (ICT) companies drive global innovation and economic growth. Yet without sufficient oversight, these same companies contribute to human and digital rights abuses via violations of consumer privacy. In 2019, Facebook was fined \$5 billion by the FTC for mishandling users' personal information. Freedom of expression and democracy are also jeopardized when search engine operators comply with government-mandated censorship requests, including search term bans and blacklists.

Alphabet has complied with roughly 80% of 175 site removal requests submitted by the Russian government. The company was asked to assess the feasibility of publicly disclosing on an annual basis the list of delisted, censored or blacklisted terms and sites that it implements in response to government requests.

In a separate resolution, **Alphabet** was called on to evaluate its whistleblower policies and practices in light of reports indicating the company has retaliated against employees speaking up against the ethical and human rights implications of company projects related to China, and the Pentagon AI/drone program Project Maven.





Proxy Resolutions: Human Rights and Worker Rights

Roughly 250,000 hate crimes are committed in the U.S. each year. For the second year in a row, investors called on retail giant **Amazon** to report on its efforts to address hate speech and the sale of offensive products.

In a separate resolution, **Amazon** was asked to commission an independent report assessing its process for customer due diligence, to determine whether customers' use of its surveillance (including Amazon's Ring doorbell), computer vision and cloud-based services contribute to human rights violations.

Facebook has failed to address hate speech that targets groups based on race and gender. ICCR members sent it a resolution calling on its board to nominate for the next board election a candidate with a high level of human rights expertise.

In a separate resolution **Facebook's** management and board were asked to "reboot" the company to address its thriving culture of hate speech and management missteps regarding user privacy and data collection.

Verizon has legally permissible access to enormous amounts of user information. Selling user data can be hugely profitable for corporations. Verizon was asked to report on the feasibility of integrating user privacy protections into its executive compensation program.

Gun Violence

More than 30,000 Americans die due to gun violence each year.

Shareholders asked **Visa** to report on the risks it faces from public scrutiny over the role played by credit card issuers and payment networks in enabling purchases of firearms and ammunition which are used to commit mass shootings.

Ammunition manufacturer **Olin Corporation** was asked to report on activities it is undertaking related to gun and ammunition safety.

U.S. and Global Immigration Policy

While ICCR members have challenged human rights abuses in detention centers since 2012, their campaign has intensified in the wake of the current Administration's controversial immigrant detention and family separation actions. Reports continue to detail deplorable detention conditions and abuses, including children sleeping on cement floors, inadequate health care, widespread allegations of sexual and physical abuse, and incidents of forced labor. Companies doing business with U.S. agencies responsible for enforcing and implementing these immigration policies may be at risk for human rights and civil rights abuses.

Shareholders once again challenged **CoreCivic** on inmate and detainee rights, calling on the company to add human rights expertise as a factor taken into consideration when selecting candidates for its board of directors.

First Horizon National, which provides financing to **CoreCivic**, was asked to adopt a comprehensive human rights policy to prevent and mitigate human rights impacts connected to its business.

After reaching an agreement, investors withdrew their resolution with First Horizon National.

Royal Bank of Canada and its affiliates own over 20,000 shares in both GEO and CoreCivic. RBC was asked to report on how it is addressing the human rights risks it faces related to carrying out U.S. immigration policy enforcement.

Arguing that commercial airlines are not obligated to carry out forced transportation on behalf of governments, shareholders of Australian company **Qantas Airways** called for a review of the company's policies related to involuntary transportation of refugees and asylum seekers.

Proxy Resolutions: Human Rights and Worker Rights

Adopt a Human Rights Policy

Adopt a Human Rights Policy

Amazon.com, Inc

WHEREAS, the UN Guiding Principles on Business and Human Rights state that companies have a responsibility to respect human rights within their operations and throughout their value chains. This responsibility entails that companies should commit to respecting human rights; know their human rights risks and impacts; take concrete steps to prevent, mitigate, and remediate adverse impacts when they occur; and publicly communicate how they are addressing the most severe impacts.

Amazon.com Inc. (“Amazon” or the “Company”) has adopted a Supplier Code of Conduct and Key Commitments which require suppliers to respect certain core labor rights standards. However, neither applies to employees within Amazon’s own operations or its subsidiaries.

In 2018 Amazon reported 647,500 full-time and part-time staff¹, having nearly quadrupled in five years², primarily driven by the company’s rapid expansion. Amazon has come under increasing scrutiny for working conditions in its warehouses, known as Fulfillment Centers. The National Council for Occupational Safety and Health’s 2018 and 2019 “Dirty Dozen” lists Amazon as one of the most dangerous employers in the U.S.³

In addition, there have been several reported incidents over recent years of poor working conditions⁴, with workers having engaged in strikes around Prime Day and Black Friday to protest working conditions,⁵ and have alleged retaliation for speaking up.⁶ The company’s labor rights record has become an issue in the U.S. presidential election.⁷

These concerns about Amazon’s labor rights record have negatively affected Amazon’s social license to operate and may interfere with its growth strategy. Opposition to the Company’s second headquarters in New York stemmed in significant part from Amazon’s anti-union activities.⁸ According to an October 2019 New Yorker article, “Amazon now has such a severe image problem that it can no longer count on being able to do whatever it pleases.”⁹

Human rights compliance is an essential aspect of Human Capital Management (HCM), and, as noted by the SEC Investor Advisory Committee, “research has found that high quality HCM practices correlate with lower employee turnover, higher productivity, and better corporate financial performance, producing a considerable and sustained alpha over time.”¹⁰ The SEC is also currently undergoing rule-making to increase the disclosure of HCM practices, in recognition of the importance of effectively managing human capital¹¹.

Accordingly, we believe that it is important for Amazon to commit publicly to respecting labor rights in its own operations.

RESOLVED: Shareholders ask the Board of Directors of Amazon to adopt and publicly disclose a comprehensive policy applicable to Amazon’s operations and subsidiaries that commits the company to respect human rights, including ensuring safe and healthy workplaces; prohibiting discrimination and retaliation; affirming the right of workers to form and join trade unions and bargain collectively; and describing the process the Company will use to identify, assess, prevent, mitigate, and, where appropriate, address adverse human rights impacts.

1. <https://ir.aboutamazon.com/node/32656/html>

2. <https://ir.aboutamazon.com/node/29431/html>

3. http://nationalcosh.org/sites/default/files/uploads/2019_Dirty_Dozen.pdf, at 12-14

4. <https://www.thedailybeast.com/amazon-the-shocking-911-calls-from-inside-its-warehouses>

5. <https://www.washingtonpost.com/business/2019/07/15/amazon-workers-minnesota-prime-day-means-protest/>; <https://mashable.com/article/amazon-workers-black-friday-strike-europe-uk/>

6. <https://www.nytimes.com/2019/03/20/business/economy/amazon-warehouse-labor.html>

7. <https://twitter.com/ewarren/status/1150760629583712257>; <https://twitter.com/sensanders/status/1150802591535775744?lang=en>

8. <https://www.nytimes.com/2019/02/14/nyregion/amazon-hq2-queens.html>

9. <https://www.newyorker.com/magazine/2019/10/21/is-amazon-unstoppable>

10. <https://www.sec.gov/spotlight/investor-advisory-committee-2012/human-capital-disclosure-recommendation.pdf>

11. <https://www.sec.gov/rules/proposed/2019/33-10668.pdf>

Proxy Resolutions: Human Rights and Worker Rights

Adopt a Human Rights Policy

Adopt a Human Rights Policy

Nucor Corporation

RESOLVED: Shareholders request the Board of Directors adopt a comprehensive Human Rights Policy stating the company's commitment to respect human rights throughout its operations and value chain, and describing steps to identify, assess, prevent, mitigate, and, where appropriate, remedy adverse human rights impacts connected to the business.

WHEREAS: Nucor Corporation (Nucor) is the largest steel producer in the United States. Nucor supplies steel, steel products, and raw materials such as pig iron to a broad range of industries, including agriculture, automotive, construction, power generation, oil and gas, heavy equipment, infrastructure, and transportation. The Sustainability Accounting Standards Board (SASB) identifies supply chain management and employee health and safety as material for Iron and Steel Producers.

Weak rule of law, corruption, and conflict with indigenous peoples may impact the steel supply chain.¹ Scrap metal recycling, a significant part of Nucor's business, presents severe worker health and safety risks. Workers may be exposed to arsenic, lead, mercury, radioactive materials, toxic fumes and dust. Working with heated metals in hot environments, flying object hazards, and risk of coming into contact with moving machine parts put workers at serious risk of injury.²

In 2018, a judge approved a \$22.5 million settlement for workers subjected to racial discrimination and harassment at a Nucor steel mill in South Carolina.³ As part of the class-action lawsuit, 114 workers filed claims alleging hostile working conditions dating back to 2002, including the use of racial epithets, displays of racist imagery in the workplace, and employees being denied promotions and benefits based on race.

Nucor does not have a human rights policy. Nucor has a Supplier Code of Conduct, but it does not include a commitment to respect human rights and the Code's reference to child labor does not align with the ILO Minimum Age Convention. While Nucor does have a Forced Labor Policy, it is limited in applicability to pig iron sourced from Brazil, which may contain charcoal produced under conditions of forced labor.

Investors are unable to evaluate the effectiveness of the company's existing policies and practices in assessing and managing its human rights risks across the value chain. Nucor does not disclose its salient human rights risks or its human rights due diligence process. Nucor's conflict minerals disclosure is ranked as "weak" in the 2019 Mining the Disclosures benchmark, scoring 5.8 out of 100 points.⁴ Nucor may face legal, reputational, business continuity, and financial risks if the company fails to effectively manage its human rights risks. In the supply chain, Nucor may be vulnerable to a U.S. Custom and Border Protection Withhold Release Order, like those recently issued due to forced labor and child labor concerns, detaining imports into the U.S. of products such as bone black from Brazil.⁵

Under the UN Guiding Principles on Business and Human Rights, companies have a responsibility to respect human rights within their operations and value chains by conducting human rights due diligence.

1. https://drivesustainability.org/wp-content/uploads/2018/07/Material-Change_VF.pdf

2. <https://www.osha.gov/Publications/OSHA3348-metal-scrap-recycling.pdf>

3. https://www.postandcourier.com/business/judge-approves-m-settlement-in-nucor-steel-mill-discrimination-case/article_22140262-126e-11e8-8940-abdd6a5db284.html

4. <https://static1.squarespace.com/static/594cbfa3440243aef3dfa1c4/t/5d962b2a28839219285ad3c8/1570122552881/Mining+the+Disclosures+2019.pdf>

5. <https://www.cbp.gov/trade/programs-administration/forced-labor/withhold-release-orders-and-findings>

Proxy Resolutions: Human Rights and Worker Rights

Adopt a Human Rights Policy

Adopt a Human Rights Policy

Carnival Corporation, Inc.

RESOLVED: Shareholders request the Board of Directors of Carnival adopt a comprehensive policy articulating our Company's commitment to respect human rights, which includes a description of proposed due diligence processes to identify, assess, prevent, and mitigate actual and potential adverse human rights impacts.

Whereas, recent global estimates found that 40 million people were victims of modern slavery, including 25 million who are trapped conditions of forced labor in extended private sector supply chains, generating over \$150 billion in profits for illegal labor recruiters and employers through underpayment of wages. Of these workers, over 70% are in debt bondage and forced to work in industries such as manufacturing and globally, migrant workers are prime targets for exploitation.

Corporations have a responsibility to respect human rights within company-owned operations and business relationships. This expectation is delineated in the UN Guiding Principles on Business and Human Rights.¹ Societal expectations have increased, requiring companies to conduct human rights due diligence, informed by the core international human rights instruments to assess, identify, prevent, and mitigate adverse human rights impacts. Regulatory requirements in the State of California, the United Kingdom, Australia, and France also require companies to report on their actions to eradicate human trafficking and slavery. Any company directly or indirectly employing migrant workers must have a policy that assesses if workers are being recruited into debt bondage, forced labor, and ultimately, slavery.

As a member of the international travel and tourism industry, Carnival Corporation faces significant human rights risks from its global operations and supply chains. Robust human rights due diligence, including a human rights impact assessment informed by meaningful stakeholder consultation, would help prevent harm, reduce fines for violations, and preserve the company's social license to operate and future business opportunities.

While Carnival's Business Partner Code of Conduct and Ethics includes language on labor and human rights, there is inadequate disclosure demonstrating effective implementation of and compliance with the Company's human rights commitments throughout the value chain. Additionally, there is insufficient information regarding the Company's procedures for identifying and remediating adverse human rights impacts in its operations and supply chain.

A public human rights policy that articulates the Company's commitment to respect human rights and its efforts to avoid contributing to adverse human rights impacts would assure shareholders that these risks are being adequately managed.

The UNGP's establish that such a policy:

- Refer to internationally recognized human rights
- Stipulate that the human rights expectations of personnel, business partners and other parties directly linked to its operations, products or services be publicly available and be communicated internally and externally to all personnel, business partners and other relevant parties;
- Apply throughout the company's value chain and in all operating environments regardless of legal framework; and,
- Be embedded through all company functions and reflected in operational policies and procedures.

1. <https://www.business-humanrights.org/en/un-guiding-principles>

Proxy Resolutions: Human Rights and Worker Rights

Adopt a Human Rights Policy

Adopt a Human Rights Policy

Skechers U.S.A.

WHEREAS, the UN Guiding Principles on Business and Human Rights¹ state that companies have the responsibility to respect human rights within their operations and through business relationships. This responsibility as explained in the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector² requires companies to adopt internal policies and carry out due diligence to enable companies to identify, assess, prevent, mitigate, and remediate adverse human rights impacts throughout their supply chain. Regulations in the State of California, the United Kingdom, Australia and France require companies to report on their actions to eradicate human trafficking and slavery.

In the apparel industry, forced labor is a severe human rights risk occurring in the production of raw materials and during manufacturing, especially at lower tier suppliers and in home-based or informal manufacturing. In October 2019, the US government issued Withhold Release Orders detaining imports of products into the United States, including apparel produced in Xinjiang, China due to forced labor.³

An estimated 24.9 million⁴ people are trapped in conditions of forced labor in extended private sector supply chains, generating over \$150 billion in profits for illegal labor recruiters and employers. Over 70% of these workers are in bondage, with migrant workers as prime targets for such exploitation resulting from the payment of recruitment fees.

Skechers USA Inc. ("Skechers") faces significant human rights risks including forced labor risks from its global operations and supply chain. The 2019 Corporate Human Rights Benchmark⁵ gave the Company an overall score of 10.8 out of 100 and the KnowTheChain's 2018 Benchmarking Report on Forced Labor in the Apparel and Footwear Sector⁶ gave the Company an overall score of 7 out of 100. While Skecher's Supplier Code of Conduct prohibits forced labor and it has posted a statement under the California Transparency in Supply Chain Act and the UK Modern Slavery Act, its Corporate Code of Conduct does not prohibit the use of forced labor in its operations and it has no formal human rights policy.

Managing human rights risks with board oversight is necessary to prevent and mitigate potential significant operational, financial, legal and reputational risks associated with negative human rights impacts. A human rights policy would assure shareholders that these risks are acknowledged, and processes are or will be implemented to address this. Apparel industry leaders like Adidas and Gap Inc. have adopted human rights policy statements.

RESOLVED: Shareholders ask the Board of Directors to adopt a comprehensive human rights policy articulating our company's commitment to respect human rights, which includes a description of steps to identify, assess, prevent and mitigate actual and potential adverse human rights impacts.

Supporting Statement: Proponents recommend that the policy include:

- A commitment to respect human rights based on international standards, including the International Labour Organization's core labor standards;
- A human rights due diligence process and reporting; and
- Effective grievance mechanisms.

1. https://www.ohchr.org/documents/publications/GuidingprinciplesBusinesshr_eN.pdf

2. <https://www.oecd.org/governance/oecd-due-diligence-guidance-for-responsible-supply-chains-in-the-garment-and-footwear-sector-9789264290587-en.htm>

3. <https://www.cbp.gov/trade/programs-administration/forced-labor/withhold-release-orders-and-findings>

4. Global Slavery Index 2018 at <https://www.globallslaveryindex.org/>

5. <https://www.corporatebenchmark.org/>

6. <https://knowthechain.org/2018-apparel-and-footwear-benchmark/>

Human Rights Impact Assessment

Human Rights Impact Assessment

Amazon.com, Inc

WHEREAS as shareholders, we look to companies to manage human rights risks and impacts to demonstrate sound corporate governance and risk oversight. This is an effective means for management to mitigate against significant operational, financial, and reputational risks associated with negative human rights impacts throughout its supply chain. Additionally, company efforts to align policies with human rights standards like the United Nations Guiding Principles on Business and Human Rights,¹ facilitate sustainable business planning, and improve relations with customers, workers, and business partners.

RESOLVED: Shareholders request that Amazon publish Human Rights Impact Assessment(s) ("Assessment"), at reasonable cost and omitting proprietary/confidential information, examining the actual and potential impacts of one or more high risk² products sold by Amazon or its subsidiaries. An Assessment should evaluate human rights impacts throughout the supply chain.

Supporting Statement: Proponents recommend that Assessments include the following information:

- Human rights standards used to frame the Assessment;
- Actual and potential adverse impacts associated with the high-risk product(s); and
- Overview of how the findings will be acted upon to prevent, mitigate and/or remedy impacts.

Companies that cause, contribute to, or are directly linked to human rights abuses face material risks, including reputational damage, project disruptions, and litigation, which can undermine shareholder value. Public scrutiny is intensifying reputational risks for retailers selling goods produced with child or forced labor: the NY Times detailed slave labor in Southeast Asia's shrimp industry,³ the Wall Street Journal revealed labor abuses in Malaysia's palm oil sector,⁴ and CNN chronicled rampant labor abuse among U.S. tomato producers.⁵ Amazon is not immune to these risks: as owners of Whole Foods and AmazonFresh, which sell these types of products, Amazon is exposed to significant risk. The Department of Labor has identified dozens of products that appear on Whole Foods's shelves, including palm oil, cocoa and bananas, as produced using forced or child labor in some countries.⁶

While human rights issues are addressed in Amazon's Supplier Code of Conduct, Amazon describes specific audits and does not indicate that it performs Assessments. Audits do not comprehensively evaluate actual and potential risks to human rights of stakeholders throughout supply chains. Human rights Assessments would allow Amazon to identify and take steps to prevent such impacts. Furthermore, while Proponents appreciate Amazon's Human Rights Policy assurance that they "implement plans to address issues and make improvements where necessary," this statement does not constitute an Assessment, nor provide shareholders with information about specific risks related to Amazon's products. By contrast, leading companies like Coca Cola and Nestlé publish human rights Assessments on high risk food products in their supply chains.

1. https://www.ohchr.org/documents/publications/GuidingprinciplesBusinesshr_eN.pdf

2. high risk products may be selected by: (1) identifying products that pose the most salient human rights risks, which refers to those that could have severe negative impacts; and then (2) prioritizing which products to assess, based upon actual or potential severity of adverse impact on human rights.

3. <https://www.nytimes.com/2014/06/22/opinion/sunday/thai-seafood-is-contaminated-by-human-trafficking.html>

4. <https://www.wsj.com/articles/palm-oil-migrant-workers-tell-of-abuses-on-malaysian-plantations-1437933321>

5. <https://www.cnn.com/2017/05/30/world/civ-fair-food-program-freedom-project/index.html>

6. <https://www.dol.gov/sites/dolgov/files/ILAB/ListofGoods.pdf>

Human Rights Impact Assessment

Human Rights Impact Assessment

Lear Corp.

RESOLVED: Shareholders request that Lear Corporation (Lear) publish a report, at reasonable cost and omitting proprietary information, with the results of a Human Rights Impact Assessment examining the actual and potential human rights impacts of the company's high-risk business activities in its operations and value chain.

WHEREAS: Lear is a leading supplier of seating and electrical power management systems (E-Systems) to the automotive industry. Lear's global footprint encompasses 261 facilities in 39 countries, including 145 manufacturing sites in 22 "low cost countries."¹ Lear manages complex extended supply chains for raw materials, which may lack transparency and accountability. Business relationships in regions with weak rule of law, corruption, conflict, or poor worker protections may expose Lear to significant human rights risks.

Lear does not disclose its high-risk sourcing countries and commodities or the salient human rights risks in its operations and value chain.

The leather supply chain includes livestock raising, cleaning and trimming of hides, tanning, and final manufacturing. Child labor, forced labor, and hazardous working conditions are well documented in cattle ranching, particularly in Brazil.² Clearing land for cattle pastures is the primary driver of deforestation, accounting for 80% of forest loss in the Amazon. Deforestation also contributes to displacement of indigenous peoples, violence against human rights defenders, and climate change. Lear is one of the top 20 companies with significant market leverage to reduce deforestation in Brazil.³

Lear may source leather from countries such as Bangladesh, Pakistan, and Vietnam, where leather may be processed under conditions of child labor.⁴ Workers and communities also face exposure to hazardous materials and chemicals, such as chromium used in leather tanning, that may cause respiratory illnesses or cancer.⁵

Lear also faces human rights risks in its operations. The labor-intensive assembly of E-System products takes place in countries with low wages and risks of poor working conditions.⁶ Lear has many E-Systems facilities in China, where forced labor and child labor risks are present in electronics manufacturing.⁷ Lear cites risks of labor disputes in its plants. For example, Lear fired a whistleblower and threatened and harassed employees at its Selma, AL plant who spoke to federal investigators about health and safety concerns.⁸

Lear has a Supplier Sustainability Policy and Code of Business Conduct and Ethics, but investors and customers are unable to evaluate the extent to which these policies address its most salient risks. Lear also lacks a No Deforestation policy.

Lear may face legal, reputational, competitive, and financial risks if the company fails to effectively assess and manage its human rights risks, such as the risk of enforcement actions by U.S. Custom and Border Protection that interfere with business continuity.

Under the UN Guiding Principles on Business and Human Rights, companies have a responsibility to respect human rights within their operations and throughout their value chains by conducting due diligence to assess, identify, prevent, mitigate, and remediate adverse human rights impacts.

1. <http://ir.lear.com/static-files/b892dd63-41ac-4966-9c29-1147d576acb1>

2. <https://www.dol.gov/agencies/ilab/reports/child-labor/list-of-goods>; <https://www.cnn.com/2017/04/26/americas/brazil-amazon-slavery-freedom-project/index.html>

3. <https://medium.com/global-canopy/tackling-deforestation-risk-in-brazilian-cattle-exports-20-key-companies-in-china-327ceb592bba>

4. <https://www.dol.gov/agencies/ilab/reports/child-labor/list-of-goods>

5. https://drivesustainability.org/wp-content/uploads/2018/07/Material-Change_VF.pdf

6. <http://ir.lear.com/static-files/b892dd63-41ac-4966-9c29-1147d576acb1>

7. <https://www.dol.gov/agencies/ilab/reports/child-labor/list-of-goods>

8. <https://uaw.org/feds-charge-alabama-hyundai-supplier-with-obstructing-health-and-safety-investigation/>

Proxy Resolutions: Human Rights and Worker Rights

Human Rights Impact Assessment

Recruitment and Forced Labor

TJX Companies, Inc.

A similar resolution was submitted to Kohl's Corporation

WHEREAS, recent estimates found that conditions of forced labor trap 24.9 million people in extended private sector supply chains, generating over \$150 billion in profits for illegal labor recruiters and employers. Of these workers, over 70% are in debt bondage. Migrant workers globally are prime targets for exploitation, including discrimination, retaliation, debt bondage, illegal deductions from wages and confiscated or restricted access to personal documents, limiting workers' freedom of movement leading to forced labor and human trafficking.

Corporations have a responsibility to respect human rights within company-owned operations and through business relationships. This expectation is delineated in the United Nations Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector. Societal expectations have increased requiring companies to conduct human rights due diligence, informed by the core international human rights instruments, to assess, identify, prevent, and mitigate adverse human rights impacts. California, the United Kingdom, Australia and France require companies to report on their actions to eradicate human trafficking and slavery. Any company directly or indirectly employing migrant workers should have a policy that assesses if workers are being recruited into debt bondage, forced labor and, ultimately, slavery.

On October 2019, the Customs and Border Protection issued Withhold Release Orders detaining imports of products into the United States from five countries, including apparel produced in a factory in Xinjiang, China due to forced labor.¹

The 2019 Corporate Human Rights Benchmark gives TJX Companies, Inc. (TJX) an overall score of 14.8 out of 100. This compares poorly with scores from peer companies Marks & Spencer (73), Gap (59), and Hennes & Mauritz (51). TJX's Vendor & Supplier Code of Conduct prohibits the use of forced labor, slavery and human trafficking in the company's supply chains and the company posts a statement on its website in accordance with the California Transparency Supply Chains Act (SB 657). However, TJX has no formal human rights policy articulating its respect for human rights by adopting internal policies and carrying out human rights due diligence to enable the company to identify, assess, prevent, mitigate, and remediate human rights impacts throughout its operations and value chain.

Given the company's lack of disclosure, investors have insufficient information to gauge how well the company is addressing this serious risk to the company and to workers.

RESOLVED, that shareholders request the Board of Directors of TJX to report, at reasonable cost and omitting proprietary information, on the Company's process for identifying and analyzing potential and actual human rights risks of operations and its supply chain.

SUPPORTING STATEMENT: In developing the report, the Company could consider:

- Human rights principles used to frame the assessment;
- Frequency of assessment;
- Methodology used to track and measure performance on forced labor risks; and
- How the results of the assessment are incorporated into company policies and decision-making.

1. <https://www.cbp.gov/trade/programs-administration/forced-labor/withhold-release-orders-and-findings>

Proxy Resolutions: Human Rights and Worker Rights

Human Rights Impact Assessment

Recruitment and Forced Labor

Broadcom Inc.

RESOLVED. Shareholders request the Board of Directors to report, at reasonable cost and omitting proprietary information, on the Company's process for identifying and analyzing potential and actual human rights risks of its operations and supply chain. This report should be prepared at reasonable cost, omit proprietary information, and be made available to shareholders by December 2020.

SUPPORTING STATEMENT. In developing the report, the Company could consider:

- Human rights principles used to frame the assessment,
- Frequency of assessment,
- Methodology used to track and measure performance on forced labor risks, and
- How results of the assessment are incorporated into company policies and decision-making.

WHEREAS, an estimated 16 million people¹ are trapped in conditions of forced labor in extended private sector supply chains, generating over \$150 billion in profits for illegal labor recruiters and employers through underpayment of wages.²

Migrant workers globally are prime targets for exploitation³ including discrimination, retaliation, debt bondage, illegal wage deductions, and confiscated or restricted access to personal documents that limits workers' freedom of movement and leads to forced labor and human trafficking. The U.S. Department of Labor lists China and Malaysia as particularly at risk of forced labor in the electronics sector.⁴ A 2014 study by Verité found that nearly a third of migrant workers in Malaysia's electronics sector are in situations of forced labor.

Raw materials used in electronics products – including tin, tungsten, tantalum and gold – are produced with forced labor.⁵

According to the UN Guiding Principles on Business and Human Rights, companies have the corporate responsibility to respect human rights within their operations and supply chains. Any company directly or indirectly employing migrant workers must carry out human rights due diligence to assess, identify, prevent and mitigate the risk to workers and to remediate resulting negative impacts. The OECD Guidelines for Multinational Enterprises similarly state that companies should respect human rights by adopting internal policies, carrying out due diligence, and seeking to prevent, mitigate, and remediate human rights impacts linked to their business operations.⁶ The State of California and the United Kingdom passed laws requiring companies to report on their actions to eradicate human trafficking and slavery.

In 2018, KnowTheChain released a Benchmarking Report on Forced Labor in the ICT Sector based on data publicly available at that time; Broadcom received an overall score of only 6 out of 100 and ranked 37th out of the 40 included companies.⁷ The Company's more recent disclosures⁸, including its compliance with relevant laws since redomiciling to the US, still fail to provide investors with enough information to evaluate how thoroughly the Company assesses and addresses these serious risks enterprise-wide.

1. https://www.ilo.org/wcmsp5/groups/public/___dgreports/___dcomm/documents/publication/wcms_575479.pdf

2. https://www.ilo.org/wcmsp5/groups/public/___ed_norm/___declaration/documents/publication/wcms_243391.pdf

3. https://www.ilo.org/global/topics/fair_recruitment/lang__en/index.htm

4. https://www.dol.gov/agencies/ilab/reports/child_labor/list_of_goods

5. id.

6. <http://www.oecd.org/daf/inv/mne/48004323.pdf>

7. https://knowthechain.org/wp_content/uploads/KTC_ICT_May2018_Final.pdf

8. https://www.broadcom.com/company/citizenship/supplier_responsibility and https://investors.broadcom.com/static_files/3fae5e73_6bcd_438d_83cc_29d62c01830d

Human Rights Impact Assessment

Modern Slavery in Company Operations and Supply Chains

Coles Group Limited

In order to effectively protect workers in our company's domestic fresh food supply chains from modern slavery and labour abuses, and to protect our company's interests and reputation, shareholders of Coles Limited ("our company") urge the Board of Directors to align our company's ethical sourcing policies and supplier requirements in its domestic fresh food supply chains to industry best-practice for supply chain due diligence and compliance. At a minimum, these should include core principles of worker-driven social responsibility, including but not limited to:

- Supplier accreditation and compliance to be determined through multi-stakeholder approach, involving workers and the representative organisation(s) of their own choosing.
- Workers to receive peer-led labour rights education with the involvement of representative organisation(s) of their own choosing.
- Worker-led grievance procedures that involve the representative organisation(s) of workers' own choosing in the resolution of complaints.

SUPPORTING STATEMENT TO RESOLUTION 2

Our company is one of two principal buyers of fresh fruit and vegetables in Australia. Together with the other principal buyer, our company accounts for almost 70% of market share by sales in 2017-18.

Our company's extensive fresh food supply chains expose us to significant modern slavery and labour rights risks. There are estimated 15,000 people living in slavery-like conditions in Australia, with farm work identified as a high-risk sector.³

Serious violations of human rights anywhere in our company's supply chains can lead to negative publicity, public campaigns, and a loss of consumer confidence that can have a negative impact on shareholder value. With the passing of the Modern Slavery Act In 2018, there is growing awareness among consumers and shareholders of the responsibility of lead buyers to manage labour rights violations throughout their supply chain.

Endemic exploitation in fresh food supply chains

In January 2019, the University of Sydney and University of Adelaide published a report on labour issues in Australian fresh food supply chains.⁴ This is the latest report to identify major and persistent labour rights violations and breaches of Australian labour law—including potential modern slavery—in Australian fresh food supply chains, including in our company's supply chains. The report's findings are in line with those from numerous government inquiries,⁵ media investigations,⁶ and other research.⁷

The potential issues present in our company's fresh food supply chains include:

- severe underpayments and withholding of wages
- excessive overtime
- retention of identity documents
- threats of and actual physical and sexual violence
- coercive payments for transport and housing well above market norms
- complex and informal sub-contracting and labour-hire arrangements
- These issues continue to be of concern to investors, who highlight the need for improved human rights management in supermarket fresh food supply chains.⁸



Proxy Resolutions: Human Rights and Worker Rights

Our company's approach

These issues are not new to our company. The lack of sufficient action given their severity is of concern to shareholders. Our company demerged from Wesfarmers Ltd. (ASX:WES) in November 2018. ACCR has engaged with Wesfarmers regarding these supply chain risks since 2017, and has met with our company repeatedly since the demerger to raise these concerns.

Our company's Ethical Sourcing Policy has been in place since 2016, when it was still a division of Wesfarmers. A review of Wesfarmers' 2018 Sustainability Report and Coles ethical sourcing documents indicates a continuity of policies over the course of the demerger.

According to the Ethical Sourcing Policy, our company's suppliers must do a self-assessment questionnaire through the Sedex portal which rates them on risk. Low-risk suppliers are certified without an audit, and retain their certification for 24 months⁹. In meetings with our company, company representatives confirmed that 30 to 40% of suppliers were rated as low-risk, and therefore certified without an audit. Medium- and high-risk companies are required to provide an "independent ethical audit by an approved audit provider", which are booked and paid for by the supplier.

Wesfarmers' state that no "critical breaches of the Coles Ethical Sourcing Policy were identified during FY18".¹⁰ Given the widespread labour violations and illegality in the sector, this failure to identify critical breaches suggests that the current program is not fit for purpose.

Worker-driven social responsibility

Reviews of workplace compliance initiatives in global supply chains have found that "private compliance initiatives" (codes of conduct, auditing, etc.) are insufficient to effectively manage business and operational risks from labour violations in supply chains.¹¹

By contrast, worker-driven social responsibility initiatives, which put workers and their representatives at the centre of compliance, are effective in addressing labour risks and ensuring compliance.¹² These initiatives support workers to raise workplace issues early, allowing businesses to resolve them "before they escalate into more lengthy and complex disputes that may come at a high cost".¹³

Worker-driven social responsibility initiatives are being increasingly adopted by our company's peer companies globally, including (but not limited to):

- Cleaning Accountability Framework (CAF): Spotless, Woolworths
- Milk with Dignity: Ben and Jerry's
- Fair Foods Standards Council (FFSC): Burger King, Chipotle Mexican Grill, Compass Group, McDonald's, Sodexo, Walmart, Whole Foods Market,
- Bangladesh Accord: Aldi, Carrefour, Target-Australia, Tesco, Woolworths

These companies' supply chains evidence similar risks to those in our company's Australian fresh food supply chain. This trend indicates that worker-driven social responsibility initiatives are feasible, and raises the bar for supply chain management globally. Our company will face heightened reputational and operational risks if it does not keep pace with peer action.

Our company's present approach falls short of current global best practice and has proven unsuccessful in identifying the types of serious labour violations evidenced in our fresh food supply chains. This resolution simply calls on our company to align with current best practice Initiatives. ACCR, LUCRF Super and Mercy Investment Services encourage shareholders to vote for this proposal.

Proxy Resolutions: Human Rights and Worker Rights

Human Rights Due Diligence

Human Rights Due Diligence

Pilgrim's Pride Corp

A similar resolution was submitted to Sanderson Farms, Inc.

RESOLVED: Shareholders request the Board of Directors prepare a report, at reasonable cost and omitting proprietary information, on Pilgrim Pride's human rights due diligence (HRDD) process to assess, identify, prevent and mitigate actual and potential adverse human rights impacts.

Supporting Statement: We recommend the report:

- Include the human rights principles used to frame its risk assessments;
- Outline the human rights impacts of Pilgrim Pride's business activities, including company-owned operations, contract growers, and supply chain, and plans to mitigate any adverse impacts;
- Explain the types and extent of stakeholder consultation; and
- Address Pilgrim Pride's plans to track effectiveness of measures to assess, prevent, mitigate, and remedy adverse human rights impacts.

Companies that fail to address human rights concerns risk backlash from communities, customers, and regulators, all of which pose significant harm to long-term shareholder value. Industrial meat production exposes workers, farmers, and communities to actual and potential adverse human rights impacts. Poultry processing workers face serious labor rights violations, including injuries from unsafe line speeds and other hazards, exposure to toxins, wage and hour violations, sexual harassment, and workplace discrimination^{1,2} Factory farming contributes to economic struggles for contract growers and family farmers, exploitation of migrant farmworkers, and occupational health and safety risks. Monoculture farming to grow animal feed requires heavy use of chemical fertilizers and pesticides, impacting human health, soil and water quality.

Pilgrim Pride's faces public resistance to the expansion of its operations and footprint to meet growing demand for protein. In 2018, community members spoke up in opposition to a proposed plant in Georgia due to concerns about negative impact to the local community and environment.³ A proactive assessment of Pilgrim Pride's salient human rights risks, informed by meaningful stakeholder consultation, would mitigate adverse human rights impacts and threats to the company's social license to operate and business opportunities.

Recent legal complaints against Pilgrim's Pride and its subsidiaries range from allegations of hiring discrimination,^{4,5} disability discrimination,⁶ to federal fines issued for violations of: environmental; wage and hour; workplace safety and health; and labor relations regulations.⁷ The repeated occurrence of these types of fines and lawsuits indicate that although Pilgrim Pride's commits to respect human rights in its Code of Conduct and Sustainability Report documents, adoption of corporate principles is only the first step in effectively managing human rights risks.

Corporations have a responsibility to respect human rights within company-owned operations and through business relationships under the UN Guiding Principles on Business and Human Rights.⁸ To meet this responsibility, companies are expected to conduct HRDD, informed by the core international human rights instruments, to assess, identify, prevent, and mitigate adverse human rights impacts⁹. To protect its long-term financial interest, Pilgrim's Pride should do just that.

1. <https://www.oxfamamerica.org/static/media/files/Lives on the Line Full Report Final.pdf>

2. <https://www.hrw.org/report/2019/09/04/when-were-dead-and-buried-our-bones-will-keep-hurting/workers-rights-under-threat>

3. <https://dontslaughterourcove.com/>

4. [https://www.reliableplant.com/Read/8537/pilgrim-s-pride-to-pay-\\$1m-for-hiring-discrimination](https://www.reliableplant.com/Read/8537/pilgrim-s-pride-to-pay-$1m-for-hiring-discrimination)

5. <https://carlairwlninc.com/blog/ofccp-files-lawsuit-against-pilgrims-pride-alleging-hiring-discrimination/>

6. <https://www.eeoc.gov/eeoc/newsroom/release/9-24-18i.cfm>

7. <https://violationtracker.goodjobsfirst.org/parent/jbs>

8. https://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf

9. <https://www.ohchr.org/en/professionalinterest/pages/coreinstruments.aspx>; <https://www.ilo.org/declaration/lang-en/index.htm>; <http://www.oecd.org/investment/mne/1922428.pdf>

Proxy Resolutions: Human Rights and Worker Rights

Human Rights Due Diligence

Human Rights Due Diligence

Tyson Foods, Inc.

WHEREAS: Corporations have a responsibility to respect human rights within company-owned operations and business relationships under the UN Guiding Principles on Business and Human Rights. To meet this responsibility, companies are expected to conduct human rights due diligence to assess, identify, prevent, mitigate and remedy adverse human rights impacts.

As the largest industrial meat producer, Tyson faces significant human rights risks, impacting the rights of workers and farmers, and the rights to health, water, and a safe environment. Robust human rights due diligence, including a human rights impact assessment informed by meaningful stakeholder consultation, would help prevent harm, reduce fines for violations, and preserve the company's social license to operate and future business opportunities.¹

As a result of market consolidation, contract growers experience severe financial pressure, dependence, and unfair business relationships. Some farmers report mistreatment, racial discrimination, and retaliation.²

Rapid line speeds and demands to increase productivity put poultry workers at risk of serious labor rights violations, including risks of amputations or chemical exposure resulting from inadequate safety gear or training.³ These conditions may enable poor food safety practices and adverse health impacts.⁴ Workers also face sexual harassment and discrimination.

Failures in Tyson's management of water quality risks and inadequate provision of remedy to impacted communities interfere with the right to water. Recently, an Alabama facility leaked untreated wastewater into the Black Warrior River, exposing communities to unsafe bacteria levels and killing 175,000 fish.⁵ Communities that rely on this river for fishing, leisure, and economic development report that Tyson did not adequately communicate about the local water quality impacts. The community has filed a lawsuit seeking remedy.⁶

Tyson recently expanded its international footprint into new geographies that may present unique human rights risks.⁷ For example, in the Thai poultry industry there are reports of forced labor, wage and hour violations, and poor worker health and safety, which may impact Tyson's workforce.⁸

While Tyson's Code of Conduct and Supplier Code mention human rights, there is inadequate disclosure demonstrating effective implementation of human rights commitments throughout the value chain to address Tyson's salient human rights risks—especially risks beyond workers' rights. Tyson committed to improve working conditions in 2017 but does not comprehensively report on progress towards effective implementation across plants, worker-led monitoring, or improvements in workers' ability to exercise their rights.

RESOLVED: Shareholders request the Board of Directors prepare a report, at reasonable cost and omitting proprietary information, on Tyson's human rights due diligence process to assess, identify, prevent mitigate, and remedy actual and potential human rights impacts.

Supporting Statement: The report should:

- Identify and assess the human rights impacts of Tyson's business activities, including company-owned operations, suppliers, and contractors, and plans to prevent and mitigate harm;
- Explain the types and extent of stakeholder consultation; and
- Discuss how Tyson tracks effectiveness of its human rights due diligence.

1. Tyson paid \$164,236,887 since 2000, <https://violationtracker.goodjobsfirst.org/parent/tyson-foods>; <http://nototyson.com/>

2. <https://www.propublica.org/article/chicken-farmers-thought-trump-was-going-to-help-them-then-his-administration-did-the-opposite>; <https://www.propublica.org/article/how-a-top-chicken-company-cut-off-black-farmers-one-by-one>

3. <https://5newsonline.com/2019/06/18/emergency-responders-answering-hazmat-call-at-tyson-in-springdale/>

4. <https://www.fsis.usda.gov/wps/portal/fsis/topics/recalls-and-public-health-alerts/recall-case-archive/archive/2019/recall-034-2019-exp-release>; <https://www.nbcnews.com/politics/white-house/tyson-wants-fewer-government-inspectors-one-its-beef-plants-food-n1041966>; <https://www.cbsnews.com/news/tyson-chicken-recall-2019-95-tons-of-chicken-fritters-after-plastic-parts-found/>

5. <https://blackwarriorriver.org/tyson-fish-kill/>

6. <http://mountaineagle.com/stories/sipsey-heritage-commission-seeking-action-against-tyson-foods-inc,20984>

7. <https://www.tysonfoods.com/news/news-releases/2019/6/tyson-foods-completes-acquisition-thai-and-european-operations-brf-sa>

8. <http://hrn.or.jp/wpHN/wp-content/uploads/2019/06/Labour-Rights-Violations-in-the-Thai-Poultry-Industry-within-the-Supply-Chains-of-Japanese-Companies-2019-2nd-Ed.pdf>

Proxy Resolutions: Human Rights and Worker Rights

Human Rights Due Diligence

Human Rights Due Diligence

Kroger Co.

RESOLVED: Shareholders request the Board of Directors prepare a report, at reasonable cost and omitting proprietary information, on Kroger's human rights due diligence (HRDD) process to identify, assess, prevent and mitigate actual and potential adverse human rights impacts in its operations and supply chain.

Supporting Statement: In line with the HRDD approach outlined by the UN Guiding Principles on Business and Human Rights,¹ we recommend the report include:

- The human rights principles used to frame its risk assessments;
- The human rights impacts of Kroger's business activities, including company-owned operations and supply chain, and plans to mitigate adverse impacts;
- The types and extent of stakeholder consultation; and
- The company's plans to track effectiveness of measures to assess, prevent, mitigate, and remedy adverse human rights impacts.

These HRDD measures reduce long-term risk to shareholders. Companies that proactively identify and mitigate human rights abuses avoid costly backlash from communities, customers, and government regulators. Indeed, risks exist not only for companies directly producing products connected to human rights violations, but also those selling such products.² For supermarkets, this creates an imperative not to cause or contribute to abuses to workers and farmers in their supply chain. Given Kroger's business relationship with suppliers operating in high-risk sectors, the company's current business model exposes investors to significant reputational – and in turn, financial – risk.

Increased public scrutiny on industries reliant upon child and forced labor has magnified the reputational risk: media coverage by the NY Times detailed slave labor in Southeast Asia's shrimp industry;³ the Wall Street Journal revealed migrant labor abuses in Malaysia's palm oil sector;⁴ and CNN chronicled rampant labor abuse among U.S. tomato producers.⁵ When these tainted products are connected to a brand, the reputational stain follows.⁶ Responsible companies must strive to identify, remedy and prevent such human rights violations.

Kroger is not immune to these threats. The Department of Labor has identified dozens of food products that appear on Kroger's shelves produced from child or forced labor, including seafood, tea, palm oil and fresh produce.⁷ Transparency in supply chain sourcing can reduce these risks. Companies that know, show, and address supply chain risks not only garner positive attention and customer loyalty for sustainable practices, but head off potentially expensive reputational risks. Companies like Coca-Cola and Mondelez, and supermarkets Jumbo, Albert Heijn, and Tesco have all conducted or committed to implementing HRDD, including by conducting human rights impact assessments on their sourcing of agricultural commodities.

Given the low cost of integrating HRDD relative to the significant costs that companies bear when tied to human rights violations, shareholders urge the Board to adopt this measure as a cost-effective means of reducing exposure to risk and maximizing long-term financial interest.

1. https://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf

2. <https://www.fm-magazine.com/issues/2016/dec/human-rights-risks-in-supply-chain.html>

3. <https://www.nytimes.com/2014/06/22/opinion/sunday/thai-seafood-is-contaminated-by-human-trafficking.html>

4. <https://www.wsj.com/articles/palm-oil-migrant-workers-tell-of-abuses-on-malaysian-plantations-1437933321>

5. <https://www.cnn.com/2017/05/30/world/civ-fair-food-program-freedom-project/index.html>

6. See, e.g., <https://www.bizjournals.com/cincinnati/news/2019/08/16/p-g-faces-criticism-for-buying-palm-oil-allegedly.html>; <https://nowtoronto.com/news/chocolate-child-labour-slavery-hersheys/>; <https://www.theguardian.com/environment/2019/oct/05/tesco-m-and-s-supermarkets-likely-to-have-soya-linked-to-deforestation-supply-chains>

7. <https://www.dol.gov/sites/dolgov/files/ILAB/ListofGoods.pdf>

Proxy Resolutions: Human Rights and Worker Rights

Human Rights Due Diligence

Human Rights Disclosure

Tesla Inc.

WHEREAS: Tesla manufactures and sells electric vehicles (EVs) and energy generation and storage systems. Tesla faces human rights and labor rights risks in its operations and value chain. Investors are unable to determine how Tesla is meeting its responsibility to respect human rights.

Tesla's products use thousands of purchased parts sourced from hundreds of global suppliers through complex extended supply chains. The company states that "reliably determining the origin [of raw materials] is a difficult task."¹ The use of cobalt in lithium-ion batteries poses human rights risks for Tesla. 60% of cobalt globally is produced in the Democratic Republic of Congo (DRC) where child labor is pervasive.² Cobalt mining is one of the worst forms of child labor. Children work in mines at risk of collapse, use sharp tools, and lack safety equipment. Tesla is among five companies facing a class action lawsuit filed on behalf of 14 children and parents from the DRC, which includes allegations of "aiding and abetting in the death and serious injury of children who claim they were working in cobalt mines in their supply chain."³ While Tesla reports on cobalt sourcing procedures and indicates it is looking for ways to reduce the cobalt in its batteries, the company does not provide sufficient evidence to demonstrate its cobalt supply chain is free of child labor. Conflict minerals, steel, lithium, rubber, mica, and electronics may also present human rights risks for Tesla.⁴

In Tesla's operations, a federal judge ruled in 2019 that Tesla violated labor laws on 12 different occasions for preventing employees from exercising their right to unionize, including disciplining and firing employees for union activity.⁵

Working conditions and high injury rates in Tesla's factories may violate the human right to safe and healthy working conditions. From 2014 to 2018, Tesla's Fremont, CA plant had three times as many Occupational Safety and Health Administration (OSHA) violations as 10 major U.S. auto plants combined, resulting in fines.⁶ Insufficient safety trainings, noncompliant safety markings, exposure to toxins, and undercounting or mislabeling of injuries, which may falsely signal an improvement in conditions, have been documented at Tesla's plants.⁷

While Tesla has a Supplier Code of Conduct, a "Human Rights and Conflict Minerals Policy," and says it commits to "only sourcing responsibly produced materials," these guidelines only apply to suppliers. Tesla lacks a baseline commitment to respect human rights throughout its operations and its disclosure do not demonstrate that its due diligence effectively prevents, mitigates, or remediates adverse human rights impacts.

RESOLVED: Shareholders request that the Board of Directors prepare a report, at reasonable cost and omitting proprietary information, on Tesla's processes for embedding respect for human rights within operations and through business relationships.

Supporting Statement: This report might address:

- Board oversight of human rights; and
- Human rights due diligence processes, including systems for providing meaningful remedy when adverse human rights impacts occur.

1. <https://www.tesla.com/sites/default/files/about/legal/2018-conflict-minerals-report.pdf>

2. <https://www.theguardian.com/news/2019/jan/14/on-the-charge-why-batteries-are-the-future-of-clean-energy>

3. <http://iradvocates.org/sites/iradvocates.org/files/stamped%20-Complaint.pdf>; <https://www.theguardian.com/global-development/2019/dec/16/apple-and-google-named-in-us-lawsuit-over-congolese-child-cobalt-mining-deaths>

4. <https://www.thedragonflyinitiative.com/material-change-report/>; https://www.washingtonpost.com/graphics/business/batteries/tossed-aside-in-the-lithium-rush/?hpid=hp_hp-top-table-main-batteries%3Ahomepage%2Ft-batteries&hpid=hp_hp-top-table-main-batteries%3Ahomepage%2Ft-batteries

5. <https://www.pv-tech.org/news/Tesla-found-in-violation-of-federal-labour-laws-as-Walmart-solar-panel>

6. <https://www.forbes.com/sites/alanohnsman/2019/03/01/tesla-safety-violations-dwarf-big-us-auto-plants-in-aftermath-of-musk-model-3-push/#5731d0e454ce>

7. <https://www.usatoday.com/in-depth/news/investigations/2019/11/12/tesla-gigafactory-brings-nevada-jobs-and-housing-woes-worker-injuries-strained-ems/2452396001/>; <https://www.revealnews.org/article/tesla-says-its-factory-is-safer-but-it-left-injuries-off-the-books/>; https://worksafe.typepad.com/files/worksafe_tesla5_24.pdf

Human Rights Policy Implementation

Human Rights Policy Implementation

General Motors Corp.

WHEREAS: According to the UN Guiding Principles on Business and Human Rights (UNGPs), companies have a responsibility to respect human rights throughout their operations and value chains by conducting due diligence to assess, identify, prevent, mitigate, and remediate adverse human rights impacts.

As the largest automaker in the United States, General Motors Company (GM) “produces more than 10 million vehicles a year, sources more than 100,000 unique parts from 5,500 supplier sites worldwide, and sells its cars in more than 100 countries.”¹ The scale of GM’s global business exposes the company to significant human rights risks in its operations and supply chain.

GM relies on complex extended supply chains to source the numerous raw materials used to manufacture cars. GM risks contributing to or being linked to forced labor, child labor, hazardous working conditions, or other adverse human rights impacts, when sourcing from regions with weak rule of law, corruption, conflict, or poor worker protections. For example, GM suppliers may source cobalt mined under conditions of child labor in the Democratic Republic of Congo, where 60% of cobalt is produced and child labor is pervasive.² Reports by Amnesty International and the 2019 Mining the Disclosures benchmark found GM’s cobalt due diligence practices to be inadequate given its awareness of the risk.³ Sourcing of conflict minerals, steel, rubber, mica, electronics, and leather also present human rights risks for GM.⁴

In its operations, nearly 50,000 members of the GM United Auto Workers union went on strike for six weeks to collectively bargain for higher wages, job security for temporary workers, and better healthcare.⁵ The strike cost GM up to \$4 billion in earnings.⁶ GM faces multiple lawsuits alleging harassment and discrimination at its Toledo plant from employees who experienced intimidation, threats, and racism in the workplace.⁷

While GM has policies in place, it does not demonstrate how its Human Rights Policy, Code of Conduct, and Supplier Code are operationalized to ensure human rights are respected. GM does not provide evidence of suppliers’ compliance with labor laws and its Code, or how GM assures suppliers cascade expectations through their own supply chains. Investors are unable to assess the effectiveness of GM’s Awareline or other grievance mechanisms to provide legitimate, accessible, transparent and meaningful remedy to impacted stakeholders.⁸

GM may face legal, reputational, financial, and business continuity risks if the company fails to address its human rights risks.

RESOLVED: Shareholders request the Board of Directors prepare a report, at reasonable cost and omitting proprietary information, on GM’s systems to ensure effective implementation of its Human Rights Policy.

Supporting Statement: The report might address:

- Human rights due diligence processes to embed respect for human rights into operations and the value chain, and provide access to remedy for human rights impacts connected to the business; and
- Indicators used to assess effectiveness.

1. <https://www.esri.com/about/newsroom/publications/wherenext/gm-maps-supply-chain-risk/>

2. <https://www.theguardian.com/news/2019/jan/14/on-the-charge-why-batteries-are-the-future-of-clean-energy>

3. <https://www.amnestyusa.org/reports/time-to-recharge/>; <https://www.sourcingnetwork.org/mining-the-disclosures>

4. <https://www.thedragonflyinitiative.com/material-change-report/>

5. <https://www.cnn.com/2019/10/25/business/gm-strike-uaw-vote/index.html>

6. <https://www.cnn.com/2019/10/29/uaw-strike-cost-gm-about-3point8-billion-for-2019-substantially-higher-than-estimated.html>

7. <https://www.cnn.com/2019/01/16/us/gm-toledo-racism-lawsuit/index.html>

8. UNGP Principle 31

Proxy Resolutions: Human Rights and Worker Rights

Human Rights Policy Implementation

Evaluation of Human Rights Practices

Chevron Corp.

RESOLVED, Shareholders request the Board of Directors commission an independent third-party report, at reasonable cost and omitting proprietary information, evaluating the effectiveness of Chevron's efforts to prevent, mitigate and remedy actual and potential human rights impacts of its operations.

Supporting Statement: This report might include:

- The extent and nature of community consultation to inform its analysis; and
- Assessment of impacts on environmental justice communities.

Whereas, Chevron is the second-largest integrated energy company in the United States. Chevron's global operations have contributed to negative impacts on human rights, community relations, health, air quality, and water, all of which are identified as material for the Oil and Gas Exploration and Production sector by the Sustainability Accounting Standards Board. Its operations may have discriminatory impact, with disparate harm on communities of color and fenceline communities. Emissions from the use of Chevron's products and operations contribute to the climate crisis, which may compound impacts to already burdened communities.¹

Discharge or leaks from Chevron's operations may impact human health and the environment, and affected communities may not be adequately consulted or informed of risks.² For example, spills from a Chevron well in California seeped over 900,000 gallons of crude oil and water in 2019, generating a \$2.7 million fine for failure to operate with good practice and harm to human health and the environment.³ Fenceline communities adjacent to Chevron's Richmond, CA refinery have higher rates of cardiovascular disease, cancer, and asthma. Like most environmental justice communities burdened with the cumulative impacts of pollution, 15% of residents in Richmond are living in poverty and 80% are people of color.⁴

Impacts on communities may also result in litigation, project delays, and costly fines. An Ecuadorian court issued a \$9.5 billion judgment against Chevron for its legacy Texaco operations in Ecuador, which historically disposed of billions of gallons of toxic waste into waterways, impacting over 30,000 indigenous peoples. Chevron faced a \$160 million settlement and is required to take nationwide safety and chemical accident prevention measures following repeated violations of the Clean Air Act from chemical releases, deadly explosions, and fires.⁵ The city of Richmond filed a lawsuit against Chevron for health impacts, economic losses, and environmental harm, citing its lapses in maintenance and disregard for public safety.⁶

While Chevron has a Human Rights Policy and Operational Excellence Management System, investors are unable to assess the effectiveness of these systems in identifying risks, ensuring meaningful stakeholder engagement, reducing negative impacts on communities and the environment, and provision of remedy. In the 2019 Corporate Human Rights Benchmark, Chevron received zero points on remedy, evaluating effectiveness of human rights actions, and communicating how impacts are addressed.

The pattern and number of penalties, court filings, and protests Chevron faces from fenceline communities raise questions about whether Chevron's policies and systems are effectively implemented to prevent, mitigate and remedy human rights impacts.

1. <https://ncdp.columbia.edu/ncdp-perspectives/the-disproportionate-consequences-of-climate-change/>

2. <https://www.kqed.org/news/11770259/environmentalists-blast-chevron-state-regulators-over-kern-county-oil-releases>

3. <https://www.desertsun.com/story/news/2019/10/02/california-fines-chevron-2-7-million-cymric-oil-spills-kern/3848335002/>

4. <https://www.theguardian.com/environment/2019/oct/09/richmond-chevron-california-city-polluter-fossil-fuel>; <https://ej4all.org/life-at-the-fenceline>

5. <https://www.epa.gov/newsreleases/epa-justice-department-and-state-mississippi-reach-settlement-chevron-usa-inc-requiring> <https://www.epa.gov/newsreleases/epa-justice-department-and-state-mississippi-reach-settlement-chevron-usa-inc-requiring>

6. https://www.cpmlegal.com/media/cases/147_RICHMOND%20CHEVRON%20COMPLAINT.pdf

Proxy Resolutions: Human Rights and Worker Rights

Human Rights Policy Implementation

Human Rights Disclosure

PPG Industries, Inc.

WHEREAS: Under the UN Guiding Principles on Business and Human Rights, companies have a responsibility to respect human rights within their operations and value chains. This responsibility entails that companies should assess, identify, prevent, mitigate, and remedy adverse human rights impacts.

PPG Industries, Inc. (PPG) is the world's largest paints and coatings manufacturer by revenue. PPG supplies performance and industrial coatings used in automobiles, aircraft and marine equipment, and other industrial and consumer products. The Sustainability Accounting Standards Board (SASB) identifies human rights and community relationships as material for the Chemicals sector, in which PPG is classified.

Paints and coatings may contain minerals or other commodities with well-documented risks of being linked to serious human rights abuses, such as child labor or conflict in the Democratic Republic of Congo. In addition, the manufacturing of these paints and coatings presents risks to human health and the environment, jeopardizing access to clean water and potentially exposing communities and workers to toxic substances.

PPG relies on a complex, multi-tiered, global network of suppliers to manufacture its products. Extended supply chains, which may include business relationships with suppliers or manufacturers in regions with weak rule of law, corruption, or poor working conditions, expose the company to significant human rights risks, while contributing to a lack of transparency and accountability.

One of PPG's salient human rights impacts is child labor in the mica supply chain. Mica from artisanal mines in India and Madagascar has well-documented child labor risks and artisanal mining is considered one of the worst forms of child labor. Children work in mines at risk of collapse, use sharp tools, and are vulnerable to respiratory conditions from mica dust.¹ PPG joined the Responsible Mica Initiative (RMI) after child labor in the mica supply chain was exposed by the media. However, there is no disclosure on how participation in RMI has improved PPG's ability to ensure it is not sourcing mica mined under conditions of child labor or informed human rights risk management.

While PPG commits to respect human rights in its Global Code of Ethics and says suppliers shall maintain and promote fundamental human rights, investors lack the disclosure necessary to assess how PPG's human rights commitment is implemented or the effectiveness of human rights due diligence procedures to assess, identify, prevent, mitigate and remedy adverse human rights impacts across business functions and throughout the value chain.

RESOLVED: Shareholders request that the Board of Directors prepare a report, at reasonable cost and omitting proprietary information, on PPG's processes for implementing human rights commitments within company-owned operations and through business relationships.

Supporting Statement: This report might include information on:

- Board oversight of human rights;
- Systems to embed respect for human rights across business functions;
- The company's salient human rights issues in its operations and value chain; and
- Human rights due diligence processes and where appropriate, access to remedy for human rights impacts.

1. https://www.somo.nl/wp-content/uploads/2018/03/NL180313_GLOBAL-MICA-MINING-.pdf



Proxy Resolutions: Human Rights and Worker Rights

Human Rights Policy Implementation

Human Rights Policy Implementation

Royal Caribbean Cruises

RESOLVED: Shareholders request the Board of Directors of Royal Caribbean (“Company”) prepare a report, at reasonable cost and omitting proprietary or confidential information, on the Company’s management systems and processes to implement the commitments outlined in its human rights policies.

WHEREAS, recent global estimates found that 40 million people were victims of modern slavery, including 25 million who are trapped in conditions of forced labor in extended private sector supply chains, generating over \$150 billion in profits for illegal labor recruiters and employers through underpayment of wages. Of these workers, over 70% are in debt bondage and forced to work in industries such as manufacturing and globally, migrant workers are prime targets for exploitation.

Corporations have a responsibility to respect human rights within company-owned operations and business relationships. This expectation is delineated in the UN Guiding Principles on Business and Human Rights. Societal expectations have increased, requiring companies to conduct human rights due diligence, informed by the core international human rights instruments to assess, identify, prevent, and mitigate adverse human rights impacts. Regulatory requirements in the State of California, the United Kingdom, Australia, and France also require companies to report on their actions to eradicate human trafficking and slavery. Any company directly or indirectly employing migrant workers must have a policy that assesses if workers are being recruited into debt bondage, forced labor, and ultimately, slavery.

The UN Guiding Principles Reporting Framework provides guidance for companies to report on how they respect human rights in their value chains. Over 80 companies currently use the framework and include information on the following in their reports:

- The role of the Board in oversight of human rights risks and systems to embed respect for human rights;
- Identification of the Company’s salient human rights issues in its operations and value chain;
- Integration of salient human rights issues into decision-making processes; and
- The Company’s due diligence and remediation processes.

As a member of the international travel and tourism industry, Royal Caribbean faces significant human rights risks from its global operations and supply chains. Robust human rights due diligence, including a human rights impact assessment informed by meaningful stakeholder consultation, would help prevent harm, reduce fines for violations, and preserve the Company’s social license to operate and future business opportunities.

While Royal Caribbean has expressed its commitment to respecting human rights through its Human Rights and Modern Slavery Act Statements and Supplier Guiding Principles, there is inadequate disclosure demonstrating effective implementation of and compliance with the Company’s human rights commitments throughout the value chain. Additionally, there is insufficient information regarding the Company’s procedures for identifying and remediating adverse human rights impacts in its operations and supply chain.

A public report that articulates the Company’s management systems and processes to implement its human rights and supplier policies and conduct human rights due diligence in alignment with the UN Guiding Principles would assure shareholders that these risks are being adequately managed.

Proxy Resolutions: Human Rights and Worker Rights

Human Rights Policy Implementation

Human Trafficking Prevention

Amazon.com, Inc

RESOLVED: The shareholders request that the Board of Directors of Amazon prepare a report, at reasonable cost and omitting proprietary or confidential information, on Amazon's management systems and processes to implement its commitment to prohibit human trafficking in its operations.

WHEREAS: Human trafficking is the act of recruiting, harboring, transporting, providing, or obtaining a person for compelled labor or commercial sex acts through the use of force, fraud, or coercion. The U.S. Department of State has emphasized the importance of training for individuals who may encounter victims of human trafficking and has identified the transportation industry as being particularly well-placed to identify and assist trafficking victims.

According to the International Labor Organization's most recent global estimate, there are at least 40.3 million victims of forced labor, trafficking, and modern slavery in the world today; globally, one in four victims of modern slavery are children.¹ In the United States, it is estimated that there are over 400,000 individuals living in a form of modern slavery.²

Trafficking victims are often hidden in plain view at construction sites, restaurants, agricultural fields, and highway rest stops. The U.S. transportation industry has the potential to play a vital role in identifying and assisting these victims. Since its creation, the National Human Trafficking Resource Center has identified over 49,000 cases of human trafficking, and more than 1,100 reports have been from callers who self-identified as truckers.³

While Amazon's UK site includes a statement on trafficking pursuant to the Modern-Day Slavery Act and Amazon has issued its Global Human Rights Principles⁴ that note its zero-tolerance of the use of "child labor, forced labor, or human trafficking in any form" Amazon has not disclosed sufficient information on how it will implement this commitment or its efforts to assess, identify, and prevent trafficking in its operations.

Failure to address the risks of human trafficking in its transportation operations places Amazon behind its peers and given the significant scale of its delivery operations, this creates potential reputational and financial risks for the company. Other companies, such as Albertsons, Costco, FedEx, and UPS, that either own and operate their own fleets or contract with third-party carriers have addressed the issue through awareness and prevention training for drivers, publicly partnering with organizations like Truckers Against Trafficking, and providing trafficking prevention resources to their employees and suppliers.

As of 2019, Amazon's transportation services include approximately 65 aircraft, 300 tractors and several thousand truck trailers, over 22,000 delivery vans, and the use of cargo ships.⁵ Given the growing size and global footprint of Amazon's delivery fleet and logistics operations, we believe commercial advantages may accrue to our company by addressing these issues through the adoption of a more extensive policy addressing human trafficking, and by promoting training and programs to combat trafficking in Amazon's transportation operations and with its third-party carriers.

1. https://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/documents/publication/wcms_575479.pdf

2. <https://www.globalslaveryindex.org/2018/findings/country-studies/united-states/>

3. <https://humantraffickinghotline.org/states>

4. <https://sustainability.aboutamazon.com/governance/amazon-global-human-rights-principles>

5. <https://www.businessinsider.com/amazon-vehicles-used-deliver-packages-2019-7#amazon-prime-air-9>

Proxy Resolutions: Human Rights and Worker Rights

Human Rights Governance

Human Rights Board Oversight

Facebook Inc.

Financial and operational risks related to a lack of civil and human rights oversight, such as reputational damage and litigation, can adversely affect shareholder value.

According to Investopedia, almost all of Facebook's revenue comes from advertising (<https://bit.ly/36A8nsZ>). Targeted advertising associated with civil and human rights violations presents financial, legal and reputational risk. In 2019, Facebook paid \$5 million to settle civil rights lawsuits claiming Facebook's advertising systems excluded people from seeing housing, employment and credit ads based on age, gender and race (<https://cnn.it/2RKXJLD>). This included lawsuits claiming violations of the Fair Housing Act by "encouraging, enabling, and causing housing discrimination through the company's advertising platform," as well as a gender discrimination complaint alleging Facebook posted biased jobs ads in violation of the Civil Rights Act.

While Facebook recently took steps to limit discriminatory targeting in advertising, concerns have been raised that the algorithm used to determine how ads are delivered to users is itself discriminatory (<https://bit.ly/2DERRU>). This may leave Facebook vulnerable to additional lawsuits for violations of the Fair Housing Act, Equal Credit Opportunity Act, and Title VII of the Civil Rights Act of 1964, among others. Many states also have anti-discrimination and equal opportunity laws, which may be more inclusive than federal statutes.

According to several experts, including the President and Executive Director of the Lawyers' Committee for Civil Rights Under Law, Facebook continues to engage in practices that target protected classes, making it vulnerable to further lawsuits. These practices can also lead to boycotts, which can reduce overall advertising revenue. For instance, in 2018 the National Association for the Advancement of Colored People launched a boycott of Facebook after a report revealed that a Russian influence campaign undertaken during the 2016 U.S. presidential elections explicitly targeted African Americans.

Although Facebook has taken steps to limit its civil and human rights risk exposure—such as beginning a civil rights audit in 2018—Color of Change, a leading civil rights organization, has noted that "the permanent structure of civil rights work is woefully under-addressed" in the audit. We are concerned that these efforts have not received adequate attention from leadership. In testimony before the House Committee on Financial Services in October 2019, Mark Zuckerberg was questioned about Facebook's civil rights expertise and, according to The Washington Post, stumbled when asked to name the Civil Rights Audit's recommendations (<https://wapo.st/2LMemmc>).

RESOLVED: Shareholders urge the Board of Directors to oversee management's preparation of a report on Board-level oversight of civil and human rights risks. In doing so, Facebook might consider reporting on:

- board level expertise in civil and human rights;
- board level responsibilities for advising on and managing civil and human rights risk;
- board level expertise pertinent to oversight regarding civil and human rights issues impacting Facebook's community of global users; and
- the presence of board level infrastructure ensuring ongoing consultation with leading civil and human rights experts.

Proxy Resolutions: Human Rights and Worker Rights

Human Rights Governance

Human Rights Risk Committee of the Board

Alphabet, Inc.

RESOLVED, shareholders request that Alphabet Inc. (“Alphabet” or “the Company”) establish a Human Rights Risk Oversight Committee (“the Committee”) of the Board of Directors, composed of independent directors with relevant experience. The Committee should provide an ongoing review of corporate policies and practices, above and beyond legal and regulatory matters, to assess how Alphabet manages the current and potential impacts of the Company’s products and services on human rights, oversee the extent to which the Company is meeting international human rights responsibilities, and offer guidance on strategic decisions. At its discretion, the Board should consider creating an advisory body of independent subject matter experts to aid the Committee in its oversight responsibilities, publishing a formal charter for the Committee and a summary of its functions, and directing the Committee to issue periodic reports.

Supporting Statement:

The 2011 United Nations Guiding Principles on Business and Human Rights (“UNGPs”) call on companies to undertake human rights due diligence to identify, prevent, and mitigate the most severe risks to people in connection with their business.

Global technology companies bear unique responsibilities in this regard. The United Nations High Commissioner on Human Rights stated, “Digital technology already delivers many benefits. Its value for human rights and development... is enormous... But we cannot ignore the dark side. I cannot express it more strongly than this: The digital revolution is a major global human rights issue. Its unquestionable benefits do not cancel out its unmistakable risks.”¹

This is especially true for Alphabet. Its technologies, products, and services have transformed our daily lives and the global economy. However, they can pose human rights risks which endanger stakeholders including customers, employees, suppliers, and broader communities. Examples include:

Proliferating digital surveillance by amassing and in some cases, sharing sensitive user information, raising significant risks to privacy, which are heightened by the Company’s recent moves into health, location, and financial data;² and Exacerbating bias, reinforcing discrimination, or facilitating disinformation, harassment, hate speech, and incitements to violence through algorithms that show user-targeted content.³

Currently, Google’s Code of Conduct,⁴ applicable only to its own operations, and its Supplier Code of Conduct⁵ do mention certain human rights issues. Yet Alphabet has not articulated an enterprise-wide commitment to respect human rights, and its governance structure has drawn criticism for failing to adequately oversee broad human rights risks.⁶

While the Audit Committee has oversight authority over operational infrastructure including data privacy,⁷ and the 2019 Proxy Statement noted that the Board provides “Ongoing Monitoring of Societal Impact,”⁸ Proponents believe this patchwork is insufficient to holistically identify and address human rights issues, leaving policy and due diligence gaps that expose Alphabet, its investors, and the individuals and communities it touches—to human rights risks. Consequently, greater Board oversight is imperative.

Proponents believe that taking these steps would be in the best interest of all stakeholders and encourage all shareholders to support this proposal.

1. <https://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=25158&LangID=E>

2. <https://www.wsj.com/articles/next-in-googles-quest-for-consumer-dominancebanking-11573644601>, <https://www.washingtonpost.com/technology/2019/11/21/bank-robber-accuses-police-illegally-using-google-location-data-catch-him/>, <https://www.natlawreview.com/article/undeterred-challenges-google-makes-another-move-to-harvest-healthcare-data>, <https://www.wsj.com/articles/google-s-secret-project-nightingale-gathers-personal-health-data-on-millions-of-americans-11573496790>, <https://www.wsj.com/articles/next-in-googles-quest-for-consumer-dominancebanking-11573644601>, <https://www.amnesty.org/download/Documents/POL3014042019ENGLISH.PDF>

3. <https://www.pcmag.com/news/371636/does-youtubes-algorithm-lead-to-radicalization>, <https://www.stern.nyu.edu/experience-stern/faculty-research/disinformation-and-2020-election-how-social-media-industry-should-prepare>, <https://www.nytimes.com/2019/08/11/world/americas/youtube-brazil.html>, <https://www.newyorker.com/tech/annals-of-technology/the-fight-for-the-future-of-youtube>

4. <https://abc.xyz/investor/other/google-code-of-conduct/>

5. https://about.google/intl/en_us/supplier-code-of-conduct/

6. <https://rankingdigitalrights.org/index2019/assets/static/download/RDRindex2019report.pdf>

7. <https://abc.xyz/investor/other/board/>

8. https://www.sec.gov/Archives/edgar/data/1652044/000130817919000205/lgoog2019_def14a.htm

Proxy Resolutions: Human Rights and Worker Rights

Human Rights Governance

Human Rights Risk Assessment

Loblaw Companies Ltd.

WHEREAS, the UN Guiding Principles on Business and Human Rights state that companies have a responsibility to respect human rights within their operations and throughout their value chains. This responsibility entails that companies should know their human rights risks and impacts; take concrete steps to prevent, mitigate, and remediate adverse impacts when they occur; and publicly communicate how they are addressing their most salient human rights issues.

As shareholders, we look to the companies to manage their human rights risks and address their human rights impacts as a demonstration of strong risk oversight and sound corporate governance. This is necessary and prudent at management and board levels in order to prevent, mitigate, and address potential and significant operational, financial, and reputational risks associated with negative human rights impacts, including throughout the value chain.

Loblaw's Risk and Compliance Committee is mandated to review actions taken by management with respect to environmental and occupational health and safety matters. However, we believe the Board should assign specific responsibility at the Board level for oversight of human rights risks. Such top-level responsibility is necessary to effectively manage the company's principal risks.

RESOLVED: Shareholders request the Board of Directors of Loblaw enhance the mandate of the Risk and Compliance Committee to assign it with specific responsibility for human rights risk assessment, mitigation and prevention, as well as policy formulation and adoption.

Supporting Statement: As part of the Board's responsibility for determining and addressing the company's principal risks, proponents believe that the Board of Directors should embed respect for human rights in the company's culture, knowledge and practices, and review the company's efforts to manage the company's salient human rights risks.

There is increasing recognition that company risks related to human rights violations, such as reputational damage, fulfillment delays and disruptions, and litigation, can adversely affect shareholder value:

KnowTheChain gave Loblaw a total score of 16/100, scoring it poorly on monitoring, traceability/risk assessment, commitment and governance.¹ The Corporate Human Rights Benchmark (CHRB) gave Loblaw a total score of 6.93 out of 100, placing it 167th of 196 companies analyzed globally. Loblaw failed to meet indicators on governance, commitments from the top, board discussions, and failed to identify, assess, act, track and communicate on key human rights risks.²

Furthermore, the Loblaw Supplier Code of Conduct does not impose meaningful protections relating to paying a living wage in the supply chain, and Loblaw does not appear to make purchasing decisions in consideration of human rights issues.³ While Loblaw has stopped sourcing in certain countries in response to concerns over child labour, CHRB notes that Loblaw failed to meet indicators on the prohibition on child labour.⁴

Expanding the mandate of the Risk and Compliance Committee would better position Loblaw to quickly identify and mitigate human rights risks and would allow shareholders to better understand their potential impact on shareholder value.

We urge shareholders to vote for this proposal.

1. https://knowthechain.org/benchmarks/comparison_tool/5/

2. <https://www.corporatebenchmark.org/download-benchmark-data>

3. <https://www.loblaw.ca/content/dam/lc/corp/pdfs/Responsibility/SupplierCodeOfConduct/Supplier%20Code%20of%20Conduct%20-LCL-2016.pdf>

4. <https://www.corporatebenchmark.org/download-benchmark-data>



Proxy Resolutions: Human Rights and Worker Rights

Human Rights Governance

Executive Compensation ESG Metrics

United Airlines Holdings, Inc.

WHEREAS: Numerous studies suggest companies that integrate environmental, social and governance (ESG) factors into their business strategy reduce reputational, legal and regulatory risks and improve long-term performance.

BlackRock, the largest asset manager in the world, has noted that “ESG factors relevant to a company’s business can provide essential insights into management effectiveness and thus a company’s long-term prospects.”

United Airlines Holdings (“United”) has taken steps to address ESG issues and provide public disclosure, including concerning its efforts to reduce greenhouse gas emissions, address the substantial risk that climate change poses to its operations, respect human and worker rights in its operations and supply chain, and prevent human trafficking through employee training. However, United has not explicitly linked sustainability goals with senior executive incentives. Investors seek clarity on how United drives sustainability improvement and how that strategy is supported by executive accountability.

Many multi-national companies, including Intel, Alcoa, PepsiCo, and Mead Johnson, have integrated sustainability metrics into their executive pay incentive plans. Another prominent example is Royal Dutch Shell, which announced in December 2018 its plans to tie a portion of executive pay to concrete targets linked to the company’s net carbon footprint.

The increasing incorporation of sustainability metrics into executive pay evaluative criteria stems from the growing recognition that sustainability strategies can drive growth, as well as enhance profitability and shareholder value.

The 2016 Glass Lewis report, *In-Depth: Linking Compensation to Sustainability* found a “mounting body of research showing that firms that operate in a more responsible manner may perform better financially.... Moreover, these companies were also more likely to tie top executive incentives to sustainability metrics.”

A Harvard Business School study of S&P 500 executives’ pay packages found a positive relationship between the presence of explicit incentive compensation for corporate social responsibility and firms’ social performance.

A 2012 guidance issued by the United Nations Principles for Responsible Investment and the UN Global Compact found that including ESG issues “within executive management goals and incentive schemes can be an important factor in the creation and protection of long-term shareholder value.”

Effectively managing for sustainability offers positive opportunities for companies and should be a key metric by which senior executives are judged. Linking sustainability metrics to executive compensation could reduce risks related to sustainability underperformance, incentivize employees to meet sustainability goals and achieve resultant benefits, and increase accountability. Metrics relevant to United could include indicators related to pressing issues such as: environmental impacts, energy and fuel efficiency, supply chain human rights and risk management, worker health and safety, diversity and inclusion, and data privacy and security.

RESOLVED: Shareholders request the Board Compensation Committee prepare a report assessing the feasibility of integrating objective sustainability metrics into performance measures, performance goals or vesting conditions that may apply to senior executives under United’s compensation incentive plans. Sustainability is defined as how environmental and social considerations, and related financial impacts, are integrated into corporate strategy over the long term.



Proxy Resolutions: Human Rights and Worker Rights

Human Rights Governance

Improving Board Accountability, Standards and Disclosure on Decent Work

McDonald's Corp.

RESOLVED: That the board of directors report to shareholders, at reasonable cost and omitting proprietary information, on actions the company is taking to ensure decent work practices are upheld in the company's owned and franchisee operations, including:

- Information on the company's overall approach and board-level oversight of human capital management in the context of emerging workforce-related risks and opportunities in the quick service restaurant sector; and
- Comprehensive workforce metrics that effectively demonstrate the success and/or challenges the company faces in its management of human capital.

Supporting Statement

Demand for better corporate disclosure on human capital management is growing amongst investors and regulators. Jay Clayton, Chairman of the SEC, said in April 2019 to the House Appropriations Subcommittee on Financial Services and General Governance that he "would like to see more disclosure from public companies on how they think about human capital". Human capital is increasingly seen as a primary source of value for many public companies, and by extension, it represents a source of value creation for investors. Therefore, a company's disclosure should reflect the importance of human capital in its strategy and business operations, especially in customer-facing service industries where an employee's conduct and efficiency are critical to the customer experience.

Over the past few years, a number of widely publicized issues with McDonald's workers have emerged, including a class-action lawsuit on sexual harassment and retaliation, a complaint filed with the U.S. Occupational Safety and Health Administration regarding workplace violence pattern in its franchisees' operations, and workers' protests for better working conditions in several countries including the US. Yet McDonald's current disclosure does not provide sufficient information to understand the company's approach to human capital management in its branded and franchisee operations. Disclosure of information such as the company's minimum requirements and standards related to workforce practices (including wages and benefits, working hours and breaks, health and safety, grievance mechanisms, shift scheduling and training) would help investors to assess the effectiveness of the company's approach to human capital management and the robustness of its board's oversight.

McDonald's disclosure also falls short in how it is addressing workforce-related risks and concerns raised by its employees. For example, the company does not disclose information about the number and types of complaints received from employees, or the corrective measures taken to address workforce-related risks and concerns raised by its workforce as well as health and safety key performance indicators. This information is key to understanding McDonald's approach to human capital management and the degree to which the company is effectively managing risks that are emerging in the quick service restaurant sector including reports of a negative workplace culture.

Investors need further information about McDonald's approach and board oversight of human capital management in order to understand and evaluate how it is responding to the concerns raised by its workforce, and the steps it is taking to deliver a positive worker experience and therefore, ultimately, a positive customer experience.

Proxy Resolutions: Human Rights and Worker Rights

Technology & Data Privacy

Hate Speech Products

Amazon.com, Inc

On average, 250,000 hate crimes were perpetrated in America each year between 2004 and 2015 according to the Bureau of Justice Statistics, which defines hate crimes as “crimes that the victim perceived to be motivated by bias due to the victim’s race, ethnicity, disability, sexual orientation, or religion.” (<https://bit.ly/2vO6T0c>) Hate crimes appear to be on the rise (<https://wapo.st/2zNrNM4>), and some have suggested that online hate speech, which Merriam-Webster defines as speech expressing hatred of a particular group of people, can weaken inhibitions against harmful acts. (<https://time/2qtvdzh>)

Amazon.com, Inc.’s (“Amazon’s”) Offensive Products policies state that “Amazon does not allow products that promote, incite or glorify hatred, violence, racial, sexual or religious intolerance or promote organizations with such views.” (<https://amzn.to/2WZTa0q>, accessed November 9, 2019)

Unfortunately, this policy appears to be applied inconsistently, which may indicate a lack of clear internal policies and effective controls. A 2018 report found racist, Islamophobic, homophobic and anti-Semitic items on Amazon’s platforms. (<https://bit.ly/2NxgaRk>) While Amazon removed some products after the report’s publication, as of November 2019, searches on Amazon.com showed that controversial products continue to be available. A search for “Kek,” a satirical religion associated with the white nationalist movement, returned results for multiple items. In December 2019, Huffpost reported that Holocaust-themed items, including ornaments and mouse pads, were available on Amazon, some with a seller description reading “Massacre Auschwitz (sic) Birkenau Jewish Death.” (<https://bit.ly/2PuF1VX>)

Amazon’s Offensive Products policies do not apply to books, music, video and DVD. According to a recent report, with respect to these products, Amazon’s algorithm for product search proactively directs customers who search for white supremacist or other extremist content to additional extremist content. (<https://bit.ly/332jgBy>)

Facilitating the sale of offensive products could expose Amazon to reputational damage and impair relationships with key stakeholders. This is particularly true as Amazon continues to pursue growth in diverse and culturally complex international markets.

Other companies, including Ryanair and Waffle House, have faced boycotts for failing to address racism encountered by customers. Both Germany and the European Union have enacted laws restricting hate speech. For instance, a German law requires the removal of hate speech within 24 hours and levies fines against companies that do not comply.

Amazon’s employees may feel uncomfortable aiding in the dissemination of hateful materials and employees belonging to targeted groups may feel unsupported by Amazon. According to research published in the Harvard Business Review, disengaged employees have 37% higher absenteeism, 49% more accidents, and 18% lower productivity. (<https://bit.ly/37wmmRV>)

RESOLVED: Investors request that Amazon report on its efforts to address hate speech and the sale or promotion of offensive products throughout its businesses. The report should be produced at reasonable cost, exclude proprietary information and discuss Amazon’s process for developing policies to address hate speech and offensive products, including the experts and stakeholders with whom Amazon consulted, and the enforcement mechanisms it has put in place, or intends to put in place, to ensure hate speech and offensive products are effectively addressed.

Proxy Resolutions: Human Rights and Worker Rights

Technology & Data Privacy

Nominate Human/Civil Rights Expert to the Board

Facebook Inc.

BE IT RESOLVED: Shareholders request that Facebook's Board of Directors nominate for the next Board election at least one candidate who:

- has a high level of human and/or civil rights expertise and experience and is widely recognized as such, as reasonably determined by Facebook's Board, and
- will qualify as an independent director within the meaning of the listing standards of the New York Stock Exchange.

WHEREAS: Shareholders believe Facebook requires expert, board level oversight of civil and human rights issues to assess risk and develop strategy to avoid causing or contributing to widespread violations of human or civil rights, such as supporting genocide, hate campaigns, or violence.

Shareholders are concerned Facebook's content governance has proven ad hoc, ineffectual, and poses risk to shareholder value. Civil rights advocates have criticized Facebook for failing to address hate speech that targets groups based on race and gender.

Color of Change president Rashad Robinson has criticized Mark Zuckerberg for "doubling down on a business model that...fundamentally lacks an understanding of how civil rights, voter suppression, and racism actually function in this country."

The Christchurch terrorist attack in New Zealand, livestreamed on Facebook, led to a global call to limit the spread of extremist content. Yet despite Facebook's subsequent ban of white nationalist content, that content has been shared 4.5 million times on the platform since March 2019.

In Myanmar, where violence against the Rohingya "bears the hallmarks of genocide," a human rights report, commissioned by Facebook, showed the company "created an enabling environment for the ongoing endorsement and proliferation of human rights abuse in Myanmar." "The report concludes that, prior to this year, we weren't doing enough to help prevent our platform from being used to foment division and incite offline violence. We agree that we can and should do more," said Alex Warofka, a Facebook product policy manager.

In October 2019, over 40 organizations including the Leadership Conference on Civil and Human Rights and Color of Change, urged Mark Zuckerberg to consider the "protection of civil rights as a fundamental obligation as serious as any other goal of the company." Recommendations include diversifying the Board of Directors to include civil rights expertise:

"We write today because our trust in the company is sorely broken. Despite years of dialogue and a partially complete civil rights audit, Facebook continues to act with reckless disregard for civil rights... Thus, despite grand promises on many fronts, we are left with no guarantee that Facebook can prevent any new product or policy from threatening civil and human rights."

As fiduciaries, our Board is responsible for stewardship of business performance and long term strategic planning, in light of risk factors like widespread violations of human and civil rights. Ranking Digital Rights reported: "While it Facebook. published a clear commitment to respect and protect human rights to freedom of expression and privacy, it disclosed little about its due diligence efforts aimed at ensuring that its business operations and practices actually protect these rights in practice."



Proxy Resolutions: Human Rights and Worker Rights

Technology & Data Privacy

User Privacy

Verizon Communications Inc.

Verizon is able to track how long people stream music, play online games, or use social media. It can tell whether a user shops at high-end expensive stores, is visiting online dating sites, or what news outlets they spend more time reading. It knows wireless-device location and internet protocol addresses. In short, Verizon has legally permissible access to enormous amounts of user information.

That information can be legally valuable and revenue generating for the company depending on how it is used and which third-parties are allowed to use it.

In 2018, following revelations from US Senator Wyden that about 75 companies had access to Verizon customers' locations, the company announced it would wind down those relationships.

While the tech industry refuses to scan emails for information to sell to advertisers, Verizon unit Oath reportedly continues to do so and pitches these services to advertisers.

In March 2019, the Federal Trade Commission issued orders to seven U.S. Internet broadband providers, including Verizon, seeking information the agency will use to examine how these companies collect, retain, use, and disclose information about consumers and their devices.

"The FTC is initiating this study to better understand Internet service providers' privacy practices in light of the evolution of telecommunications companies into vertically integrated platforms that also provide advertising-supported content. Under current law, the FTC has the ability to enforce against unfair and deceptive practices involving Internet service providers."

In May 2019, Verizon and other wireless carriers were sued in Federal court for allegedly violating customers' privacy rights by selling geolocation data to third parties.

In addition to Federal interest and litigation, some states are drafting rules limiting how broadband-customer data can be used.

According to a September 2019 Harris-IBM poll, 83 percent of US consumers said that if a company shares their data without their permission, they will not do business with them.

RESOLVED: Verizon shareholders request the Human Resources Committee of the Board of Directors publish a report (at reasonable expense, within a reasonable time, and omitting confidential or propriety information) assessing the feasibility of integrating user privacy protections into the Verizon executive compensation program which it describes in its annual proxy materials. This proposal does not seek greater disclosure or information regarding cybersecurity (the criminal or unauthorized actions), but rather is focused on legally permissible and permitted uses of data.

Supporting Statement: According to page 37 of Verizon's 2019 proxy materials, the Verizon Short-Term Plan included adjusted EPS, free cash flow, total revenue, and diversity and sustainability. According to page 41 the Long-Term Plan is focused on total shareholder return, free cash flow, and retention. User privacy and how user data is used are vitally important issues for Verizon and should be included in executive compensation plans, as we believe it would incentivize top leadership to respect user privacy, enhance financial performance, reduce risks, and increase accountability.

Technology & Data Privacy

Report on Government-Mandated Content Removal Requests

Alphabet, Inc.

RESOLVED, shareholders request the Board of Directors issue a report (within a reasonable time frame, at reasonable cost, and excluding confidential information) assessing the feasibility of publicly disclosing on an annual basis, by jurisdiction, the list of delisted, censored, downgraded, proactively penalized, or blacklisted terms, queries or sites that the company implements in response to government requests.

Supporting Statement: Google's Artificial Intelligence Principles state the company will not pursue technologies that cause harm, "that gather or use information for surveillance" or "whose purpose contravenes widely accepted principles of international law and human rights."

There is increasing evidence of a contradiction between Google's principles and its actions.

Buzzfeed reported: "According to Google's own stats, the Russian government has made 175 separate requests for the search engine to remove sites it has banned, totaling more than 160,000 separate URLs...About 80% of the total requests...resulted in removal." PEN America said: "we need far more transparency regarding which sites Google has removed from its search results, as well as the internal evaluation and criteria that Google used for determining whether these sites should be taken down." ARTICLE 19 submitted expert opinion to Russia's Constitutional Court regarding the removal of articles on hate crimes from Google search, saying: "search engine operators are prohibited by the Law from disclosing any information pertaining to the applicant's request...this constitutes a disproportionate restriction on the right to freedom of expression... and a breach of their rights to a fair trial and to an effective remedy."

In addition, reports of proposed amendments to India's Information Technology Act indicate that it may soon be mandatory for firms like Alphabet to proactively deploy technology to suppress content. Google states its Transparency Reports "provide a glimpse at the wide range of content removal requests that we receive, but they are not comprehensive."

In 2018, the United Nations Special Rapporteur on freedom of expression's report stated: "the authoritative global standard for ensuring freedom of expression on [companies'] platforms is human rights law, not the varying laws of States or their own private interests, and [companies] should re-evaluate their content standards accordingly."

Proponents suggest the report assess the feasibility of:

- Incorporating into Google's Transparency Report the substantive content of government requests, including whether the request was met, and criteria used to guide decisions;
- Notifying customers of content affected by government requests.

Proxy Resolutions: Human Rights and Worker Rights

Technology & Data Privacy

Reboot FB to Address Mismanagement around Privacy, Data Collection and Impact on Facebook Inc.

WHEREAS: Facebook's brand has diminished in value due to missteps by management around privacy, data collection, and user abuse of the forum, including:

- Genocide incited by Facebook posts¹ by Myanmar military;
- Cambridge Analytica's misappropriation of millions of Facebook users' data;
- Facebook empowering Russian bots² to influence 2016 U.S. elections;
- Allowing over 45 million images of child pornography and torture on Facebook³ also linked to sex trafficking;
- Political advertisements containing deliberate lies and mistruths;⁴
- The use of micro-targeting that is extremely difficult to track, divides our users while undermining democracy;
- Use of the platform for hate speech; anti-immigrant violence;⁵ and purchasing weapons.⁶

Failure to adequately address these issues has caused investors' deep concern over company's governance leading to "delete Facebook" campaigns⁷ and "a thriving culture of hate speech." This has resulted in human suffering and political upheaval. Even Facebook's employees are calling for change.⁸

CEO and Chairman Mark Zuckerberg was unable to defend policies that enable political mistruths and distortions in elections when called before Congress. Facebook signed the "Contract for the Web"⁹ yet does not fulfill its obligations to "respect and protect people's privacy" or "support the best in humanity and challenge the worst." Investors believe Facebook needs a reboot to redeem our brand.

BE IT RESOLVED: Shareholders request management and the board "Reboot Facebook," by making the changes below by Labor Day 2020. Designating a specific date creates a symbolic "before and after;" Facebook 1.0 vs. Facebook 2.0.

Actions include:

1. Delete all images of child pornography and torture, remove all associated accounts, and work with law enforcement to bring abusers to justice;
2. Delete all fake accounts and establish a verification system to improve expeditious removal;
3. Delete all political ads containing lies and mistruths based on Facebook employee recommendations to avoid adverse impact on our political system;
4. Publicly agree to a policy stating that Facebook will abide by campaign advertising rules like all U.S. broadcasters and end micro-targeting of groups smaller than 5,000 people;
5. As a show of goodwill and until the platform can be effectively monitored, disallow any political ads Labor Day through the 2020 election;
6. Provide full transparency of the Reboot process including listing deleted political ads, bots, fake accounts, fake news, deep fakes and accounts closed;
7. Disclose budget committed to fix these issues to inform other platforms as a case study of best practices; and
8. Establish systems to maintain all of the above going forward with public transparency.

Supporting Statement: Proponents believe Facebook can demonstrate how a responsible company operates to protect all stakeholders, repair brand reputation, improve platform integrity, adopt self-regulation, and avoid the destruction of shareholder value. A Facebook reboot can start a new era of responsible operation. We hope this action will be taken in time to preserve our brand reputation and material holdings in the Company.

1. www.nytimes.com/2018/10/15/technology/myanmar-facebook-genocide.html

2. www.nytimes.com/2017/11/01/us/politics/russia-2016-election-facebook.html

3. www.nytimes.com/2019/09/29/us/takeaways-child-sex-abuse.html

4. www.washingtonpost.com/technology/2019/10/10/facebook-policy-political-speech-lets-politicians-lie-ads

5. www.dw.com/en/new-study-shows-afd-facebook-posts-spur-anti-refugee-attacks/a-41972992

6. www.seattletimes.com/nation-world/in-libya-facebook-is-used-to-buy-arms-locate-foes-and-kill-them

7. www.eonline.com/news/558315/13-reasons-why-you-should-delete-your-facebook

8. www.nytimes.com/2019/10/28/technology/facebook-mark-zuckerberg-letter.html?action=click&module=RelatedLinks&pgtype=Article

9. www.contractfortheweb.org

Technology & Data Privacy

Evaluate Company Whistleblower Policies and Practices

Alphabet, Inc.

WHEREAS, Alphabet may face business risks related to employee morale and user trust due to insufficient protection for employees voicing ethical and human rights concerns regarding company practices.

Resourcing whistleblower protections is vital to a well-functioning system. For example, the U.S. Department of Labor has reported a major problem with whistleblower protections is the “lack of resources and proper tracking of complaints, as well as a complicated patchwork of regulations that aim to protect whistleblowers.” And according to the Organisation for Economic Co-operation and Development, “A non-retaliation policy alone, without a system to ensure its respect (such as disciplinary action against those who retaliate), is unlikely to encourage reporting.”

Furthermore, a specific focus on protecting human rights is a necessary component of a system of strong whistleblower protections. A United Nations Report on whistleblower protection recommended: “Disclosure of human rights or humanitarian law violations should never be the basis of penalties of any kind.” A 2018 letter from fourteen human rights groups urged Google to “Guarantee protections for whistle-blowers and other employees speaking out where they see the company is failing its commitments to human rights.”

New York University’s AI Now recommended companies “provide protections for conscientious objectors, employee organizing, and ethical whistleblowers.” In October 2019, the European Union adopted a rule to protect whistleblowers in several new areas, including privacy and data protection.

This topic is one that Alphabet is currently grappling with. In 2017, Google asked the National Labor Relations Board (NLRB) to overturn a policy that allowed workers to organize on company systems and prevented companies from retaliating; in 2019, as part of a settlement agreement with NLRB, Google must tell workers they will not be retaliated against for exercising their rights. In November 2019, employees protested actions of the company’s investigations team, claiming it was illegal retaliation for organizing, violating the NLRB settlement, and labeling Google’s actions “brute force intimidation.” Google then reportedly fired workers active in organizing, reportedly for violating data security policies.

These controversies clearly touch on how the company is addressing human rights issues. Reporting indicates that many of the employees who have resigned in a very public manner discussed in their resignation letters retaliation and punishments related to speaking up about the ethics and human rights implications of company projects and business – e.g. China, Project Maven, and other projects.

A George Washington 2019 report found whistleblowing report volume “is associated with fewer and lower amounts of government fines and material lawsuits.”

RESOLVED, shareholders request the Board of Directors to issue a report (within a reasonable time, at reasonable cost, and excluding confidential information) evaluating the company’s whistleblower policies and practices and assessing the feasibility of expanding those policies and practices above and beyond current levels to cover, for example, information concerning the public interest and/or information concerning rights contained in the United Nations Declaration of Human Rights.

Proxy Resolutions: Human Rights and Worker Rights

Immigration

Customer Due Diligence

Amazon.com, Inc

RESOLVED, Shareholders request the Board of Directors commission an independent third-party report, at reasonable cost and omitting proprietary information, assessing Amazon's process for customer due diligence, to determine whether customers' use of its surveillance and computer vision products or cloud-based services contributes to human rights violations.

WHEREAS, the use of Amazon's surveillance technology and cloud services in law enforcement and immigration contexts that have existing systemic inequities may replicate, exacerbate, and mask these inequities.¹ It may also compromise public oversight and contribute to widespread government surveillance. According to the UN Special Rapporteur on freedom of opinion and expression, surveillance tools may "interfere with human rights, from the right to privacy and freedom of expression to rights of association and assembly, religious belief, non-discrimination, and public participation."²

Government contracts for cloud services and surveillance technology, which lack transparency, are an increasing revenue source for Amazon Web Services (AWS), growing tenfold in five years.³ AWS is mission-critical for government agencies. Amazon's partnership with Palantir, the subject of employee and customer protests, enables Immigration and Customs Enforcement to identify, detain, and deport individuals and families, often violating human rights.⁴

Companies use "Know Your Customer" (KYC) due diligence to evaluate and mitigate clients' potential risks. For example, financial services companies use KYC to prevent money laundering. Companies selling high-risk technologies might consider using similar processes, with participation from civil rights experts and impacted stakeholders, to assess customers' suitability, human rights record, and likely end use of products.

Amazon's surveillance technologies compound historical and systemic inequity, including disproportionate use of surveillance on communities of color, even if used according to Amazon's guidelines. Customers may use technologies in ways Amazon warns against, as happened with an Oregon Sheriff's office use of Rekognition,⁵ and this may violate rights.

Amazon partners with over 600 police departments, providing police with access to Ring doorbell video surveillance data. Amazon is contemplating integrating face surveillance capabilities into Ring.⁶ Senator Markey's investigation on Ring found Amazon has "no oversight/compliance mechanisms" to protect consumers' privacy rights.⁷ Amazon's Neighbors application allows customers to post Ring footage, which police may request or subpoena. While Neighbors prohibits discrimination, racist speech is prevalent.⁸ Ring and Neighbors blur the line between private and government functions and enable a climate of fear and distrust by misleading customers to believe crime rates exceed actual levels.

While Amazon has adopted a Human Rights Policy, it lacks information on embedding, independent oversight, and applicability to end users. Amazon fails to disclose Conditions of Use agreements, efforts to evaluate customer compliance therewith, or analysis of said agreements' effectiveness at preventing harmful use.

Inadequate due diligence around customers' use of surveillance and cloud technologies presents privacy and data security risks, which the Sustainability Accounting Standards Board identifies as material for E-Commerce companies.

Amazon is responsible for ensuring its customers do not use surveillance and cloud products to violate human rights.

1. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3340898

2. <https://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=24736&LangID=E>

3. <https://www.nbcnews.com/tech/security/amazon-developing-high-tech-surveillance-tools-eager-customer-america-s-n1038426>

4. <https://investorsforhumanrights.org/investors-engaging-palantir-on-human-rights-risks;> <https://www.businessinsider.com/amazon-employees-letter-protest-palantir-ice-camps-2019-7>

5. www.washingtonpost.com/technology/2019/04/30/amazons-facial-recognition-technology-is-supercharging-local-police/

6. <https://www.aclu.org/blog/privacy-technology/surveillance-technologies/amazons-disturbing-plan-add-face-surveillance-yo-0>

7. <https://www.markey.senate.gov/news/press-releases/senator-markey-investigation-into-amazon-ring-doorbell-reveals-egregiously-lax-privacy-policies-and-civil-rights-protections>

8. https://www.vice.com/en_us/article/qvvyzd/amazons-home-security-company-is-turning-everyone-into-cops

Proxy Resolutions: Human Rights and Worker Rights

Immigration

Human Rights Impact Assessment

Northrop Grumman Corporation

WHEREAS: Under the UN Guiding Principles on Business and Human Rights (UNGPs), companies have a responsibility to respect human rights within their operations and value chains. This responsibility entails that companies should assess, identify, prevent, mitigate, and remediate adverse human rights impacts and disclose how they address salient human rights issues.

Northrop Grumman is the world's third largest defense contractor, with the U.S. Government (USG) representing 82 percent of 2018 sales.¹ Business relationships with the USG and governments whose activities may be linked to human rights violations may expose Northrop Grumman to legal, financial, and reputational risks. It is essential to conduct human rights impact assessments to evaluate and mitigate associated human rights risks.

In 2018, Northrop Grumman was awarded a \$95 million USG contract to develop the Homeland Advanced Recognition Technology (HART) database, which is expected to hold biometric data for 260 million people.² This presents concerns regarding algorithmic racial bias, risks to privacy and First Amendment rights, and potential harm to immigrant communities. The UN Office of the High Commissioner for Human Rights expressed alarm regarding the potential use of lethal autonomous robotics for targeted killings by states, including Northrop Grumman's X-47B drone.³

Conflict-affected areas are characterized by widespread human rights abuses, and the UNGPs encourage business enterprises operating in those contexts to conduct enhanced due diligence to ensure that the business is not involved with such abuses.⁴ Northrop Grumman has contracts with or supplies weapons to multiple states engaged in international and internal armed conflicts, including Saudi Arabia and United Arab Emirates (Yemen), India (Kashmir), Israel (Palestine), Morocco (Western Sahara), and Colombia.⁵

Northrop Grumman is one of Saudi Arabia's largest defense partners and has, "been heavily involved in the training and development of Saudi military personnel."⁶ In 2018, the International Commission of Jurists reported that the Saudi-led coalition violated international humanitarian law during operations in Yemen in 2017.⁷ The UN declared that the conflict created the world's worst humanitarian crisis, with 24 million people dependent on aid and protection.

Northrop Grumman adopted a Human Rights Policy in 2013, but does not disclose its salient human rights issues or how the policy is implemented to prevent, mitigate, or remediate adverse human rights impacts associated with its government contracts. In 2019, 31% of shareholders voted in favor of increased reporting on the implementation of the company's Human Rights Policy.⁸ Yet, investors are still unable to assess how it evaluates and mitigates risks accompanying specific activities such as weapons contracts, military training, biometrics, and emerging technologies, or with governments engaged in conflict.

RESOLVED: Shareholders request that Northrop Grumman publish a report, at reasonable cost and omitting proprietary information, with the results of human rights impact assessments examining the actual and potential human rights impacts associated with high-risk products and services, including those in conflict-affected areas.

1. www.northropgrumman.com/AboutUs/AnnualReports/Documents/pdfs/2018_noc_ar.pdf

2. www.documentcloud.org/documents/6542043-MSLS-Industry-Day-Presentation-FINAL.html

3. www.theatlantic.com/technology/archive/2014/05/the-military-wants-to-teach-robots-right-from-wrong/370855/

4. UNGP Principle 7; www.amnesty.org/en/documents/act30/0893/2019/en/

5. www.northropgrumman.com/AboutUs/OurGlobalPresence/Pages/default.aspx; www.upi.com/Defense-News/2015/10/16/Colombia-receives-Northrop-Grumman-ANTPS-78-radar/4871445000556/; www.moroccoworldnews.com/2018/05/246179/morocco-cargo-m1a2s-laser-tanks-us/; www.news.northropgrumman.com/news/releases/northrop-grumman-delivers-center-fuselage-for-first-israeli-f-35-aircraft

6. www.northropgrumman.com/AboutUs/OurGlobalPresence/MiddleEastAndAfrica/Pages/Who-We-Are-in-the-Middle-East.aspx

7. <http://www.icj.org/wp-content/uploads/2018/09/Yemen-War-impact-on-populations-Advocacy-Analysis-Brief-2018-ENG.pdf>

8. <http://investor.northropgrumman.com/node/36321/html>

Proxy Resolutions: Human Rights and Worker Rights

Immigration

Review Company Policies Relating to Involuntary Transportation

Qantas Airways Limited (Int'l)

Shareholders request that the Board commission a review of our company's policies and processes relating to involuntary transportation (Review) undertaken as a service provider to the Department of Home Affairs. Given our company's commitment to aligning its business with the UN Guiding Principles on Business and Human Rights (UNGPs), shareholders recommend that the UNGPs be used as a basis for the Review.

A report describing the completed Review should be prepared at reasonable cost and omitting confidential information, and made available to shareholders on the company website by 30 June 2020.

Supporting statement to resolution 2

The ACCR favours policies and practices which protect the long term value of our company.

This resolution is a modification of one raised by ACCR at last year's AGM. It is tailored to assist our company by constraining parameters for the Review sought, so that limited disclosures, pertinent to the examination of risk, can be made to shareholders.

As shareholders, we are concerned about the material, reputational, financial and legal risks of our company's participation in involuntary airline deportation, removal and transfer activities, as a service provider to the Australian Department of Home Affairs (the Department). ACCR is concerned that these activities expose our company to the probability of complicity in serious human rights violations.

Risks associated with involuntary transportation activities

Our company has a contract with the Department to provide various airline services, including the involuntary transportation of refugees and asylum seekers. This transportation occurs between sites of immigration detention (onshore and offshore), as well as in instances of deportations from Australia. The risks associated with our company's commercial decision to participate in these activities would be mitigated by the implementation of a commensurate human rights due diligence process. Human rights due diligence is the cornerstone requirement of UN Guiding Principles on Business and Human Rights (UNGPs), a standard that Qantas committed to in 2017.⁴

Serious information gaps remain in relation to our company's approach to involuntary transportation:

Our company has confirmed to ACCR that it has undertaken a commercial risk assessment of undertaking these activities. Our company has not disclosed the results of this assessment to shareholders. Our company has noted that it does 'not receive detail relating to the immigration status of an individual'⁵ being transported on behalf of the Department, and has confirmed that it does not request this information, even though it is entitled to do so under the Department's guidelines on carriage of persons in custody.⁶ Our company has declined to provide details on the nature of its contractual arrangements with the Department, and has not disclosed (or assessed) the revenue associated with involuntary transportation.

The UNGPs note that business enterprises have a responsibility to avoid adverse human rights impacts in their operations, and that this responsibility exists 'over and above compliance with national laws'.⁷ Making exceptions for certain clients, including governments, even where business relationships are important or lucrative, is not permissible under the UNGPs.

Insufficiency of Australian immigration system against compliance with human rights standards

Numerous international authorities have found that Australia's refugee law system contravenes international human rights law in a number of respects. Centrally, section 197C of the Migration Act 1958 (Cth), which was introduced in 2014, provides that the requirement to remove unlawful non-citizens from Australia is not limited by Australia's non-refoulement obligations under the Refugee Convention. This represents a significant step by

Proxy Resolutions: Human Rights and Worker Rights

Australia away from honouring its international obligations. Hence the Australian legal system can no longer be relied upon to ensure compliance with international human rights law.

As the Refugee Advice & Casework Service (RAGS) has noted, significant human rights risks can arise from commercial airlines' participation in the forced transportation of refugees and people seeking asylum, including: those who have been unreasonably barred from making a temporary protection application; families which are being separated; those who face deportation to countries whose conditions are deteriorating; those suffering from prolonged and arbitrary detention; those at risk of deportation where non-refoulement obligations have not been correctly considered.⁸

Our company's approach to risk

Our company acknowledges that the 'Transportation of persons in custody at the request of Government' is one of its five most 'salient human rights risks'⁹ but does not have a process in place to mitigate these specific risks.¹⁰

Our company's participation in involuntary transportation also produces material brand risk, potentially undermining its social licence to operate. This was acknowledged by a group of human rights, law and business experts, as well as other prominent Australians, in an expert statement published in 2018¹¹.

Further to this, the International Transport Workers Federation (ITF) has become 'increasingly concerned about the role of commercial airlines in forced deportations', and the adverse impacts that this has on front-line airline staff¹², who are often struggling with their own opposition to these activities. The ITF notes that involuntary transportation activities are often highly controversial, and may involve protests and resistance from deportees, increasing risks for all.

Finally, we note that deportation activities are receiving increasing public attention. Concern over the complicity of airlines in involuntary transportation is a highly topical and growing area of disruptive activism.¹³

Refugee support groups have been protesting outside our company's offices, and these groups are also coordinating social media campaigns targeting our company around this issue.¹⁴ These activities undermine our corporate image, which is of considerable value to our company.

ACCR encourages our company to commission a review of its policies and processes in relation to involuntary transportation activities, undertaken as a service provider to the Department, and disclose the results of that review to shareholders, in order to mitigate and manage the above risks.

ACCR and Mercy Investment Services, Inc urge shareholders to vote for this proposal.

4. <https://www.qantas.com/au/en/Qantas-group-acting-responsibly-low-governance.html#enhanced-human-rights>

5. <https://www.qantas.com/au/en/qantas-group-acting-responsibly-low-governance.html#targetText=Ensuring%20Board%20commitment%20for%20P%20beresponsibilities%20and%20reporting%20P%20ues%3B%20and>

6. <https://www.homeaffairs.gov.au/111transact-seC1Jrity1aviaHao-sec1ffity/moverneots-persoos-c11stocty>

7. United Nations, Office of the High Commissioner. 2011, 'Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework' available at: . 13 .

8. Refugee Advice Casework Service, August 2019, Briefing note: Qantas and the deportation or forced movement of people seeking asylum and refugees.

9. <https://www.qantas.com/au/en/qantas-group-acting-responsibly-low-governance.html#targetText=Ensuring%20Board%20commitment%20for%20P%20beresponsibilities%20and%20reporting%20P%20ues%3B%20and>

10. Our company's Non-Negotiable Business Principles, which are set out in the company's 2019 Code of Conduct and Ethics, include a commitment to 'proactively manage risk' and to 'safeguard the Qantas Group's reputation, brands, property, assets and information'.

11. <https://accr.org.au/qantas-expert-statement>

12. <https://www.airport-technology.com/features/forced-deportations-commercial-airlines/>

13. See eg The Nation "Stopping Deportations by Blocking Flights" 22 August 2018 <https://www.thenation.com/article/stopping-deportations-by-blocking-flights/>; and Sydney Morning Herald, 27 July 2018, 'Swedish Student Protest of refugee deportation on plane goes viral', <https://www.smb.com.au/world/europe/swedjsh-sudent-s-protest-of-refugee-deportation-on-plane-goes-viral-20180727-p47tlq.html> ee eg <https://www.facebook.com/QantasTakeAStand/>; <https://twitter.com/maevemarsdeotstatus111s1oz3z92s66345729?s=21>

Immigration

Human Rights Risks Related to US Immigration Policy

Royal Bank of Canada

RESOLVED, that shareholders of Royal Bank of Canada (“RBC”) urge the Board of Directors to report to shareholders by December 31, 2020 on how RBC is identifying and addressing human rights risks to RBC related to carrying out the United States’ (U.S.) immigration enforcement policy, which aims to prosecute all persons who enter or attempt to enter the U.S., including the detention without parole of asylum-seekers and the separation of minor children from their parents who are accused of entering the country illegally.

The report should be prepared at reasonable cost and should omit confidential and proprietary information.

SUPPORTING STATEMENT Immigration policy has become one of the most high-profile and contentious issues facing the U.S. The detention of undocumented immigrants and asylum seekers, especially the separation of minor children from their parents entering the U.S. outside of ports of entry, has spurred widespread criticism and captured the world’s attention.

Media attention has been intense, with coverage of the trauma endured by children, deplorable detention conditions and abuses within the system. Reports detail inhumane conditions in detention centers, with children sleeping on cement floors and suffering from hunger, inadequate health care, and a lack of toothbrushes and soap. Thousands have alleged sexual and physical abuse, and there have been numerous deaths inside these facilities.

Concerns have been raised regarding the practices of GEO Group and CoreCivic, two firms that operate the majority of migrant detention facilities. Numerous reports and lawsuits have detailed violations at facilities operated by both companies. This includes at least three lawsuits alleging forced labor/human trafficking at immigrant detention centers in California, Colorado, and Washington. According to their June 30, 2019 regulatory filings, RBC and affiliates own over 20,000 shares in each firm.

The United Nations High Commissioner for Human Rights said that, “the use of immigration detention and family separation as a deterrent runs counter to human rights standards and principles.” RBC’s Code of Conduct says, “Over many years RBC has earned trust and a reputation for doing what’s right through the actions of those who work here. . . . We support the communities where we live, work and do business. We also accept accountability for the social and economic effects of our business decisions.”

Banks have started to recognize the reputational consequences of doing business with companies whose conduct is widely condemned in society. In 2019, Bank of America announced it would stop financing private prison and immigration detention companies, following similar declarations by JPMorgan Chase and Wells Fargo. As of September 30, 2019, all existing U.S. banking partners providing lines of credit and term loans to GEO Group had officially committed to ending ties with the private prison and detention industry.¹ The Canada Pension Plan Investment Board divested its shares from both companies in 2019 following public opposition.

Given the risks the policy and debate create for companies like RBC, we urge shareholders to vote for this Proposal.

1. <https://www.forbes.com/sites/morgansimon/2019/09/30/geo-group-runs-out-of-banks-as-100-of-banking-partners-say-no-to-the-private-prison-sector/?fbclid=IwAR3MZl9Ex4rzar5Zv809rXO3QuIT2NuJlpKrB7MJY4N-Z1JdAfWuGHIUQ#56c472ec3298>

Proxy Resolutions: Human Rights and Worker Rights

Immigration

Director Qualifications: Human Rights Expertise

CoreCivic

RESOLVED that shareholders of CoreCivic, Inc. (“CoreCivic” or the “Company”) urge the Board of Directors (the “Board”) to amend the “Board Membership Criteria” section of the Company’s Corporate Governance Guidelines to add human rights expertise to the factors the Nominating and Governance Committee (the “Committee”) and/or Board takes into account when evaluating persons for nomination or renomination to stand for election as directors.

SUPPORTING STATEMENT An effective board is made up of directors with a mix of skills, experience and expertise well-suited to the challenges, risks and opportunities the company faces. CoreCivic says it “take[s] very seriously [its] responsibility to respect and uphold the rights and welfare of the men and women in [its] care.”¹

CoreCivic has come under fire, however, for not respecting inmate and detainee human rights, which has the potential to harm performance. The Company has been sued for using forced labor at the Stewart County, Georgia immigration detention center, where plaintiffs allege that they were deprived of necessities, which had to be purchased from the facility’s commissary, if they refused to work for \$1 per day at jobs like cooking and cleaning that the facility would otherwise have had to pay non-detainees to do.² A wage theft lawsuit cites a similar program at a New Mexico immigration detention facility.³ Complaints and press accounts have documented inadequate medical care, in some cases leading to detainee deaths, and other inhumane conditions at CoreCivic facilities.⁴

The “Board Membership Criteria” section of CoreCivic’s Corporate Governance Guidelines lists factors the Committee considers important by the Committee in deciding to nominate or renominate a director candidate. Human rights expertise is not among them. CoreCivic is one of the largest prison operators in the U.S.,⁵ yet its proxy statement does not disclose human rights experience or expertise for any of the Company’s directors.

Investors are increasingly registering concern about human rights. The average support for shareholder proposals on the subject increased from 8% in 2018 to 25% in 2019, and a 2019 proposal achieved majority support.⁶ The California State Teachers’ Retirement System and New York City Pension Funds cited human rights concerns in connection with their decisions to divest from CoreCivic and GEO Group’s stock.⁷

We believe that CoreCivic would benefit from elevating human rights expertise as a factor used to evaluate director candidates. The presence on the board of one or more directors with such expertise would encourage greater focus on human rights and enhance the quality of the board’s oversight of human rights-related risks.

We urge shareholders to vote for this proposal.

1. <http://www.corecivic.com/for-families/inmate-and-detainee-rights>

2. <https://www.splcenter.org/seeking-justice/case-docket/wilhen-hill-barrientos-et-al-v-corecivic-inc>

3. <https://www.theguardian.com/us-news/2018/nov/25/private-prison-companies-served-with-lawsuits-over-usng-detainee-labor>

4. <https://projectsouth.org/wp-content/uploads/2019/10/10.17.2019-Letter-to-Georgia-Congressional-Delegates-.pdf>; <https://www.tennessean.com/story/news/2018/08/07/corecivic-diabetic-inmates-denied-insulin-trousdale-turner/925297002/>

5. https://en.wikipedia.org/wiki/List_of_largest_employers_in_the_United_States

6. <https://corpgov.law.harvard.edu/2019/07/26/2019-proxy-season-review-part-1-rule-14a-8-shareholder-proposals/>

7. <https://www.pionline.com/article/20181108/ONLINE/181109890/calstrs-to-divest-from-private-prison-companies-corecivic-geo-group>; <https://www.ai-cio.com/news/new-york-city-pension-funds-divest-private-prisons/>

Proxy Resolutions: Human Rights and Worker Rights

Immigration

Adopt a Human Rights Policy

First Horizon National Corp.

RESOLVED: Shareholders request that the Board of Directors of First Horizon National Corporation (First Horizon National) adopt a comprehensive Human Rights Policy articulating our company's commitment to respect human rights throughout its operations and value chain and describing proposed steps and management systems to identify, assess, prevent, mitigate, and, where appropriate, address actual and potential adverse human rights impacts connected to the business.

Supporting Statement: The UN Guiding Principles on Business and Human Rights state that companies have a responsibility to respect human rights within their operations and throughout their value chains. This responsibility entails that companies should know their human rights risks and impacts; take concrete steps to prevent, mitigate, and remediate adverse impacts when they occur; and publicly communicate how they are addressing their most salient human rights issues, meaning the most severe impacts on people connected with the business. Principle 13b of the Principles asserts that the corporate responsibility to respect human rights extends to situations where corporations may be directly linked to adverse human rights impacts through business relationships, "even if they have not contributed to those impacts".

In addition, the 2019 OECD guidance on Due Diligence for Responsible Corporate Lending and Securities Underwriting¹ cites that banks should seek to prevent and address impacts related to human and labor rights associated with their customers' activities.

Banks can contribute or be directly linked to human rights violations through lending or providing other financial support to the companies responsible for such human rights violations.² First Horizon National currently provides financing, via loans and credit lines, to CoreCivic, a corporation which operates private prisons.³ CoreCivic is the subject of claims of alleged human rights abuses, as noted in recent reports and multiple lawsuits, including inmate deaths, poor medical care, allegations of physical and sexual abuse of detainees and violence.⁴ CoreCivic faces at least four current federal cases alleging the use of forced labor at CoreCivic immigration detention facilities⁵. The California State Teachers' Retirement System and New York City Pension Funds cited human rights concerns in connection with their decisions to divest from CoreCivic's stock.⁶

In order to allay business and reputational risks, First Horizon National should adopt policies and practices to effectively address its exposure to corporate entities that interfere with human rights, especially on issues of detention. Banking peers including JP Morgan Chase, ABN AMRO and Wells Fargo have adopted human rights policy statements.

Establishing a Human Rights Policy would elevate board level oversight and governance regarding human rights risks implicated by the company's operations and lending activities and internal processes and provide a vehicle to fulfill the Board's fiduciary responsibilities for oversight of these risks.

1. <https://mneguidelines.oecd.org/Due-Diligence-for-Responsible-Corporate-Lending-and-Securities-Underwriting.pdf>

2. https://www.banktrack.org/download/letter_from_ohchr_to_banktrack_on_application_of_the_un_guiding_principles_in_the_banking_sector/banktrack_response_final.pdf

3. <https://populardemocracy.org/sites/default/files/Updated%202019%20Data%20Brief%20The%20Wall%20Street%20Banks%20Still%20Financing%20Private%20Prisons%20FINAL%20EMBARGOED%20UNTIL%204-8-19%201030am.pdf>

4. <https://www.hrw.org/news/2016/07/07/us-deaths-immigration-detention>

5. http://www.htlegalcenter.org/sdm_downloads/fact-sheet-human-trafficking-forced-labor-in-for-profit-detention-facilities/

6. <https://www.pionline.com/article/20181108/ONLINE/181109890/calstrs-to-divest-from-private-prison-companies-corecivicgeo-group> ; <https://www.ai-cio.com/news/new-york-city-pension-funds-divest-private-prison>

Proxy Resolutions: Human Rights and Worker Rights

Prison Labor in the Supply Chain

Report on Prison Labor in the Supply Chain

Home Depot, Inc.

A similar resolution was submitted to TJX Companies, Inc.

WHEREAS: The use of services derived from or sale of goods produced through correctional industries (prison labor) can pose financial and operational risks including supply chain disruption, litigation, and reputational damage;

Prison labor (both voluntary and involuntary) is often deployed in a manner that involves worker mistreatment. Although companies benefit from low overhead expenses when incarcerated people work for the company or its suppliers, companies have experienced public backlash, boycotts, and long-term brand name and reputation harm from a connection to prison labor;

While prison labor in the United States is legal, it has been described as “ill-regulated and ill-understood. It is also becoming ever more central to America’s massive criminal justice apparatus” and “at its heart coercive”;

Incarcerated workers are involved in producing products such as furniture, circuit boards, packaging materials, and electronic equipment; they also provide services such as call center or shipping services. Correctional industries workers may be paid as little as \$0.33-\$1.41 per hour for work that sometimes occurs in unsafe or unhealthy conditions. In some circumstances, people may be coerced into working by threat of punishment for declining work;

While our Company publishes policies stating that it prohibits forced labor as well as “involuntary or exploitative prison labor,” and reports on its response process for issues of noncompliance at certain manufacturers, it is the understanding of the Proponent that Home Depot does not routinely verify compliance with this policy for suppliers in the United States;

In 2017, a lawsuit was filed against a U.S. supplier alleging that dock floats sold by Home Depot and other retailers were made using “unpaid workers from a local drug rehabilitation program.” Given that it appears that Home Depot does not require third party audits of products made in the United States, this example illustrates the need for a full review of our company’s supply chain for exposure to this risk;

Careful review of our supply chain for voluntary and involuntary prison labor would help ensure that Home Depot suppliers are consistent with Company policies and minimize risks to Home Depot’s reputation and shareholder value.

RESOLVED: Shareholders of The Home Depot urge the Board of Directors to produce an annual report to shareholders on prison labor, at reasonable cost and omitting proprietary information, summarizing the extent of known usage of prison labor in the company’s supply chain.

SUPPORTING STATEMENT: Shareholders recommend that the report, at the board and management’s discretion:

- Provide annual quantitative metrics regarding the number of supplier audits completed by the Company or third party auditors that evaluated whether prison labor is present in the supply chain, as well as the summary of those audits’ results.
- Evaluate any risks to finances, operations, and reputation related to prison labor in the Home Depot supply chain including from undetected uses of prison labor in the supply chain.

Prison Labor in the Supply Chain

Adopt Policy on Prison Labor in Supply Chain

Exxon Mobil Corporation

ExxonMobil's Statement on Labor in the Workplace and its Supplier Vendor and Contractor Expectations documents prohibit forced or compulsory labor and compensation counter to labor laws, but are silent on the issues of legally permissible prison labor and the use of unpaid diversion program labor.

Financial and operational risks related to the use of prison and unpaid diversion program labor in a company's operations and supply chain can adversely affect shareholder value. For instance, the use of prison labor in supply chains can damage a company's reputation. In 2015, Whole Foods experienced significant backlash when customers learned that prisoner-made products were sold in stores. The use of prison labor can also lead to significant supply chain disruption. In 2018, various media outlets including Time Magazine and the Guardian noted that tens of thousands of prisoners orchestrated multi-week work stoppages to protest significant labor and human rights violations. As was reported in the New York Times, these protests are increasing in size and scope and future work interruptions are possible as states continue to debate ways to address prison labor. Colorado, for instance, recently passed Amendment A, which prohibits prison labor without pay.

Diversion program labor does not fall under the 13th amendment exemption. Participants in these programs have not been convicted of any crime. According to recent reports by the Center for Investigative Reporting (<https://bit.ly/2LOArRa>), diversion programs have supplied unpaid and involuntary labor to corporations, including ExxonMobil. This runs counter to the principles outlined in the Company's Statement on Labor and the Workplace and its Supplier Vendor and Contractor Expectations. Several legal complaints, including class action lawsuits, have been filed against corporations that utilize this labor. They allege violations of federal labor laws, which require employers to pay employees at least minimum wage, and human trafficking laws. Several state probes into the contracting companies supplying this labor have also been launched. This could lead to broader sanctions.

Although ExxonMobil's Statement on Labor in the Workplace and its Supplier Vendor and Contractor Expectations prohibit forced or compulsory labor and compensation counter to labor laws, we believe they lack sufficient attention to the use of prison and diversion program labor. Careful review of our supply chain for prison and unpaid diversion program labor could help ensure that ExxonMobil does not suffer reputational damage, or face supply chain disruptions.

RESOLVED: Shareholders of ExxonMobil urge the Board of Directors to adopt a policy committing the Company to take steps to address the use of prison and unpaid diversion program labor in its operations and supply chain. In doing so, ExxonMobil might consider surveying suppliers in order to identify sources of unpaid diversion program labor in its supply chain, reporting to shareholders on these findings and developing additional criteria or guidelines for suppliers and operators regarding the use of prison and diversion program labor.

Proxy Resolutions: Human Rights and Worker Rights

Gun Violence

Gun Sales Risk Reporting

Visa Inc.

RESOLVED: Shareholders of Visa Inc. ("Visa") request the Board of Directors issue a report, at reasonable expense and excluding proprietary information, on the risks to Visa from mounting public scrutiny of the role played by credit card issuers and payment networks in enabling purchases of firearms, ammunition, and accessories used to commit crimes, including mass shootings, and the steps Visa is taking to mitigate those risks.

Supporting Statement: Gun violence has become one of the highest-profile public policy issues in the U.S. Increasingly, efforts to stem gun violence are focusing on the roles played by intermediaries, including banks and payment networks, in the firearms business. Following the mass shooting at Marjory Stoneman Douglas High School, banks faced pressure to use their leverage to promote limits on gun sales. Citigroup announced a policy that banking, credit card, lending and underwriting clients could not sell firearms to anyone under 21 or who has not passed a background check. (<https://www.nytimes.com/2018/03/22/business/citigroup-gun-control-policy.html>) Bank of America stopped lending to companies that manufacture "military-inspired firearms," such as AR-15-style rifles used by many mass shooters, for sale to civilians. (<https://www.nytimes.com/2018/04/10/business/bank-of-america-guns.html?module=inline>)

A 2018 investigation by The New York Times found that mass shooters often use credit cards, in some cases obtaining multiple new credit cards, to finance large, unusual purchases of weapons, ammunition and accessories in the days and weeks leading up to the shooting. (<https://www.nytimes.com/interactive/2018/12/24/business/dealbook/mass-shootings-credit-cards.html>) The Times article asserted that payment networks are "uniquely positioned to see, if [they] chose to do so, a potential killer's behavior in a way that retailers, law enforcement officials, concerned family members or mental health professionals cannot," pointing out that they have systems in place to quickly identify fraudulent transactions and crimes such as money laundering and financing terrorism.

Reports indicate that preliminary discussions have taken place among banks and credit card companies about identifying gun purchases. One large bank, according to The Wall Street Journal, said it had discussed with officials a law that would require retailers to report certain firearms-related purchases made with credit cards. (<https://www.wsj.com/articles/banks-card-companies-explore-ways-to-monitor-gun-purchases-1525080600?ns=prod/accounts-wsj>; <https://thepointsguy.com/news/banks-credit-companies-monitoring-gun-purchases/>)

New York State Comptroller Tom DiNapoli has urged banks and payment processors, including Visa, to reclassify firearms transactions as high-risk, arguing that continued association with such purchases could lead to "widespread negative publicity and reputational harm." (<https://www.timesunion.com/business/article/Comptroller-presses-credit-debit-card-companies-12805864.php>)

As well, there is a precedent for refusing to process payments for particular kinds of purchases. PayPal, Apple Pay, Square and Stripe do not permit their payment services to be used for gun sales, and payment companies do not process payments for online pornography. (<https://www.marketwatch.com/story/could-credit-card-companies-ban-gun-sales-2018-02-23>) Until 2014, Authorize.Net, a payment gateway owned by Visa and used exclusively for online purchases, refused to process payments for firearm sales. (<https://taskerpaymentgateways.com/authorize-net-and-on-line-firearms-sales/>)

Given the widespread public debate, we believe that shareholders would benefit from disclosure regarding how Visa is evaluating and managing the risks. Visa currently provides no disclosure on the issue in its SEC filings or Corporate Responsibility & Sustainability Report.

We urge shareholders to vote FOR this proposal.

Proxy Resolutions: Human Rights and Worker Rights

Gun Violence

Safety in the Firearms Industry

Olin Corporation

RESOLVED: Shareholders request the Board of Directors issue a report, at reasonable expense and excluding proprietary information, on the company's activities related to gun and ammunition safety measures and the mitigation of harm associated with gun products.

WHEREAS,

Gun violence is a public health crisis with extraordinary human and financial costs. Given our commitment to safety and responsibility, it is imperative that we assess all options for decreasing the societal impact of gun violence and mitigate financial and reputational risks for the company.

The Gun Violence Archive's recent research found gun deaths up by 19% and gun injuries up 24% from 2014-2018.¹ Despite being a contentious issue, a recent Quinnipiac Poll shows support for sensible gun policy is at an all-time high and is holding steady. Background checks are favored by 94% of the population likely to vote² and survey participants also support a ban on sales of assault weapons (65%), a ban on sales of guns to people convicted of a violent crime (91%), and stricter regulations on ammunition sales (62%).³ Additionally, a recent study in the American Journal of Public Health found that almost 60% of Americans report they would be willing to buy a smart gun when considering a purchase.⁴

Evidence shows that the American public, in ever greater numbers, is demanding a safer and more responsible firearms industry, including:

- Evidence of best practice procedures concerning the sale or transfer of firearms and ammunition, including as it relates to keeping firearms out of the hands of children, criminals, individuals with mental health challenges, and anyone else prohibited from possessing them under federal law;
- Efforts underway to research and advance the development of safer gun products; and
- The promotion of gun safety education at the point of sale and in communities.

Olin Corporation ("Olin") represents itself as a company committed to integrity and being a "good steward of Olin products and materials over their life cycle to ensure prudent and safe development, sourcing, production, use, handling, transportation, and disposal/recycle." However, as a manufacturer of firearms ammunition and as the licensor of the Winchester brand to the Winchester Repeating Arms Company that produces firearms, Olin faces increasing scrutiny and reputational risk in its value chain for the potential adverse human rights impacts of its products. Additionally, as major retailers, including Walmart and Dick's Sporting Goods, adopt policies that restrict the sale of firearms and ammunition, Olin faces potential financial risk from this shift in retailer practices.

We believe that information regarding Olin's actions to implement safety measures will help investors more accurately evaluate the company's long-term financial and sustainability risks. We urge shareholders to vote for this proposal.

1. <https://www.gunviolencearchive.org/>

2. <https://poll.qu.edu/national/release-detail?ReleaseID=2623>

3. https://poll.qu.edu/images/polling/us/us11152017_ucp261.pdf/

4. <https://www.jhsph.edu/news/news-releases/2016/survey-most-americans-support-smart-guns.html>

Proxy Resolutions: Human Rights and Worker Rights

Child Sexual Exploitation Online

Child Sexual Exploitation Online

Alphabet, Inc.

WHEREAS: Child sexual exploitation online (including Child Sexual Abuse Material, or CSAM) is an escalating threat to children worldwide significantly exacerbated by the growth in social media platforms, online advertising, cameras on mobile devices, and children increasingly accessing the Internet and mobile applications; INTERPOL reported about 4,000 unique child sex images circulating worldwide in 1995;¹ yet in 2018, the National Center for Missing and Exploited Children received 45.8 million child sex abuse images and videos, double the amount from 2017 and a 10,000% increase since 2004;² The World Health Organization now estimates 200 million children are sexually abused each year,³ and that much of that abuse is online or captured and distributed digitally—where children are re-victimized with each viewing;¹ in 5 children are now sexually solicited online,⁴ 71% of young people are online,⁵ children;⁶ and one-third of global Internet users are now children;⁷

WHEREAS: Many of Alphabet Inc.'s (Alphabet) most profitable businesses have reportedly facilitated child sexual exploitation online, including AdSense, YouTube and Google; Alphabet has faced several recent child sex exploitation controversies, including:

A 2019 New York Times investigative piece reported that Google was resistant to removing child sex imagery documented by a recognized CSAM-reporting agency / iiDisney, AT&T, Nestle and others dropped ads because of explicit pedophile commentary under children's videos in YouTube⁸ (an issue YouTube knew about for several years);⁹ Google's AdMob and Firebase reportedly placed brand ads within apps hosted on Google Play dedicated to finding private pedophile chatrooms, where ad revenues financially supported CSAM¹⁰ (unbeknownst to advertisers); Google was a major funder of an industry coalition to defeat US legislation on sex trafficking online,¹¹ and financially supported groups working aggressively to block legal challenges to Backpage's business model (estimated to account for 73% of suspected child trafficking in the US before Backpage was shut down).¹²

Proponents note that Alphabet has policies, initiatives, moderators, and investments in technology aimed at reducing child sexual exploitation through some of its businesses, but Proponents are concerned about the sheer volume of child users and potential CSAM risks on Alphabet's platforms (YouTube alone posts 400 hours of content every minute¹³) and believe that Alphabet's current response is inadequate compared to the scope of the problem and likely harm posed to children.

RESOLVED: Shareholders request that the Board of Directors issue a report assessing the risk of children being sexually exploited across the Company's platforms and businesses, at reasonable expense and excluding proprietary/confidential information, by February 2021, including whether the Company's existing policies and practices are sufficient to prevent adverse impacts to children (18 and younger) and to the company's reputation or social license.

1. <https://www.icmec.org/commonwealth-internet-governance-forum-a-joint-report-on-online-child-protection-combating-child-sexual-abuse-material-on-the-internet/>

2. <https://www.facebook.com/wearethorn/photos/a.539537636085793/2387317711307767/?type=3&theater>

3. <https://www.undispatch.com/here-is-how-every-county-ranks-on-child-safety/>

4. <https://valueforgood.com/publications/AI-Making-Internet-Safer-for-Children.pdf>

5. https://www.unicef.org/publications/files/SOWC_2017_ENG_WEB.pdf

6. <https://www.tandfonline.com/doi/full/10.1080/23738871.2017.1291698>

7. <https://www.nytimes.com/interactive/2019/11/09/us/internet-child-sex-abuse.html>

8. <https://www.usatoday.com/story/tech/news/2019/02/22/at-t-disney-epic-games-pull-youtube-ads-child-exploitation-concerns-pedophiles/2948825002/>; <https://adage.com/article/digital/advertisers-worry-youtube-sex-pedophile-fixes/316799>

9. <https://www.engadget.com/2017/11/28/youtube-pulls-150000-child-videos-over-comment-abuse/>

10. <https://techcrunch.com/2018/12/27/funding-filth/>

11. <http://law.emory.edu/elj/elj-online/volume-68/essays/history-repeats-faces-behind-sex-trafficking-familiar.html>

12. <https://www.consumerwatchdog.org/newsrelease/report-shows-how-google-funded-defense-child-sex-trafficking-hub>

13. <https://www.unicef.org/innovation/media/I0501/file/Memorandum%20on%20Artificial%20Intelligence%20and%20Child%20Rights.pdf>

Child Sexual Exploitation Online

Child Sexual Exploitation Online

AT&T Inc.

WHEREAS: Child sexual exploitation online (including Child Sexual Abuse Material, or CSAM) is an escalating threat to children worldwide that is exacerbated by the growth in Internet services and mobile technologies (including 5G),¹ widespread access to online “apps” and children increasingly accessing the Internet through mobile phones;

AT&T Inc. (AT&T) is a leading Internet Service Provider, retailer of wireless communication services and devices, and growing provider of digital content and online advertising—all of which may increase CSAM risks to children;

UNICEF reports that 71% of young people are already online;²

WHEREAS: INTERPOL reported about 4,000 unique child sex images circulating worldwide in 1995;³

Yet in 2018, the National Center for Missing and Exploited Children received 18.4 million reports of CSAM online involving 45.8 million child sexual abuse images and videos, double the amount from 2017 and a 10,000% increase since 2004.⁴

The World Health Organization now estimates 200 million children are sexually abused each year,⁵ and that much of that abuse is online or captured and distributed digitally—where children are re-victimized with each viewing;

1 in 5 children are now sexually solicited online;⁶

Congress further passed legislation in 2018 to better hold Internet Providers legally accountable for facilitating sex trafficking on their platforms;

WHEREAS: Information and Communications Technology (ICT) companies deploy many practices—beyond standard parental controls—to confront child sex abuse online, including:

Staffing child exploitation investigators in-house (Verizon Communications); Developing digital tools or Artificial Intelligence⁷ to detect and remove CSAM online and offering those tools open-sourced to peers (Friendly Wifi, Google, Microsoft); Regularly reporting on CSAM strategies (including goals and metrics) and policy violations and enforcement⁸ (Tele2, Facebook, Discord); Instituting Children’s Rights Risk Assessments across the enterprise (Millicom);

Proponents recognize AT&T’s efforts, but believe it lags global peers:

- AT&T’s Acceptable Use Policy prohibits CSAM; It removed advertisements from YouTube in 2019 after pedophiles’ widespread sexual commentary under children’s videos; In 2019, it financially supported the Internet Watch Foundation;
- But AT&T’s 2017 Materiality Assessment ranked “Online Safety” and “Safe Use of Products and Services” as top-quadrant issues, yet it discloses little information on how it systematically addresses child sexual exploitation online;

We believe ICT companies lacking adequate strategies, policies, and disclosures to address child sexual exploitation could suffer substantial negative impacts from heightened regulation, adverse publicity, or legal risk;

RESOLVED: Shareholders request that the Board of Directors issue a report on the potential sexual exploitation of children across the Company’s businesses, including a risk evaluation, at reasonable expense and excluding proprietary/confidential information, by February 2021, assessing whether the company’s oversight, policies and practices are sufficient to prevent adverse impacts to the company’s brand reputation, product demand, or social license.

1. https://static1.squarespace.com/static/5630f48de4b00a75476ecf0a/t/5a83272c8165f5d2a348426d/1518544686414/6.4159_WeProtect+GA+report.pdf

2. https://www.unicef.org/publications/files/SOWC_2017_ENG_WEB.pdf

3. <https://www.icmec.org/commonwealth-internet-governance-forum-a-joint-report-on-online-child-protection-combatting-child-sexual-abuse-material-on-the-internet/>

4. <https://www.facebook.com/wearethorn/photos/a.539537636085793/2387317711307767/?type=3&theater>

5. <https://www.undispatch.com/here-is-how-every-country-ranks-on-child-safety/>

6. https://valueforgood.com/publications/AI_Making_Internet_Safer_for_Children.pdf

7. <https://www.friendlywifi.com/single-post/2019/03/28/Friendly-WiFi-joins-forces-with-Project-Arachnid-in-the-fight-to-keep-Children-Safe-Online>

8. <https://blog.discordapp.com/discord-transparency-report-jan-1-april-1-4f288bf952c9>

Proxy Resolutions: Human Rights and Worker Rights

Child Sexual Exploitation Online

Child Sexual Exploitation Online

Verizon Communications Inc.

WHEREAS:

- Child sexual exploitation online (including Child Sexual Abuse Material, or CSAM) is an escalating threat to children worldwide exacerbated by the growth in Internet services and mobile technologies (including 5G), online advertising, and children increasingly accessing the Internet and mobile applications;
- Verizon Communications (Verizon) is a leading Internet Service Provider (ISP), retailer of wireless communication services and devices, and provider of digital content and advertising;
- Lawsuits and news reports highlight the risk of CSAM to Verizon's businesses, where Verizon notes "significant brand reputational and financial impacts that could affect the company if the disclosure of this activity became...public."
- UNICEF reports that 71% of young people are already online;

WHEREAS:

- INTERPOL reported about 4,000 unique child sex images circulating worldwide in 1995; yet in 2018, the National Center for Missing and Exploited Children received 45.8 million child sex abuse images and videos, double the amount from 2017 and a 10,000% increase since 2004;
- The World Health Organization now estimates 200 million children are sexually abused each year, and that much of that abuse is online or captured and distributed digitally—where children are re-victimized with each viewing;
- 1 in 5 children are now sexually solicited online;
- Congress passed 2018 legislation to better hold ISPs legally accountable for facilitating sex trafficking on their platforms;

WHEREAS:

- Verizon has faced several recent child exploitation controversies, including:
- CSAM being detected on its Tumblr platform in 2018, which led to Tumblr's removal from the Apple App Store-- subsequently catalyzing a Verizon ban on all pornography from Tumblr to ensure CSAM's removal. This ban led to a decline in subscribers and ad revenue. Tumblr was sold in 2019 for an estimated \$3 million;
- In a federal lawsuit, Verizon testimony noted that CSAM "threatens Yahoo's advertising revenue stream," and after Google detected CSAM on a Verizon platform, it "threatened to suspend [it] from Google's AdSense network." Verizon stated that "advertisers had boycotted other ISPs as a result of child sex abuse material on those ISPs' services";
- Yahoo, Yahoo search, and AOL were highlighted in a recent New York Times investigation related to lax practices Yahoo's Messenger was implicated in the livestreaming of child sex abuse;
- Proponents note some progress by Verizon, including publication of a policy in 2019, disclosure that staff are investigating some CSAM reports, and involvement in some CSAM-prevention nonprofits -- but believe that the efforts disclosed appear insufficient in dealing with the potential level of CSAM through Verizon's businesses;

RESOLVED: Shareholders request that the Board of Directors issue a report assessing the potential sexual exploitation of children across the Company's businesses, including a risk evaluation, at reasonable expense and excluding proprietary/confidential information, by February 2021, including whether the company's oversight, policies and practices are sufficient to prevent adverse impacts to the company's brand reputation, product demand, or social license.

1. https://static1.squarespace.com/static/5630f48de4b00a75476ecf0a/t/5a83272c8165f5d2a348426d/1518544686414/6.4159_WeProtect+GA+report.pdf
2. <https://casetext.com/case/united-states-v-wolfenbarger-6>
3. https://www.unicef.org/publications/files/SOWC_2017_ENG_WEB.pdf
4. <https://www.icmec.org/commonwealth-internet-governance-forum-a-joint-report-on-online-child-protection-combatting-child-sexual-abuse-material-on-the-internet/>
5. <https://www.facebook.com/wearethorn/photos/a.539537636085793/2387317711307767/?type=3&theater>
6. <https://www.undispatch.com/here-is-how-every-country-ranks-on-child-safety/>
7. https://valueforgood.com/publications/Al_Making_Internet_Safer_for_Children.pdf
8. <https://www.fastcompany.com/90320659/tumblr-has-lost-100-million-monthly-page-views-since-banning-porn>
9. <https://www.adweek.com/digital/tumblrs-porn-ban-related-pageview-drop-barely-registered-among-ad-buyers/>
10. <https://www.theguardian.com/technology/2019/aug/12/verizon-tumblr-sale-automattic>
11. <https://casetext.com/case/united-states-v-wolfenbarger-6>
12. <https://www.nytimes.com/interactive/2019/11/09/us/internet-child-sex-abuse.html>
13. <https://casetext.com/case/united-states-v-wolfenbarger-6>

Proxy Resolutions: Human Rights and Worker Rights

Child Sexual Exploitation Online

Child Sexual Exploitation Online

Facebook Inc.

WHEREAS: Child sexual exploitation online (or Child Sexual Abuse Material—CSAM) is an escalating threat to children worldwide exacerbated by the growth in social media platforms and children increasingly accessing the Internet and mobile applications;

INTERPOL reported about 4,000 unique child sex images circulating worldwide in 1995;¹ yet in 2018, the National Center for Missing and Exploited Children received 45.8 million child sex abuse images and videos (from 18.4 million reports)--double the amount from 2017 and a 10,000 percent increase since 2004;²

The World Health Organization estimates 200 million children are sexually abused each year,³ and much of that abuse is online or captured and distributed digitally—where children are re-victimized with each viewing;

1 in 5 children are now sexually solicited online;⁴

The New York Times reports Facebook Messenger was responsible for “nearly 12 million of the 18.4 million worldwide reports of” CSAM in 2018;⁵

U.S. Deputy Attorney General Jeffrey Rosen noted that Facebook (including subsidiaries) accounted for “well over 16 million reports” of CSAM globally in 2018, and “70% of Facebook’s reporting” ... would likely not happen “if the company deploys end-to-end encryption across all of its platforms....”⁶

TechCrunch reports that WhatsApp chat groups, “cloaked by the app’s end-to-end encryption,” were spreading CSAM to pedophile rings;⁷

Facebook’s plans to expand end-to-end encryption will make it unable to track CSAM on social media enabling more offenders to evade detection;⁸

Facebook and its subsidiaries have faced other recent controversies of child sexual exploitation, including:

Facebook being sued in a Texas court for facilitating sex trafficking of minors;⁹ Instagram being linked to “rampant sex trafficking, child sexual abuse grooming, as well as adult fetishization of young girls...”, “sexually graphic comments on minor’s photos” and allowing strangers to “direct message minors.”¹⁰ Pedophiles “sharing Dropbox links to child porn via Instagram”;¹¹

Facebook may face significant regulatory risk if it cannot curb child sexual abuse on existing platforms or on encrypted messaging. Senate Judiciary Committee member Marsha Blackburn stated in a December 2019 hearing that Facebook and peers need to “get your act together, or we will gladly get your act together for you.”¹² Most of the Committee supported that sentiment.¹³

Proponents note Facebook has hired content moderators, has some policies and partnerships, and has implemented some practices and investments in technology to tackle child sex exploitation through its businesses, but proponents believe such activities have not significantly reduced the volume of CSAM or children being sexually exploited.

RESOLVED: Shareholders request that the Board of Directors issue a report by February 2021 assessing the risk of increased sexual exploitation of children as the Company develops and offers additional privacy tools such as end-to-end encryption. The report should address potential adverse impacts to children (18 years and younger) and to the company’s reputation or social license, assess the impact of limits to detection technologies and strategies, and be prepared at reasonable expense and excluding proprietary/confidential information.

1. <https://www.icmec.org/commonwealth-internet-governance-forum-a-joint-report-on-online-child-protection-combatting-child-sexual-abuse-material-on-the-internet/>

2. <https://www.facebook.com/wearethorn/photos/a.539537636085793/2387317711307767/?type=3&theater>

3. <https://www.undispatch.com/here-is-how-every-country-ranks-on-child-safety/>

4. https://valueforgood.com/publications/AI_Making_Internet_Safer_for_Children.pdf

5. <https://www.nytimes.com/interactive/2019/09/28/us/child-sex-abuse.html?action=click&module=RelatedCoverage&pgtype=Article®ion=Footer>

6. <https://www.justice.gov/opa/speech/deputy-attorney-general-jeffrey-rosen-delivers-remarks-justice-departments-lawful-access>

7. <https://techcrunch.com/2018/12/20/whatsapp-pornography/>

8. <https://www.theaustralian.com.au/nation/child-sex-abuse-rife-on-facebook/news-story/5b8d40edd15541ed955fd9f2ec86cd2b>

9. <https://www.nytimes.com/2019/12/03/technology/facebook-lawsuit-section-230.html>

10. <https://endsexualexploitation.org/articles/statement-instagram-is-predators-paradise-says-international-group-of-human-rights-ngos/>; <https://endsexualexploitation.org/articles/senate-hearing-uncovers-sex-exploitation-in-apps-and-social-media/>

11. <https://www.dailymail.co.uk/news/article-6574015/How-pedophiles-using-Instagram-secret-portal-apparent-network-child-porn.html>

12. <https://www.politico.com/news/2019/12/10/tech-companies-bipartisan-congress-encryption-080704>

13. <https://www.judiciary.senate.gov/meetings/encryption-and-lawful-access-evaluating-benefits-and-risks-to-public-safety-and-privacy>

Proxy Resolutions: Human Rights and Worker Rights

Worker Rights

Human Capital Management Disclosure

Genuine Parts Company

Similar resolutions were submitted to O'Reilly Automotive, Inc. and Ulta Beauty Inc.

WHEREAS: Human capital management disclosures are garnering attention in Congress and the SEC;

The retail sector's low-average wages, which help our Company maintain low prices on products, may increase labor-related risks. Companies can face decreases in market share and revenue from negative consumer sentiment in the event of public disagreement between companies and workers;

Underrepresentation of women and minorities in management structures may lay a foundation for allegations of discriminatory practices in promotions or wages. Litigation can eat into thin margins and cause reputational damage;

The Sustainability Accounting Standards Board (SASB) has established sector-specific standards to assist companies in disclosing financially material, decision-useful sustainability information to investors. The standards identify a minimum set of sustainability issues most likely to impact operating performance or financial condition of the typical company in an industry. Businesses use SASB standards to better identify, manage, and communicate to investors sustainability information that is comparable, consistent, and financially material, thereby enabling better investment and voting decisions;

The SASB standards are recognized as financially material by mainstream investors. The SASB Investor Advisory Group, 46 global asset owners and managers "[b]elieve SASB's approach--which is industry-specific and materiality-focused--will help provide investors with relevant and decision-useful information." Members of the SASB Investor Advisory Group and SASB Alliance, "a growing movement of organizations that believe standardized, industry-specific, and materiality-based standards help companies and investors adapt to the market's expectations," comprise seven of the ten largest worldwide money managers as well as pension funds of six states;

SASB Labor Practices standards encompass average hourly wage and percentage of in-store employees earning minimum wage; voluntary and involuntary turnover rate for in-store employees; and total amount of monetary losses as a result of legal proceedings associated with labor law violations;

SASB Workforce Diversity and Inclusion metrics concern the percentage of each gender category for global operations; and standard EEO-1 racial and ethnic group categories for U.S. operations for management and non-managerial employees;

Yet, our Company does not disclose this financially material information. Its absence challenges investors' ability to comprehensively evaluate our company's management of sustainability risks and opportunities;

BE IT RESOLVED: Shareholders request that the Board of Directors issue a report to shareholders describing the company's policies, performance, and improvement targets related to material human capital risks and opportunities by 180 days after the 2020 Annual Meeting, at reasonable expense and excluding confidential information, prepared in consideration of the metrics and guidelines set forth in the SASB Multiline and Specialty Retailers & Distributors standard's provisions on workforce diversity and inclusion and labor practices requirements.

Worker Rights

Human Capital Management Disclosure

Advance Auto Parts, Inc.

WHEREAS: Human capital management disclosures are garnering attention in Congress¹ and the SEC;²

The retail sector's low-average wages, which help Advance maintain low product prices, may increase labor-related risks. Companies can face decreases in market share and revenue from negative consumer sentiment in the event of public disagreement between companies and workers;

The Sustainability Accounting Standards Board (SASB) has established sector-specific standards to assist companies in disclosing financially material, decision-useful sustainability information to investors. The standards identify a minimum set of sustainability issues most likely to impact operating performance or financial condition of the typical company in an industry. Businesses use SASB standards to better identify, manage, and communicate to investors sustainability information that is comparable, consistent, and financially material, thereby enabling better investment and voting decisions;

The SASB standards are recognized as financially material by mainstream investors. The SASB Investor Advisory Group, 48 global asset owners and managers "[b]elieve SASB's approach--which is industry-specific and materiality-focused--will help provide investors with relevant and decision-useful information."³ Members of the SASB Investor Advisory Group and SASB Alliance comprise seven of the ten largest worldwide money managers⁴ as well as pension funds of six states;⁵

SASB Labor Practices standards encompass average hourly wage and percentage of in-store employees earning minimum wage; voluntary and involuntary turnover rate for in-store employees; and total amount of monetary losses as a result of legal proceedings associated with labor law violations;

Yet, Advance does not disclose this financially material information. Its absence challenges investors' ability to comprehensively evaluate our company's management of sustainability risks and opportunities;

THEREFORE, BE IT RESOLVED: Shareholders request that the Board of Directors issue a report to shareholders describing the company's policies, performance, and improvement targets related to material human capital risks and opportunities by 180 days after the 2020 Annual Meeting, at reasonable expense and excluding confidential information, including at a minimum reporting on average hourly wage and percentage of in-store employees earning minimum wage; voluntary and involuntary turnover rate for in-store employees; and total amount of monetary losses as a result of legal proceedings associated with labor law violations.

1. Dana Wilkie, "Workplace May Be New Battleground for 2019-20 Congress," November 7, 2018. Available at <https://www.shrm.org/hr-today/news/hr-news/pages/2018-mid-term-election-workplace-legislation.aspx>

2. Securities And Exchange Commission 17 CFR 229, 239, and 240 [Release Nos. 33-10668; 34-86614; File No. S7-11-19] RIN 3235-AL78. Modernization of Regulation S-K Items 101, 103, and 105. Available at <https://www.sec.gov/rules/proposed/2019/33-10668.pdf>

3. Support from Investors. <https://www.sasb.org/investor-use/supporters/>

4. Pensions & Investments "The Largest Money Managers," May 27, 2019. At 2

5. <https://www.pionline.com/assets/docs/CO119854528.PDF> SASB Alliance Organizational Members. <https://www.sasb.org/alliance-membership/organizational-members/>

Worker Rights

Report on Worker Safety Events and Environmental Violations

Hollyfrontier Corporation

RESOLVED: Shareholders of HollyFrontier Corporation (the “Company”) urge the board of directors to prepare a report to shareholders by the 2021 annual meeting, at reasonable cost and excluding confidential information, on Tier 1 Process Safety Events as reported to American Petroleum Institute Recommended Practice 754 and environmental violations as defined by the Environmental Protection Agency.

Supporting Statement: In recent years accidents at U.S. refineries have resulted in worker fatalities and billions of dollars in losses. The 2005 BP Texas City Refinery accident killed 15 workers and injured 180 and the 2012 Chevron Richmond Refinery explosion resulted in 15,000 people seeking medical attention. A 2017 Chemical Safety and Hazard Investigation Board report stated these incidents cost approximately \$1.95 billion.¹

A Journal of Environmental Economics and Management study analyzed 64 explosions in plants and refineries between 1990 and 2005 and found that on average the market value of each company dropped by 1.3% in the two days after the accidents. They determined that each casualty corresponds to a \$164 million loss and each toxic release cost \$1 billion in value.²

In the past five years, HollyFrontier has suffered costly outages and been fined over \$2.5 million by the Environmental Protection Agency and Occupational Safety and Health Administration.

On March 6, 2019, a propane line exploded at HollyFrontier El Dorado Refinery shutting down the facility for weeks. At the same refinery on September 4, 2017 an explosion in the Pug Unit resulted in the fatality of operator Tim Underwood, extensive damage, and costly liabilities.³

On March 13, 2018, a fire erupted at HollyFrontier Woods Cross Refinery, causing extensive damage to the Crude Unit and reducing operations.⁴

The threat of health, safety or environmental incidents presents a significant and material risk for shareholders and therefore requires a higher level of transparency.

We believe shareholders should be provided with a detailed report on the Company’s safety and environmental record for the previous year at each annual meeting to make informed investment decisions and help the company better mitigate future incidents.

For these reasons, we urge shareholders to vote FOR this resolution.

1. U.S. Chemical Safety and Hazard Investigation Board. (2017). Safety Business Case: Safety is Good Business And Good Public Policy. https://www.csb.gov/assets/1/6/csb_business_case_for_safety.pdf
2. Marie-Aude Laguna, Gunther Capelle-Blancard. How Does the Stock Market Respond to Chemical Disasters? Journal of Environmental Economics and Management, Elsevier, 2010, 59(2), pp.192-205.
3. The Wichita Eagle, Man burned in explosion at El Dorado refinery dies, 09/05/2017, <https://www.kansas.com/news/local/article171297377.html>
4. Oil & Gas Journal, Fire results in reduced rates at HollyFrontier’s Wood Cross refinery, 03/26/2018, <https://www.ogj.com/articles/2018/03/fire-results-in-reduced-rates-at-hollyfrontiers-wood-cross-refinery.html>



Proxy Resolutions: Human Rights and Worker Rights

Worker Rights

Impact of Plant Closures

United Technologies Corp.

RESOLVED: Shareholders of United Technologies Corporation (the “Company”), hereby request that the Board of Directors create a committee, with members drawn from representatives of the employee workforce and management of the Company, to prepare a report regarding the impact on communities from the closure of Company manufacturing facilities and alternatives that can be developed to help mitigate the impact of such closures in the future. The report shall be prepared at reasonable cost and omit proprietary information, and shall be made available to shareholders on the Company’s website.

Supporting Statement: In recent years, the closing of manufacturing facilities has become a significant social policy issue that has had a tremendous impact on our nation’s economy and politics. The economies of local communities are adversely affected by manufacturing facility closings, and these plant closings are often associated with moving production to other countries. The resulting negative public attention from job losses can damage the corporate reputation of companies who close manufacturing facilities.

Our Company has received significant public attention in recent years for the closure of manufacturing facilities. For example, our Company received widespread media coverage for the closure of a United Technologies Electronic Controls manufacturing facility in Huntington, Indiana and the partial closure of a Carrier manufacturing facility in Indianapolis, Indiana. More recently, our Company’s UTC Aerospace Systems has announced plans to close its manufacturing facility in Chula Vista, California.

Our Company’s Chairman and CEO Gregory Hayes has personally signed the Business Roundtable’s Statement on the Purpose of a Corporation (available at <https://opportunity.businessroundtable.org/ourcommitment/>). This statement affirmed our Company’s commitment to serve all stakeholders, including “investing in our employees” and “supporting the communities in which we work.” We believe that honoring these commitments to our Company’s employees and their communities is the best way for our Company to generate long-term value for shareholders.

For these reasons, it is imperative that attention be paid to the impact of plant closures on the communities in which the plants are located. This is particularly true given the close relationship between our Company and the communities where it has operated for many years. Establishing the proposed committee will be a first step toward understanding the impact of future plant closings, and the consideration of alternatives that can be developed to help mitigate the impact of such plant closures in the future.

We urge shareholders to vote “FOR” this proposal.



Proxy Resolutions: Human Rights and Worker Rights

Conflict Zones

No Business with Governments Complicit in Genocide - Burma

Western Union Company (The)

WHEREAS: Western Union uses the Myawaddy Bank as one of its agents in Burma. Myawaddy Bank is a subsidiary of Myanmar Economic Holdings Ltd (MEHL), a Burmese military-owned business conglomerate.

On September 18th, 2019, the United Nations-mandated Independent International Fact-Finding Mission on Myanmar released its final report documenting the Burmese military's systematic human rights abuses. The Mission concluded that many of these violations amounted to crimes against humanity, including murder, torture, rape, and enslavement. The violations were principally committed by the Myanmar security forces, particularly the military, or Tatmadaw.

The Mission has urged the international community to “sever ties with Myanmar’s military and the vast web of companies it controls and relies on” as “any foreign business activity involving the Tatmadaw and its conglomerates MEHL and MEC poses a high risk of contributing to, or being linked to, violations of international human rights law and international humanitarian law. At a minimum, these foreign companies are contributing to supporting the Tatmadaw’s financial capacity.”

Since the publication of the Mission’s reports, the business community has come under increasing scrutiny and pressure over any partnerships with Burmese military-owned and military-controlled companies. Western Union has been the target of a growing campaign that juxtaposes CEO Hikmet Ersek’s public advocacy for migrants and refugees with the fact that the company’s business partner, the Burmese military, is responsible, through its attacks on Rohingya communities, for creating one of the world’s largest refugee populations.

The U.N. Guiding Principles on Business and Human Rights state that business enterprises have a responsibility to respect human rights by avoiding causing or contributing to human rights abuses through their own activities, and seek to prevent abuses that are directly linked to their operations by their business relationships.

The International Coalition for the Responsibility to Protect (ICRtoP) monitors countries worldwide for instances of serious crimes under international law including genocide, war crimes, ethnic cleansing, and crimes against humanity. ICRtoP lists several countries cited by the United Nations and civil society organizations in which Western Union is currently doing business: Burma (Myanmar), Philippines, Sudan, and Nigeria.

BE IT RESOLVED: The shareholders request the Board publish a report six months following the 2020 annual general meeting, omitting proprietary information and prepared at reasonable cost, evaluating the feasibility of adopting a policy of not doing business with governments or military forces that are complicit in genocide, and/or crimes against humanity, and/or mass atrocities as defined by the U.S. Department of State or the appropriate international body.

Supporting Statement: As shareholders, we are concerned about the risk to Western Union’s reputation, business, and shareholder value from its partnership with Myawaddy Bank, a company owned by the military of Burma (Myanmar).

We urge Western Union to end its partnership with Myawaddy Bank. We further urge Western Union to adopt a policy of not doing business with any Burmese military-owned or military-controlled companies and conduct the necessary due diligence to avoid any such business relationships in future.

Lobbying and Political Contributions

Corporations regularly invest millions of dollars in undisclosed “dark money” to influence our legislative and political systems. Companies exert their influence through membership in and donations to trade associations and organizations like the Chamber of Commerce and the American Legislative Exchange Council (ALEC), an organization that writes model legislation favoring industry, often at the expense of social and environmental regulations.

As the climate crisis worsens, corporate lobbying against sensible climate regulation has drawn sharp criticism from investors. This spending is frequently used to advance agendas which are in conflict with companies’ stated positions on the environment, exposing them to reputational risk. Google is a case in point. Though the company became carbon neutral in 2007, in 2019, news leaked that it has continued to make substantial contributions to a number of climate deniers, including the Competitive Enterprise Institute (CEI), which was influential in convincing the Trump administration to abandon the Paris agreement. Meanwhile, in the wake of two 737 Max jet crashes, Boeing shareholders filed a resolution questioning whether Boeing’s lobbying led to relaxed FAA oversight.

Meanwhile, many pharma companies belong to Pharmaceutical Research and Manufacturers of America (PhRMA), which spends millions each year lobbying against measures aimed at controlling high U.S. drug prices. Similarly, many corporations are also members of the Business Roundtable, which is leading a campaign attacking shareholders’ right to file resolutions.

Each year, corporations also channel millions of dollars to political candidates, parties, and committees to influence elections at the state and national levels. We have now reached the 10th

Lobbying and Political Contributions		43*
Proposal Topic	Quantity	
Lobbying Expenditures Disclosure - Climate	16	
Lobbying Expenditures Disclosure	10*	
Political Contributions	8	
Lobbying Expenditures Disclosure - Pharma	6	
Climate Lobbying Report	2	
Shareholder Rebuke of Political Contributions	1	
* Includes one spring filing		

anniversary of the Supreme Court’s *Citizens United* decision. Prior to the ruling, national elections were financed transparently with contributions from individuals. Since that time, however, trade associations have become a vehicle for shielding corporate contributions from public scrutiny.

Investor work on lobbying disclosure is spearheaded by the American Federation of State, County and Municipal Employees, and Boston Trust Walden. Investor work on political spending, meanwhile, is coordinated by the Center for Political Accountability. Filings addressing corporate lobbying and political spending were the third most popular category of filings this year, with 43.



Proxy Resolutions: Lobbying and Political Contributions



"Investors are concerned about a lack of transparency and proper oversight of direct and indirect corporate lobbying because it poses potential reputational, legal, and business risks. Lobbying disclosure regulations are uneven at best; although companies are required to disclose their lobbying at the federal level, disclosure is uneven in the states. Additionally, corporate memberships in and payments to tax-exempt groups, including trade associations and social welfare organizations, are opaque and go unevaluated by shareholders (and often, the board).

This year brought increased scrutiny of companies' direct and indirect lobbying on climate-related issues with the release of "Investor Expectations on Corporate Lobbying on Climate Change," a statement backed by 200 institutional investors with over \$6.5 trillion in assets under management. The climate crisis poses serious existential risk to portfolio value. Government policy is essential in ensuring a temperature rise of no more than 1.5 degrees. Companies that lobby against climate policy either directly or through their memberships are engaging in short-sighted behavior which heightens their risk of significant expense when governments "catch up," not to mention the negative systemic impacts of efforts to delay government response. Several European oil and gas companies have evaluated their trade associations and in one case, departed, after investor inquiry. These new expectations mark a significant shift in how global investors are assessing corporate lobbying—given the risks, we are pushing companies to align their public statements with their private actions."

Kate Monahan, Shareholder Engagement Manager — Friends Fiduciary



Lobbying Expenditures Disclosure

Though corporations are required to file quarterly reports showing dollars spent on lobbying legislators and regulators, there is a widespread lack of transparency regarding amounts spent, recipients, and oversight. This year, investors sought greater clarity regarding direct and indirect and grassroots corporate lobbying on issues ranging from detention of immigrant children, to gun violence, climate policy and drug pricing, as well as membership in trade associations such as the Chamber of Commerce, the Business Roundtable, and the model legislation group ALEC.

Investors asked 10 companies including **Equifax** and **Tyson Foods** to report on their direct and indirect lobbying activities and expenditures to assess whether their lobbying is consistent with their expressed goals and in the best interests of their respective shareholders. An additional 6 resolutions targeted the lobbying activities of pharma companies.

ICCR members also filed an additional 18 resolutions emphasizing anti-climate lobbying, particularly corporate membership in the Chamber and ALEC, which oppose the Paris Climate Accord. These resolutions called for transparency regarding corporate payments used for direct and indirect lobbying. Recipients include **AT&T, BlackRock, Chevron, Disney, ExxonMobil, Ford, General Motors, and JPMorgan Chase.**

Proxy Resolutions: Lobbying and Political Contributions



"Addressing the amount and consequences of company spending is paramount as the 2020 proxy season unfolds. The misperception is that individuals and private companies are the dominant donors. Not so!



CPA undertook the first look at the origin and impact of spending by six partisan "527" committees that have reshaped state and national politics over the past decade. They included governors associations, state legislative campaign committees and attorneys general associations. Between 2009 and 2018,

public companies directly and indirectly accounted for 46% — or \$594 million — of the \$1.3 billion raised by the groups. Individuals contributed 22% and private companies 16%.

The corporate money's impact was amplified because the committees targeted key states and races.

The consequences? Attacks on efforts to address climate change, women's reproductive rights and LGBTQ rights, and gerrymandering, much of it racially driven.

These outcomes conflict with company core values and positions and threaten their reputations and bottom lines.

How are companies responding? The 2019 CPA-Zicklin Index found:

- The number of companies with the top political disclosure and accountability policies jumped to 73 from 28, when the Index was expanded in 2015 to cover the S&P 500;
- Three-fifths of companies have some form of political disclosure; and,
- Over half have board oversight of their political spending.

CPA is widening its effort to make political disclosure and accountability the norm and change how companies approach spending. For 2020, the goal is to file CPA's resolution at 40 companies to build on last year's 13 agreements and record average vote of 36.4%."

Bruce Freed, President, Center for Political Accountability

Dan Carroll, Vice President for Programs, Center for Political Accountability


Political Contributions

Corporate political donations and their influence on national elections will be a major investor focus in 2020. Shareholders argue that transparency around how corporations wield their financial power to influence elections is critical.

Investors asked 7 companies, including **Delta Air Lines, Expedia, and Exxon Mobil** to publicly disclose their policies and procedures for making contributions and expenditures (direct or indirect) to participate or intervene in any political campaign on behalf of (or in opposition to) any candidate for public office, or influence the general public with respect to an election or referendum.

Investors also asked **Coca-Cola** to issue a report analyzing the congruency of its political and electioneering expenditures during the preceding year against the company's publicly stated values and policies.





Proxy Resolutions: Lobbying and Political Contributions

Climate Lobbying Report

Exxon Mobil Corporation

A similar resolution was submitted to Chevron Corp.

Shareholders request that the Board of Directors conduct an evaluation and issue a report within the next year (at reasonable cost, omitting proprietary information) describing if, and how, ExxonMobil's lobbying activities (direct and through trade associations) align with the goal of limiting average global warming to well below 2 degrees Celsius (the Paris Climate Agreement's goal). The report should also address the risks presented by any misaligned lobbying and the company's plans, if any, to mitigate these risks. Supporting Statement: According to the most recent annual "Emissions Gap Report" issued by the United Nations Environment Programme (November 26, 2019), critical gaps remain between the commitments national governments have made and the actions required to prevent the worst effects of climate change. Companies have an important and constructive role to play in enabling policy-makers to close these gaps.

Corporate lobbying activities that are inconsistent with meeting the goals of the Paris Agreement present regulatory, reputational and legal risks to investors. These efforts also present systemic risks to our economies, as delays in implementation of the Paris Agreement increase the physical risks of climate change, pose a systemic risk to economic stability and introduce uncertainty and volatility into our portfolios. We believe that Paris-aligned climate lobbying helps to mitigate these risks, and contributes positively to the long-term value of our investment portfolios.

Of particular concern are the trade associations and other politically active organizations that speak for business but, unfortunately, too often present forceful obstacles to progress in addressing the climate crisis.

As investors, we view fulfillment of the Paris Agreement's agreed goal—to hold the increase in the global average temperature to "well below" 2°C above preindustrial levels, and to pursue efforts to limit the temperature increase to 1.5°C—as an imperative. We are convinced that unabated climate change will have a devastating impact on our clients, plan beneficiaries, and the value of their portfolios. We see future "business as usual" scenarios of 3-4°C or greater as both unacceptable and uninvestable.

Two hundred institutional investors managing \$6.5 trillion recently wrote to ExxonMobil, seeking information on how the company is managing this critical governance issue. Insufficient information is presently available to help investors understand how ExxonMobil works to ensure that its lobbying activities, directly, in the company's name, and indirectly, through trade associations, align with the Paris Agreement's goals, and what ExxonMobil does to address any misalignments it has found. The investors received no response to their letter.

We commend the company for recent positive steps, such as public support for strong methane regulations and the decision to withdraw from membership in the American Legislative Exchange Council (ALEC) because of ALEC's positions on climate change. However, information we do have on ExxonMobil's ongoing lobbying efforts through trade associations still presents serious concerns.

Thus, we urge the Board and management to assess the company's climate related lobbying and report to shareholders.

Proxy Resolutions: Lobbying and Political Contributions

Lobbying Expenditures Disclosure - Climate Change

Amazon.com, Inc

WHEREAS: Full disclosure of Amazon.com's ("Amazon") lobbying activities and expenditures is needed to assess whether such lobbying fully serves shareholder best interest, and is consistent with Amazon's policy goals.

RESOLVED: Amazon shareholders request the preparation of an annual report that discloses Amazon's:

1. Policies and procedures that govern lobbying, both direct and indirect, and its grassroots lobbying communications.
2. Payments that are used for:
 - A. direct or indirect lobbying, or
 - B. grassroots lobbying communications – in each case including the amount of the payment and the recipient.
3. Board and management decision-making processes, and oversight for making the payments described above.

For these purposes, a "grassroots lobbying communication" is one directed to the general public that:

- Refers to specific legislation or regulation,
- Reflects a view on legislation or regulation, or
- Encourages the recipient to take action regarding legislation or regulation.

"Indirect lobbying" is lobbying conducted by trade associations or other organizations to which Amazon contributes. Both "direct and indirect lobbying" and "grassroots lobbying communications" include efforts at the local, state, and federal levels. This report shall be presented to the Audit Committee and posted on Amazon's website.

Supporting Statement: From 2015-2018 Amazon spent \$48.2 million on federal lobbying, which does not include state lobbying, where Amazon also lobbies but disclosure is uneven or entirely absent. For example, from 2012-2018 Amazon spent \$1.38 million lobbying in California. Amazon's lobbying "to tamp down ballooning scrutiny and threats of heavy regulation" has generated questionable media attention.¹ Amazon also lobbies abroad, in 2018 having spent between €1.75-2.0 million on European lobbying efforts.

Amazon fails to disclose belonging to the Business Roundtable ("BRT"), which spent \$23.2 million lobbying dollars in 2018. Amazon signed the socially responsible BRT Statement on the Purpose of the Corporation, yet the BRT lobbies to limit the essential ownership right of stockholders to file shareholder proposals like this one. While Amazon does disclose the gross amounts of trade association and 501(c)4 payments, it does not break out payments by group, and fails to disclose the portions of these payments that are used for lobbying.

Lack of disclosure can present serious reputational risk when its lobbying contradicts Amazon's public positions. For example, Amazon joined the We Are Still In campaign – launched after President Trump dropped out of the Paris climate agreement – but The New York Times reports² that Amazon donated \$15,000 to the Competitive Enterprise Institute, which disputes climate change science. Amazon cofounded The Climate Pledge, announcing a commitment to meet the Paris Agreement 10 years early,³ yet is a member of the U.S. Chamber of Commerce, which has spent over \$1.5 billion lobbying since 1998, working actively to undermine the Paris climate accord.⁴ Such contradictions between Amazon's policy and its lobbying efforts can create reputational damage, negatively impact our ability to attract and retain talent, and harm long-term value.

THEREFORE: Please vote FOR an expansion of Amazon's lobbying disclosure.

1. www.politico.com/story/2019/07/23/amazon-facebook-lobbying-record-1611958

2. <https://www.nytimes.com/2019/07/10/climate/nyt-climate-newsletter-cei.html>

3. www.sustainability.aboutamazon.com/sustainable-operations/amazon-co-founds-the-climate-pledge-setting-goal-to-meet-the-paris-agreement-10-years-early

4. www.bloomberg.com/news/articles/2017-06-09/paris-pullout-pits-chamber-against-some-of-its-biggest-members "

Proxy Resolutions: Lobbying and Political Contributions

Lobbying Expenditures Disclosure - Climate Change

Exxon Mobil Corporation

Similar resolutions were submitted to Citigroup, Disney (Walt) Company / ABC, Ford Motor Company, General Motors Corp., Honeywell International, Phillips 66, and United Airlines Holdings, Inc.

WHEREAS, we believe in full disclosure of ExxonMobil's direct and indirect lobbying activities and expenditures to assess whether ExxonMobil's lobbying is consistent with its expressed goals and in shareholder interests.

RESOLVED, the shareholders of ExxonMobil request the preparation of a report, updated annually, disclosing:

1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.
2. Payments by ExxonMobil used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, including in each case the amount of the payment and the recipient.
3. Description of management's and the Board's decision-making process and oversight for making payments described above.

For purposes of this proposal, a "grassroots lobbying communication" is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation. "Indirect lobbying" is lobbying engaged in by a trade association or other organization of which ExxonMobil is a member.

Both "direct and indirect lobbying" and "grassroots lobbying communications" include efforts at the local, state and federal levels.

The report shall be presented to the Audit Committee or other relevant oversight committees and posted on ExxonMobil's website.

Supporting Statement: ExxonMobil spent \$110,700,000 from 2010 – 2018 on federal lobbying. This does not include state lobbying expenditures, where ExxonMobil also lobbies but disclosure is uneven or absent. For example, ExxonMobil spent \$4,055,093 on lobbying in California from 2010 – 2018. Exxon also lobbies abroad, spending between €3,250,000 – €3,499,999 on lobbying in Europe for 2018.

ExxonMobil belongs to the American Petroleum Institute, Business Roundtable (BRT), Chamber of Commerce and National Association of Manufacturers (NAM), which altogether spent \$260,638,048 on lobbying for 2017 and 2018. Both the BRT and NAM are lobbying against shareholder rights to file resolutions. ExxonMobil does not disclose its memberships in, or payments to, trade associations, or the amounts used for lobbying.

We are concerned that ExxonMobil's lack of disclosure presents reputational risks when its lobbying contradicts company public positions. For example, ExxonMobil supports the Paris climate agreement, yet a 2019 InfluenceMap report found Exxon has spent millions lobbying to undermine it.¹

Investors participating in the Climate Action 100+ representing more than \$34 trillion in assets are asking companies to align their lobbying, including through their trade associations, with the goals of the Paris agreement. Peer Shell produced an "Industry Associations Climate Review" report to ensure its trade association participation aligned with its views.² ExxonMobil uses the Global Reporting Initiative (GRI) for sustainability reporting, yet fails to report "any differences between its lobbying positions and any stated policies, goals, or other public positions" under GRI Standard 415.

We believe the reputational damage stemming from this misalignment between general policy positions and actual direct and indirect lobbying efforts harms long-term value creation by ExxonMobil. Thus, we urge ExxonMobil to expand its lobbying disclosure.

1. <https://thehill.com/policy/energy-environment/436117-top-oil-firms-spend-millions-on-lobbying-to-block-climate-change>

2. <https://www.reuters.com/article/us-shell-afpm-idUSKCN1RE0VB>

Proxy Resolutions: Lobbying and Political Contributions

Lobbying Expenditures Disclosure - Climate Change

BlackRock, Inc.

WHEREAS, we believe in full disclosure of BlackRock's direct and indirect lobbying activities and expenditures to assess whether our company's lobbying is consistent with its expressed goals and in stockholders' best interests.

Resolved, the stockholders of BlackRock request the preparation of a report, updated annually, disclosing:

1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.
2. Payments by BlackRock used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient.
3. Description of management's and the Board's decision-making process and oversight for making payments described in section 2 above.

For purposes of this proposal, a "grassroots lobbying communication" is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation. "Indirect lobbying" is lobbying engaged in by a trade association or other organization of which BlackRock is a member.

Both "direct and indirect lobbying" and "grassroots lobbying communications" include efforts at the local, state and federal levels.

The report shall be presented to the Governance and Risk committees and posted on BlackRock's website.

Supporting Statement: BlackRock spent \$21,280,000 from 2010 – 2018 on federal lobbying. This does not include state lobbying, where BlackRock also lobbies but disclosure is uneven or absent. For example, BlackRock spent \$1,885,418 on lobbying in New York from 2011 – 2018. BlackRock also lobbies abroad, spending between €1,250,000–1,499,999 on lobbying in Europe for 2018. Media outlets have reported that BlackRock "implemented a strategy of lobbying, campaign contributions, and revolving door hires to fight off government regulation,"¹ and CEO Laurence Fink has stated that "lobbying is really good because it is maximizing shareholder value."²

BlackRock lists memberships in the Investment Company Institute and the Securities Industry and Financial Markets Association, which together spent \$24,724,212 on lobbying in 2017 and 2018. BlackRock reportedly belongs to the Chamber of Commerce,³ which has spent over \$1.5 billion on lobbying since 1998, and belongs to the Business Roundtable, which is lobbying to limit shareholder rights to file resolutions. BlackRock does not comprehensively disclose its memberships in, or payments to, trade associations, nor the amounts used for lobbying.

We are concerned that BlackRock's lack of disclosure presents reputational risks when its lobbying contradicts company public positions. For example, BlackRock believes "investors can no longer ignore climate change"⁴ and BlackRock Chairman and CEO Fink publicly disagreed with the US exit from the Paris Agreement,⁵ yet the Chamber undermined the Paris climate accord.⁶

We believe the reputational damage stemming from this misalignment between general policy positions and actual direct and indirect lobbying efforts harms long-term value creation by BlackRock, and thus we urge the Board to institute comprehensive lobbying disclosure.

1. <https://www.valuwalk.com/2019/09/blackrock-campaign-contributions/>

2. <https://promarket.org/unusual-debate-at-davos-lobbying-maximizing-shareholders-value-and-the-duty-of-ceos/>

3. https://www.washingtonpost.com/business/economy/is-the-us-chamber-losing-its-grip/2017/07/14/f104d348-4f88-11e7-91eb-9611861a988f_story.html

4. <https://www.blackrock.com/corporate/literature/whitepaper/bii-climate-change-2016-international.pdf>

5. <https://www.fnlonon.com/articles/goldman-and-blackrock-chiefs-lead-finances-revolt-on-trumps-climate-call-20170602?tesla=y&tesla=y>

6. <https://www.bloomberg.com/news/articles/2017-06-09/paris-pullout-pits-chamber-against-some-of-its-biggest-members>

Proxy Resolutions: Lobbying and Political Contributions

Lobbying Expenditures Disclosure - Climate Change

Boeing Company

Similar resolutions were submitted to AES Corporation, Cheniere Energy, Chevron Corp., Duke Energy Corp., Nucor Corporation, and United Parcel Service, Inc.

WHEREAS, we believe in full disclosure of Boeing's direct and indirect lobbying activities and expenditures to assess whether Boeing's lobbying is consistent with its expressed goals and in shareholders' best interests.

RESOLVED, the shareholders of Boeing request the preparation of a report, updated annually, disclosing:

1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.
2. Payments by Boeing used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient.
3. Boeing's membership in and payments to any tax-exempt organization that writes and endorses model legislation.
4. Description of management's and the Board's decision-making process and oversight for making payments described above.

For purposes of this proposal, a "grassroots lobbying communication" is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation. "Indirect lobbying" is lobbying engaged in by a trade association or other organization of which Boeing is a member. Both "direct and indirect lobbying" and "grassroots lobbying communications" include efforts at the local, state and federal levels.

The report shall be presented to the Audit Committee or other relevant oversight committees and posted on Boeing's website.

Supporting Statement We encourage transparency in Boeing's use of corporate funds for lobbying. Boeing is described as "one of the biggest players in the Washington influence game"¹ and spent \$152,795,000 from 2010 – 2018 on federal lobbying. This does not include state lobbying, where Boeing also lobbies but disclosure is uneven or absent. In the wake of the two 737 Max jet crashes, questions have been raised whether Boeing's lobbying led to relaxed Federal Aviation Administration oversight,² including "long-standing concerns about industry capture of the FAA, from lobbying by the aerospace industry—Boeing spends millions lobbying Congress and federal agencies each year—to the revolving door between the FAA and Boeing and other companies and lobbying groups in the industry."³


Boeing belongs to the Business Roundtable (BRT) and National Association of Manufacturers (NAM), which together spent \$68,128,048 on lobbying for 2017 and 2018. Both the BRT and NAM are lobbying against shareholder rights to file resolutions. Boeing does not disclose its memberships in, or payments to, trade associations, or the amounts used for lobbying.

Investors participating in the Climate Action 100+ representing \$34 trillion in assets are asking companies to align their lobbying with the goals of the Paris agreement. We are concerned that Boeing's lack of lobbying disclosure creates reputational risks. We also believe the reputational damage stemming the 737 Max crashes and any misalignment between general policy positions and actual direct and indirect lobbying efforts harms long-term value creation by Boeing. Thus, we urge Boeing to expand its lobbying disclosure.

1. <https://www.cnn.com/2019/03/12/politics/boeing-capitol-hill-lobbying/index.html>

2. <https://www.nytimes.com/2019/07/27/business/boeing-737-max-faa.html>

3. <https://www.pogo.org/analysis/2019/03/how-the-faa-ceded-aviation-safety-oversight-to-boeing/>



Proxy Resolutions: Lobbying and Political Contributions

Lobbying Expenditures Disclosure - Pharma

Abbott Laboratories

Similar resolutions were submitted to AbbVie, Eli Lilly and Company, McKesson, Pfizer, Inc., and Vertex Pharmaceuticals Inc.

WHEREAS, we believe in full disclosure of Abbott Laboratories' ("Abbott") direct and indirect lobbying activities and expenditures to assess whether Abbott's lobbying is consistent with its expressed goals and in the best interests of stockholders.

Resolved, the stockholders of Abbott request the preparation of a report, updated annually, disclosing:

1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.
2. Payments by Abbott used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient.
3. Abbott's membership in and payments to any tax-exempt organization that writes and endorses model legislation.
4. Description of management's decision-making process and the Board's oversight for making payments described in section 2 above.

For purposes of this proposal, a "grassroots lobbying communication" is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation. "Indirect lobbying" is lobbying engaged in by a trade association or other organization of which Abbott is a member.

Both "direct and indirect lobbying" and "grassroots lobbying communications" include efforts at the local, state and federal levels.

The report shall be presented to the Public Policy Committee and posted on Abbott's website.

Supporting Statement: We encourage transparency in Abbott's use of funds to lobby. Abbott spent \$32,730,000 from 2010 – 2018 on federal lobbying. This figure does not include lobbying expenditures to influence legislation in states, where Abbott also lobbies in 37 states¹ but disclosure is uneven or absent. For example, Abbott spent \$822,611 on lobbying in California from 2010 – 2018. Abbott was one of the top three lobbying medical device companies for the previous five years,² and Abbott's lobbying on infant formula has attracted media scrutiny.³

Abbott sits on the board of the Chamber of Commerce, which has spent over \$1.5 billion on lobbying since 1998, and also belongs to the Business Roundtable (BRT) and National Association of Manufacturers (NAM), which together spent over \$68 million on lobbying for 2017 and 2018. Both the BRT and NAM are lobbying against the right of shareholders to file resolutions. Abbott does not disclose its payments to trade associations or the amounts used for lobbying.

We are concerned that Abbott's lack of lobbying disclosure presents significant reputational risk when its lobbying contradicts company public positions. For example, Abbott believes in addressing climate change, yet the Chamber undermined the Paris climate accord. And Abbott supports good health, yet the Chamber has worked to block global antismoking laws. We believe the reputational damage stemming from this misalignment between general policy positions and actual direct and indirect lobbying efforts harms long-term value creation by Abbott. Thus, we urge Abbott to expand its lobbying disclosure.

1. <https://publicintegrity.org/state-politics/here-are-the-interests-lobbying-in-every-statehouse/>

2. <https://www.nbcnews.com/health/health-care/medical-device-makers-spend-millions-lobbying-loosen-regs-d-c-n940351>

3. <https://maplight.org/story/infant-formula-makers-sweetened-mothers-milk-of-politics-with-60-million-in-lobbying-funds/>

Proxy Resolutions: Lobbying and Political Contributions

Lobbying Expenditures Disclosure

GEO Group Inc.

Similar resolutions were submitted to Altria Group, Inc., Caterpillar Inc., CenturyLink, Inc., Comcast Corp., and Keurig Dr. Pepper

WHEREAS, we believe in full disclosure of The GEO Group's ("GEO") direct and indirect lobbying activities and expenditures to assess whether GEO's lobbying is consistent with GEO's expressed goals and in the best interests of shareholders.

Resolved, the shareholders of GEO request the preparation of a report, updated annually, disclosing: 1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications. 2. Payments by GEO used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient. 3. GEO's membership in and payments to any tax-exempt organization that writes and endorses model legislation. 4. Description of management's and the Board's decision making process and oversight for making payments described in sections 2 and 3 above.

For purposes of this proposal, a "grassroots lobbying communication" is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation. "Indirect lobbying" is lobbying engaged in by a trade association or other organization of which GEO is a member.

Both "direct and indirect lobbying" and "grassroots lobbying communications" include efforts at the local, state and federal levels.

The report shall be presented to the Audit Committee or other relevant oversight committees and posted on GEO's website.

Supporting Statement: As shareholders, we encourage transparency and accountability in our company's use of corporate funds to influence legislation and regulation. GEO has spent \$7.13 million from 2010 – 2018 on federal lobbying, including \$1.7 million in 2017, which reportedly was the highest amount in a year for a private prison.¹ These figures do not include lobbying expenditures to influence legislation in states, where GEO also lobbies but disclosure is uneven or absent. For example, GEO had at least 67 lobbyists in 16 states in 2018 (followthemoney.org). GEO spent \$1,500,000 on lobbying in Alabama for 2018² and \$3,995,000 on lobbying in Florida from 2012 – 2017.³ And GEO's lobbying over how long immigrant children in Texas can be detained has attracted negative scrutiny.⁴

GEO is a member of the National Association of Real Estate Investment Trusts, which spent over \$7.8 million on lobbying in 2017 and 2018. GEO is also listed as a member of the Florida Chamber of Commerce, which had at least 25 lobbyists in Florida in 2017.⁵ GEO does not comprehensively disclose its memberships in, or payments to, trade associations, or the amounts used for lobbying. Absent a system of accountability, company assets could be used for objectives contrary to GEO's long-term interests.

We are concerned that GEO's lack of lobbying disclosure presents reputational risks, and thus we urge the Board to institute comprehensive lobbying disclosure.


1. <https://www.opensecrets.org/news/2018/06/zero-tolerance-immigration-is-big-money-for-contractors-nonprofits/>

2. <https://www.alreporter.com/2019/09/16/private-prison-detention-companies-spending-on-alabama-politicians/>

3. <https://www.followthemoney.org/research/blog/private-prisons-pour-millions-into-lobbying-state-lawmakers>

4. <https://theintercept.com/2017/05/02/private-prison-corporation-wrote-texas-bill-extending-how-long-immigrant-children-can-be-detained/>

5. <https://www.flchamber.com/the-good-the-bad-and-the-ugly/>



Proxy Resolutions: Lobbying and Political Contributions

Lobbying Expenditures Disclosure

American Water Works Company, Inc.

WHEREAS, we believe in full disclosure of American Water's ("AWK") direct and indirect lobbying activities and expenditures to assess whether AWK's lobbying is consistent with its expressed goals and in shareholders' best interests.

RESOLVED, the shareholders of AWK request the preparation of a report, updated annually, disclosing:

1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.
2. Payments by AWK used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient.
3. AWK's membership in and payments to any tax-exempt organization that writes and endorses model legislation.
4. Description of the decision-making process and oversight by management and the Board for making payments described in sections 2 and 3 above.

For purposes of this proposal, a "grassroots lobbying communication" is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation.

"Indirect lobbying" is lobbying engaged in by a trade association or other organization of which AWK is a member.

Both "direct and indirect lobbying" and "grassroots lobbying communications" include efforts at the local, state and federal levels. Neither "lobbying" nor "grassroots lobbying communications" include efforts to participate or intervene in any political campaign or to influence the general public or any segment thereof with respect to an election or referendum.

The report shall be presented to the Audit Committee or other relevant oversight committees and posted on AWK's website.


Supporting Statement Since 2011, AWK has spent at least \$1.7 million on federal lobbying. And AWK also lobbies extensively at the state level, where disclosure is uneven or absent. For example, AWK spent \$1,343,186 lobbying in New Jersey for 2010 – 2018 and \$1,765,786 lobbying in California in 2017 - 2018.

AWK serves on the board of the National Association of Water Companies (NAWC), which spent \$4,306,500 on lobbying from 2010 – 2018. AWK does not disclose its trade association memberships, nor payments and amounts used for lobbying. AWK only discloses trade association payments used for political contributions. This leaves a serious disclosure gap, as trade associations generally spend far more on lobbying than on political contributions. And AWK does not disclose its payments to tax-exempt organizations that write and endorse model legislation, such as its support for the American Legislative Exchange Council (ALEC).

We are concerned that AWK's lack of lobbying disclosure presents reputational risks. AWK's ALEC involvement has drawn scrutiny,¹ and over 110 companies have publicly left ALEC. AWK uses the Global Reporting Initiative (GRI) for sustainability reporting, yet fails to report "any differences between its lobbying positions and any stated policies, goals, or other public positions" under GRI Standard 415.

This proposal received nearly 40 percent support in 2019 out of votes cast for and against.

1. <https://thinkprogress.org/private-water-industry-defends-alec-membership-e640861248da/>



Proxy Resolutions: Lobbying and Political Contributions

Lobbying Expenditures Disclosure

The Charles Schwab Corporation

WHEREAS, we believe in full disclosure of The Charles Schwab Corporation's ("Schwab") direct and indirect lobbying activities and expenditures to assess whether its lobbying is consistent with its expressed goals and in the best interests of stockholders.

RESOLVED, the stockholders Schwab request the preparation of a report, updated annually, disclosing:

1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.
2. Payments by Schwab used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient.
3. Description of management's and the Board's decision-making process and oversight for making payments described in section 2 above.

For purposes of this proposal, a "grassroots lobbying communication" is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation. "Indirect lobbying" is lobbying engaged in by a trade association or other organization of which Schwab is a member.

Both "direct and indirect lobbying" and "grassroots lobbying communications" include efforts at the local, state and federal levels.


The report shall be presented to the Audit Committee or other relevant oversight committees and posted on Schwab's website.

Supporting Statement We encourage transparency and accountability in Schwab's use of funds to lobby. Schwab spent \$24,383,000 from 2010 – 2018 on federal lobbying. These figures do not include state lobbying expenditures, where Schwab also lobbies but disclosure is uneven or absent. For example, Schwab spent \$700,960 on lobbying in California from 2010 – 2018. Schwab's lobbying on the Retirement Enhancement and Savings Act has drawn scrutiny.¹

Schwab serves on the board of the Securities Industry and Financial Markets Association (SIFMA, which has spent \$58,730,000 on lobbying from 2010 – 2018. And Schwab previously served on the board of the Chamber of Commerce,² which has spent over \$1.5 billion on lobbying since 1998. Schwab does not disclose its memberships in, or payments to, trade associations, or the amounts used for lobbying.

We are concerned that Schwab's lack of lobbying and trade association disclosure presents reputational risks when its lobbying contradicts company public positions. For example, Schwab supports protecting the interests of investors by holding the financial industry to a high standard, yet Schwab, SIFMA and the Chamber reportedly lobbied "to quash various aspects" of the Department of Labor fiduciary rule to require investment advisers to put their clients' interests ahead of their own.³

We believe the reputational damage stemming from this misalignment between general policy positions and actual direct and indirect lobbying efforts harms long-term value creation by Schwab. Thus, we urge Schwab expand its lobbying disclosure.



Proxy Resolutions: Lobbying and Political Contributions

Lobbying Expenditures Disclosure

Sturm Ruger and Company, Inc.

RESOLVED, that the shareowners of Sturm, Ruger & Co. ("Ruger" or "Company") request the preparation of a report, updated annually, disclosing:

1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.
2. Payments by Ruger used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient.
3. Description of management's and the Board's decision-making process and oversight for making payments described in section 2 above.

For purposes of this proposal, a "grassroots lobbying communication" is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation. "Indirect lobbying" is lobbying engaged in by a trade association or other organization of which Ruger is a member.

Both "direct and indirect lobbying" and "grassroots lobbying communications" include efforts at the local, state and federal levels.


The report shall be presented to the Nominating and Corporate Governance Committee or other relevant oversight committee and posted on Ruger's website.

Whereas, we believe in full disclosure of our company's direct and indirect lobbying activities and expenditures to assess whether Ruger's lobbying is consistent with its expressed goals and in the best interests of shareowners.

Evidence shows that the American public, in ever greater numbers, is demanding a safer and more responsible firearms industry. The Gun Violence Archive's recent research found gun deaths up by 19% and gun injuries up 24% from 2014-2018. Despite being a contentious issue, a recent Quinnipiac Poll shows support for sensible gun policy is at an all-time high and is holding steady. Background checks are favored by 94% of the population likely to vote and survey participants also support a ban on sales of assault weapons (65%), a ban on sales of guns to people convicted of a violent crime (91%), and stricter regulations on ammunition sales (62%).

As stockholders, we encourage transparency and accountability in Ruger's use of corporate funds to influence legislation and regulation. While Ruger has a Political Contributions Policy that outlines its processes for reviewing and disclosing political contributions, the Company has not disclosed on its website which trade associations it belongs to or its lobbying expenditures to these organizations.

Ruger is a member of the NRA's Ring of Freedom for routinely donating at least \$1 million to the NRA Institute for Legislative Action. The NRA has spent \$1.6 million in 2019 lobbying against a bipartisan proposal for stricter background checks. Ruger has also donated to the National Shooting Sports Foundation which has spent \$14 million since 2016 lobbying for the firearms industry, including against stronger background checks, raising the minimum purchase age, and ammunition background checks. We are concerned that Ruger's lack of lobbying disclosure presents reputational and business risks, especially when its lobbying activities oppose legislation contrary to public demand and interests.



Proxy Resolutions: Lobbying and Political Contributions

Shareholder Rebuke of Political Contributions

PayPal

WHEREAS: Corporate political contributions have become an increased risk since the Supreme Court ruling in Citizens United v. Federal Election Commission allowed for greater corporate political expenditures involving “electioneering communications”;

Shareholders believe PayPal should minimize reputational risk regarding corporate and PayPal PAC political contributions;

PayPal’s website and Global Impact Report indicate that mitigating climate impact, inclusion and nondiscrimination, and privacy are priorities for our Company, yet our political action committee has made contributions that may undermine those stated policies, values, and goals;

The League of Conservation Voters’ National Environmental Scorecard “provides objective, factual information about the most important environmental legislation considered and the corresponding voting records of all members of the second session of the 115th Congress.” Despite PayPal’s stance on “recogniz[ing] it’s our responsibility to manage our environmental impact and act on global climate change,” the average score on the National Environmental Scorecard for PayPal PAC’s 2017-2019 funds recipients was 36% (out of 100%), with 30 recipients scoring below 20%;


The Human Rights Campaign’s (HRC) Congressional Scorecard ranks members of Congress on a 0-100 scale in terms of alignment with positions of supporting equality. Of PayPal PAC’s contributions from 2017-2019, over 38% of the funds went to candidates that HRC rated a score of 0-49, indicating a low alignment with HRC’s positions on issues that would support or better encourage equality. Numerous contributions went to members of Congress that were scored a 0 by HRC;

In the same timeframe, our PAC contributed to at least 9 members of Congress that either supported a piece of legislation that would overturn federal privacy protection rules related to the sharing of sensitive customer data or supported a bill that a critic said “jeopardizes Americans’ privacy [and] threatens human rights...”;

Shareholders recognize that conflicting issues may exist in the decision-making process of which political candidates to support. However, due to risks to shareholder value that may come from political missteps, shareholders seek the opportunity to weigh in on political contributions.

RESOLVED: Shareholders rebuke the Board of Directors at PayPal Holdings, Inc. for failing to have in place adequate measures to ensure that political contributions made by the Company or its PAC are in line with PayPal’s stated values and goals.

Supporting Statement: “Expenditures for electioneering communications” means spending directly, or through a third party, at any time during the year, on printed, internet or broadcast communications, which are reasonably susceptible to interpretation as in support of or opposition to a specific candidate. Such contributions may include financial support to political candidates, elected politicians, or 527 organizations.



Proxy Resolutions: Lobbying and Political Contributions

Political Contributions

Coca-Cola Company

WHEREAS: Coca-Cola's Public Issues and Diversity Review Committee reviews at least annually the Company's public policy advocacy efforts, including all political contributions, for alignment with its policy and overall values. Coca-Cola has stated, "We consider it our duty, and our responsibility, to make our views clear to those who have the potential to impact the laws, regulations and policies that can influence our global business."

However, Coca-Cola's politically focused expenditures appear to be misaligned with its public statements of its views and operational practices.

For example, Coca-Cola committed to recover for recycling all the bottles it sells and to use 50% recycled content by 2030. Yet, the company has spent millions of dollars to oppose passage of container deposit laws, which are the most effective way to significantly increase recycling rates.


In addition, Coca-Cola has asserted a strong commitment to gender equity with statements such as "We embrace our brand promise to promote inclusion, celebrate diversity and champion equality." However, in the last two election cycles, Coca Cola made political donations totaling hundreds of thousands of dollar to political office-holders, candidates, and political organizations that work to erode women's constitutional rights to access abortion. In addition, according to Funding the Bans, in the last two years, Coca-Cola contributed over \$50,000 to politicians and committees responsible for passing restrictive state abortion laws in 2019.

If the company's actions appear to conflict with its expressions of social and environmental intention, stakeholders may become concerned that its statements are corporate puffery, language described by the United States Federal Trade Commission as marketing exaggerations intended to "puff up" products and not able to be relied upon by consumers and investors.

Proponents believe Coca-Cola should establish policies and reporting systems that minimize risk to the firm's reputation and brand by addressing possible missteps in corporate electioneering and political spending that are in contrast to its stated diversity and environmental policies.

BE IT RESOLVED: Coca-Cola publish, at least annually, a report, at reasonable expense, analyzing the congruency of political and electioneering expenditures during the preceding year against publicly stated company values and policies.

SUPPORTING STATEMENT: Proponents recommend that such report also contain management's analysis of risks to our company's brand, reputation, or shareholder value of expenditures in conflict with company values. "Expenditures for electioneering communications" means spending directly, or through a third party, at any time during the year, on printed, internet or broadcast communications, which are reasonably susceptible to interpretation as in support of or opposition to a specific candidate.



Proxy Resolutions: Lobbying and Political Contributions

Political Contributions

DTE Energy

WHEREAS:

As long-term shareholders of DTE, we support transparency and accountability in corporate electoral spending. This includes any activity considered intervention in a political campaign under the Internal Revenue Code, such as direct and indirect contributions to political candidates, parties, or organizations, and independent expenditures or electioneering communications on behalf of federal, state, or local candidates.

Disclosure is in the best interest of the company and its shareholders. The Supreme Court recognized this in its 2010 Citizens United decision, which said, “[D]isclosure permits citizens and shareholders to react to the speech of corporate entities in a proper way. This transparency enables the electorate to make informed decisions and give proper weight to different speakers and messages.”

Although the Company publicly discloses a policy on corporate political spending, this is deficient because DTE’s disclosure of payments to trade associations is dated and the company does not disclose any other election-related spending from corporate funds.

Publicly available records show DTE has contributed at least \$13,365,000 in corporate funds since the 2010 election cycle (CQMoneyLine: <http://moneyline.cq.com>; National Institute on Money in State Politics: <http://www.followthemoney.org>).


However, relying on publicly available data does not provide a complete picture of the Company’s electoral spending. For example, the DTE’s payments to tax-exempt groups, such as 501(c)(4)s, that may be used for election-related activities are undisclosed and unknown. This proposal asks the Company to disclose all of its electoral spending, including payments to trade associations and other tax-exempt organizations, which may be used for electoral purposes. This would bring our Company in line with a growing number of leading companies, including Ameren Corporation, Sempra Energy, and Edison International, which present this information on their websites.

The Company’s Board and shareholders need comprehensive disclosure to fully evaluate the use of corporate assets in elections.

RESOLVED, that the shareholders of DTE Energy (“DTE” or “Company”) hereby request that the Company provide a report, updated semiannually, disclosing the Company’s:

1. Policies and procedures for making, with corporate funds or assets, contributions and expenditures (direct or indirect) to (a) participate or intervene in any campaign on behalf of (or in opposition to) any candidate for public office, or (b) influence the general public, or any segment thereof, with respect to an election or referendum.
2. Monetary and non-monetary contributions and expenditures (direct and indirect) used in the manner described in section 1 above, including:
 - a. The identity of the recipient as well as the amount paid to each; and
 - b. The title(s) of the person(s) in the Company responsible for decision-making.

The report shall be presented to the board of directors or relevant board committee and posted on the Company’s website within 12 months from the date of the annual meeting. This proposal does not encompass lobbying spending.



Proxy Resolutions: Lobbying and Political Contributions

Political Contributions

Expedia, Inc.

Similar resolutions were submitted to DaVita Inc., Delta Air Lines, Inc., and Evergy, Inc.

RESOLVED, that the shareholders of Expedia Inc. ("Expedia" or "Company") hereby request that the Company provide a report, updated semiannually, disclosing the Company's:

1. Policies and procedures for making, with corporate funds or assets, contributions and expenditures (direct or indirect) to (a) participate or intervene in any campaign on behalf of (or in opposition to) any candidate for public office, or (b) influence the general public, or any segment thereof, with respect to an election or referendum.
2. Monetary and non-monetary contributions and expenditures (direct and indirect) used in the manner described in section 1 above, including:
 - a. The identity of the recipient as well as the amount paid to each; and
 - b. The title(s) of the person(s) in the Company responsible for decision-making.

The report shall be presented to the board of directors or relevant board committee and posted on the Company's website within 12 months from the date of the annual meeting. This proposal does not encompass lobbying spending.


Supporting Statement: As long-term shareholders of Expedia, we support transparency and accountability in corporate electoral spending. This includes any activity considered intervention in a political campaign under the Internal Revenue Code, such as direct and indirect contributions to political candidates, parties, or organizations, and independent expenditures or electioneering communications on behalf of federal, state, or local candidates.

Disclosure is in the best interest of the company and its shareholders. The Supreme Court recognized this in its 2010 Citizens United decision, which said, "[D]isclosure permits citizens and shareholders to react to the speech of corporate entities in a proper way. This transparency enables the electorate to make informed decisions and give proper weight to different speakers and messages."

Publicly available records show Expedia has contributed at least \$1,600,000 in corporate funds since the 2010 election cycle (CQMoneyLine: <http://moneyline.cq.com>; National Institute on Money in State Politics: <http://www.followthemoney.org>).

However, relying on publicly available data does not provide a complete picture of the Company's electoral spending. For example, the Company's payments to trade associations that may be used for election-related activities are undisclosed and unknown. This proposal asks the Company to disclose all of its electoral spending, including payments to trade associations and other tax-exempt organizations, which may be used for electoral purposes. This would bring our Company in line with a growing number of leading companies, including Intuit Inc., Salesforce.com Inc., and Host Hotels & Resorts, Inc., which present this information on their websites.

The Company's Board and shareholders need comprehensive disclosure to fully evaluate the use of corporate assets in elections. We urge your support for this critical governance reform.



Proxy Resolutions: Lobbying and Political Contributions

Political Contributions

Centene Corporation

RESOLVED, that the shareholders of Centene Corporation (“Centene” or “Company”) hereby request the Company to prepare and semiannually update a report, which shall be presented to the pertinent board of directors committee and posted on the Company’s website, that discloses the Company’s:

1. Monetary and non-monetary contributions and expenditures (direct and indirect) made with corporate funds or assets to (a) participate or intervene in any campaign on behalf of (or in opposition to) any candidate for public office, or (b) influence the general public, or any segment thereof, with respect to an election or referendum.

The report shall be made available within 12 months of the annual meeting and identify all recipients and the amount paid to each recipient from Company funds. This proposal does not encompass lobbying spending.

Supporting Statement: As long-term Centene shareholders, we support transparency and accountability in corporate electoral spending. Disclosure is in the best interest of the Company and its shareholders. This includes any activity considered intervention in a political campaign under the Internal Revenue Code, such as direct and indirect contributions to political candidates, parties, or organizations, and independent expenditures or electioneering communications on behalf of federal, state, or local candidates.

The Supreme Court recognized this in its 2010 Citizens United decision, which said, “[D]isclosure permits citizens and shareholders to react to the speech of corporate entities in a proper way. This transparency enables the electorate to make informed decisions and give proper weight to different speakers and messages.”


Publicly available records show Centene has contributed at least \$15,500,000 in corporate funds since the 2010 election cycle. (CQMoneyLine: <http://moneyline.cq.com>; National Institute on Money in State Politics: <http://www.followthemoney.org>).

We acknowledge that Centene publicly discloses a policy on corporate political spending. We believe this is deficient because the Company does not disclose any election-related spending from corporate funds, including but not limited to:

- A full list of trade associations to which it belongs and the non-deductible portion under section 162(e)(1)(B) of the dues paid to each; and
- Payments to any other third-party organization, including those organized under section 501(c)(4) of the Internal Revenue Code, that could be used for election-related purposes.

Information on indirect electoral spending through trade associations and 501(c)(4) groups cannot be obtained by shareholders unless the Company discloses it. This proposal asks the Company to disclose all of its electoral spending, direct and indirect. This would bring our company in line with a growing number of leading companies, including WellCare Health Plans Inc., UnitedHealth Group Inc., and Humana Inc., which present this information on their websites.

The Company’s Board and shareholders need comprehensive disclosure to be able to fully evaluate the use of corporate assets in elections. We urge your support for this critical governance reform.”



Proxy Resolutions: Lobbying and Political Contributions

Political Contributions

Exxon Mobil Corporation

RESOLVED, that the shareholders of Exxon Mobil Corp. (“Exxon” or “Company”) hereby request that the Company prepare and semiannually update a report, which shall be presented to the pertinent board of directors committee and posted on the Company’s website, disclosing the Company’s:

(a) Policies and procedures for making electoral contributions and expenditures (direct and indirect) with corporate funds, including the board’s role (if any) in that process; and

(b) Monetary and non-monetary contributions or expenditures that could not be deducted as an “ordinary and necessary” business expense under section 162(e)(1)(B) of the Internal Revenue Code, including (but not limited to) contributions or expenditures on behalf of candidates, parties, and committees and entities organized and operating under section 501(c)(4) of the Internal Revenue Code, as well as the portion of any dues or payments made to any tax-exempt organization (such as a trade association) used for an expenditure or contribution that, if made directly by the Company, would not be deductible under section 162(e)(1)(B) of the Internal Revenue Code.

The report shall be made available within 12 months of the annual meeting and identify all recipients and the amount paid to each recipient from Company funds. This proposal does not encompass lobbying spending.

Supporting Statement: As long-term Exxon shareholders, we support transparency and accountability in corporate electoral spending. Disclosure is in the best interest of the Company and its shareholders. The Supreme Court recognized this in its 2010 Citizens United decision, which said, “[D]isclosure permits citizens and shareholders to react to the speech of corporate entities in a proper way. This transparency enables the electorate to make informed decisions and give proper weight to different speakers and messages.”

Publicly available records show Exxon has contributed at least \$12,900,000 in corporate funds since the 2010 election cycle. (CQMoneyLine: <http://moneyline.cq.com>; National Institute on Money in State Politics: <http://www.followthemoney.org>).

We acknowledge that Exxon publicly discloses a policy on corporate political spending and its direct contributions to candidates, parties, and committees. We believe this is deficient because Exxon does not disclose the following:

A full list of trade associations to which it belongs and the non-deductible portion under section 162(e)(1)(B) of the dues paid to each; and Payments to other third-party organizations, including those organized under section 501(c)(4) of the Internal Revenue Code, that could be used for election-related purposes.

Information on indirect electoral spending through trade associations and 501(c)(4) groups cannot be obtained by shareholders unless the Company discloses it. This proposal asks the Company to disclose all of its electoral spending, both direct and indirect. This would bring our company in line with a growing number of leading companies, including AT&T, United Technologies, and ConocoPhillips, which present this information on their websites. The Company’s Board and shareholders need comprehensive disclosure to be able to fully evaluate the use of corporate assets in elections. We urge your support for this critical governance reform.

Water

Water resources have become increasingly constrained due to pollution, overconsumption, and climate change. Consequently, water-intensive processes like agriculture and oil and gas production face significant operational risk, which means companies that manage water sustainably will be better positioned for the future.

ICCR's members challenge companies to respect communities' human right to water, and to prevent and mitigate negative impacts on communities in water-stressed areas, which need access to adequate, clean water for their daily lives. The majority of ICCR member resolutions discussing water this year focused on climate-related water risk. Members filed seven resolutions altogether.

Reduce Climate-Related Water Risk

Climate-related water risks can cause substantial financial risks to businesses in a number of industries. According to the Department of Energy, "there is agreement among climate models that there will be a redistribution of water, as well as changes in the availability by season" in coming years. Consequently, proactive companies are beginning to implement plans for conserving and recycling water, to both reduce associated costs and better protect against risk.

Investors asked **Baker Hughes, Halliburton, Diamondback Energy, and Entergy** to report to shareholders their policies and practices aimed at reducing climate-related water risk using quantitative indicators, and to prepare for water supply uncertainties brought on by climate change.

Water

7

Proposal Topic	Quantity
Reduce Climate-Related Water Risk	4
Reduce Water Pollution from Supply Chain	1
Report on Water Management Risks	1
Report on Water Risks for the Meat, Poultry and Dairy Sector	1

Report on Water Risks for the Meat, Poultry and Dairy Sector

Water scarcity in agriculture is a growing issue. Poultry, meat and dairy companies face water scarcity risk all along their value chains, from feed production, to animal drinking water, to treatment of animal waste, and post-processing washing. Climate-related water scarcity can affect the production of animal feed in particular, leading to price spikes and reduced profitability.

Investors asked meat producer **Sanderson Farms** to report its total water withdrawals as well as percentage withdrawn in regions with high or extremely high baseline water stress, percentage of its contracts with producers located in such regions, and percentage of animal feed sourced from such regions.



Proxy Resolutions: Water



“Climate change will impact water resources both nationally and globally, exacerbating shortages, creating more frequent flooding, redistributing waters, changing availability by season, and creating greater uncertainty. Companies dependent on water resources must prepare for reduced or disrupted

water access, flooding, and poor water quality, among others. Agriculture, manufacturing, energy, and tourism are among industries where business strategies are highly reliant on water access and consistent weather patterns. (see, in particular, Ceres’ research on this topic)

In its 2015 materiality analysis, Halliburton Company tagged water as a material issue for its business. Although the company identified reduced water access and flooding as risk

factors that might reduce demand for its services, increase costs, reduce margins, or harm Halliburton’s brand and shareholder value,¹ its 2018 CDP water questionnaire indicated that its water planning and assessments did not reflect climate change, nor did it use climate-related scenario analysis to inform its business strategy with regard to water resources.

Halliburton was quick in its response to our shareholder resolution raising these concerns, and appears willing to commit to increased analysis and disclosure of climate-related water risks in 2020. Elsewhere, however, investor concerns remain and shareholders are encouraging companies to assess and address the important link between climate change, water uncertainty, and their business models.”

Meredith Benton, *Principal, Whistle Stop Capital*
Danielle Fugere, *President, As You Sow*

1. CDP Climate Change Questionnaire Response, 2019, <https://www.cdp.net/>



Reduce Climate-Related Water Risk

Halliburton Company

BE IT RESOLVED: Shareholders request that Halliburton report to shareholders, using quantitative indicators where appropriate, any policies and practices to reduce climate-related water risk and prepare for water supply uncertainties associated with climate change.

SUPPORTING STATEMENT: Proponents request the report disclose, at management discretion, any actions taken in consideration of climate related water risks. These may include:

- Any setting of targets to reduce water withdrawals
- Any monitoring of water resources
- Any integration of water and governance mechanisms
- Any comprehensive risk assessments conducted
- Any water engagement within its value chains
- Any compensation incentives related to water withdrawal reduction or pollution avoidance
- Any water scarcity planning, including identifying facilities operating in water scarce regions

WHEREAS: Halliburton has identified water as a material issue in its 2015 materiality assessment exercise. Halliburton has stated that water-related risks have the potential to create a substantive financial or strategic impact on its business in both direct operations and within its value chain. Not only does its operations require fresh water to function, but climate related water impacts in its servicing operations creates risk.

Halliburton has dedicated significant resources to developing water-oriented products and processes for its clients. Its Water Solutions business unit focuses on customer access to water resources, water recycling, and the use of produced water. The company has identified reduced water access and flooding as risk factors that may reduce demand for these services, increase costs, reduce margins, or harm Halliburton's brand and reduce shareholder value. Companies also face increased political risks due to competition for water resources by local stakeholders and disruption or lowered capacity of operations.

Halliburton's website states: "Halliburton recognizes the importance of considering all of the economic, social, and environmental implications of climate change to ensure that we build sustainable long-term value for our stakeholders."

Climate change is expected to exacerbate water shortages nationwide as well as creating more frequent floods. According to a report by the Department of Energy, "there is agreement among climate models that there will be a redistribution of water, as well as changes in the availability by season." The report highlights increasing regional droughts.

While Halliburton recognizes the material role that water plays in the success of its business, Halliburton's water planning and assessments do not currently reflect climate change. Halliburton does not use climate-related scenario analysis to inform its business strategy with regard to water resources. Nor does it place an internal price on water. Halliburton further does not provide adequate information to shareholders on its corporate strategy to address water risk caused by climate change.

Reduce Climate-Related Water Risk

Diamondback Energy

WHEREAS: Climate change is expected to exacerbate water shortages nationwide. According to a report by the Department of Energy, “there is agreement among climate models that there will be a redistribution of water, as well as changes in the availability by season.”¹

Diamondback’s acquisition, development, exploration, and production of oil and natural gas reserves occurs exclusively within the Permian Basin. According to Barclays, “Oil and gas operators in the Permian depend on the High Plains aquifer (an underground rock formation that contains and enables the flow of groundwater) for its freshwater withdrawals. This aquifer is one of the most important yet highly depleted aquifers in the United States, which presents a challenge for operators.”²

Sourcewater, a geospatial water data service, estimates that, by 2023, water use by the Permian energy industry will have grown 40x from a 2011 baseline.³ According to a November, 2019, Reuters analysis of Permian producers’ data, the average fracking job requires 40 percent more water than it did two years earlier.⁴

Diamondback’s business may be disrupted if climate change further reduces water availability in areas where it operates. In its 2019 Corporate Responsibility Report, Diamondback Energy, Inc. states, “Diamondback considers water to be an essential resource and strives to use it responsibly.” Yet, the Company offers no substantive reporting on its own water practices or water risk management strategy, nor does it disclose policies related to water efficiency or targets related to water use reduction.

To reduce water risk and reduce costs, most large companies have developed water planning measures, water conservation programs, and recycling activities, and regularly identify water stress in areas of operations, among other practices. Companies like Anadarko Petroleum, ARC Resources, Devon Energy, Occidental, Total, and Enbridge, provide investors with significantly more information about their water resource management through voluntary reporting initiatives such as the CDP Water questionnaire or their own sustainability reports.

Diamondback has yet to provide adequate information to shareholders on its policies to address water risk caused by climate change.

RESOLVED: Shareholders request that Diamondback report to shareholders, using quantitative indicators where appropriate, any policies and practices to reduce climate-related water risk and prepare for water supply uncertainties associated with climate change.

SUPPORTING STATEMENT: Proponents request the report disclose, at management discretion:

- Any water scarcity planning and tools used
- Any comprehensive risk assessments conducted
- Any setting of targets to reduce water withdrawalsAny monitoring of water resources
- Any integration of water and governance mechanisms
- Any engagement of suppliers within its water value chains
- Any compensation incentives related to water withdrawal reduction or pollution avoidance

1. https://science.energy.gov/-/media/ber/pdf/Sap_4_5_final_all.pdf

2. The water challenge: preserving a global resource Barclays, March 22, 2017 https://www.investmentbank.barclays.com/content/dam/barclaysmicrosites/ibpublic/documents/our-insights/water-report/ImpactSeries_WaterReport_Final.pdf

3. <https://www.sourcewater.com/how-to-manage-the-permian-basin-upstream-oilfield-water-crisis/>

4. <https://www.reuters.com/article/us-usa-oil-water/drilling-boom-adds-stress-to-u-s-western-water-supplies-report-idUSKBN1XM1EF>

Reduce Climate-Related Water Risk

Entergy Corp.

WHEREAS: Climate change is expected to exacerbate water shortages nationwide. According to a report by the Department of Energy, “there is agreement among climate models that there will be a redistribution of water, as well as changes in the availability by season.” That report highlights increasing regional droughts.¹

Climate change-induced water risk is a material liability affecting companies as water shortages increase across the globe. Risks to companies include disruption of operations due to water shortages at production facilities. Companies also face political risks due to competition for water resources by local communities or other companies or industries. Producing at a lower capacity or having to halt operations are both possible outcomes of drought and water scarcity, an outcome that poses material harm to our Company and investors alike.

Entergy’s business is dependent on effective water management. Entergy’s Water Use to Revenues is over one percent.² Yet, the company does not disclose policies related to water efficiency, nor targets related to water efficiency.

In April, 2019, Entergy agreed to sell its Indian Point Energy Center for a “nominal cash consideration”³ after the New York Department of Environmental Conservation denied the company a necessary water permit, halting Entergy’s quest for a 20 year extension of its reactors.⁴ As highlighted by this example, our company is dependent on effective water management. It’s Lakes Hamilton and Catherine hydroelectric dams are licensed by the Federal Energy Regulatory Commission. In Entergy’s own words, it “owns the dams and the land under the lakes, but not the water, which is owned by the public.”⁵

Most large companies have developed water planning and reduction programs, recycling measures, and leak prevention initiatives, among others, to diminish water risk and reduce costs. Disclosure of quantitative performance metrics, water-related impacts, and adoption of best practices for water management is the primary means by which investors can gauge whether our Company is sufficiently managing its water risks.

Peer companies like American Electric Power, CMS Energy, Dominion Energy, Duke Energy, and Exelon Corporation inform investors about their water resource management through voluntary reporting initiatives such as CDP Water and sustainability reports. Entergy Corporation has yet to provide adequate information to shareholders on its water stewardship initiatives.

BE IT RESOLVED: Shareholders request the Board of Directors report to shareholders, using quantitative indicators, any policies and practices to reduce climate-related water risk and prepare for water supply uncertainties associated with climate change.

Supporting Statement: Proponents request the report include, at management discretion:

- Any setting of targets to reduce water withdrawals
- Any monitoring and management of water
- Any integration of water into governance mechanisms
- Any comprehensive risk assessments conducted
- Any engagement within Entergy’s value chains
- Any compensation incentives related to water withdrawal reduction or pollution avoidance
- Any water scarcity planning, including identifying facilities operating in water scarce regions

1. https://science.energy.gov/~media/ber/pdf/Sap_4_5_final_all.pdf

2. Refinitiv database (accessed October 14, 2019)

3. <http://world-nuclear-news.org/Articles/Entergy-agrees-to-sell-Indian-Point>

4. <https://www.wsj.com/articles/B10001424052702304247104575162313080844120>

5. https://www.entergy.com/operations_information/hydro/lakes/

Reduce Climate-Related Water Risk

Baker Hughes Inc.

WHEREAS: Climate change is expected to exacerbate water shortages nationwide. According to a report by the Department of Energy, “there is agreement among climate models that there will be a redistribution of water, as well as changes in the availability by season.” The report highlights increasing regional droughts.

Climate change-induced water risk is a material liability affecting oil field companies as water shortages increase across the globe. Risks to companies include disruption of operations due to water shortages at production facilities. Companies also face political risks due to competition for water resources by local communities or other companies or industries. Producing at a lower capacity or having to halt operations are both possible outcomes of drought and water scarcity, an outcome that poses material harm to oil field companies.

Baker Hughes’ clients rely on it to provide products, solutions, and thought leadership related to efficient water use and strong water quality protection programs in water-stressed and vulnerable ecosystems. Baker Hughes’ business may be disrupted if climate change reduces water availability in areas where it operates and offers services.

To reduce water risk and reduce costs, most large companies have developed water planning measures, water conservation programs, and recycling activities, and regularly identify water stress in areas of operations, among other practices. Baker Hughes’ 2018 Corporate Responsibility Report indicates an understanding of the important role its business plays in water scarcity management, listing its work as being in alignment with UN Sustainable Development Goal #6, Water and Sanitation, and stating that the Company is “dedicated to water quality and conservation.” Yet, the Company offers no substantive reporting on its own water practices or water risk management strategy, nor does it disclose policies related to water efficiency or targets related to water use reduction.

Disclosure of quantitative performance metrics, water-related impacts, and disclosure and adoption of best practices for water management is the primary means by which investors can gauge whether our Company is sufficiently managing its water risk. Baker Hughes has yet to provide adequate information to shareholders on its corporate strategy to address water risk caused by climate change.

BE IT RESOLVED: Shareholders request that Baker Hughes report to shareholders, using quantitative indicators where appropriate, any policies and practices to reduce climate-related water risk and prepare for water supply uncertainties associated with climate change.

Supporting Statement: Proponents request the report disclose, at management discretion:

- Any setting of targets to reduce water withdrawals
- Any monitoring of water resources
- Any integration of water and governance mechanisms
- Any comprehensive risk assessments conducted
- Any water engagement within its value chains
- Any compensation incentives related to water withdrawal reduction or pollution avoidance
- Any water scarcity planning, including identifying facilities operating in water scarce regions

Report on Water Management Risks

Skyworks Solutions

WHEREAS: Water is becoming a scarce resource around the world, due to increasing consumption from population growth and rapid urbanization, and reduced supplies due to climate change;

Water is critical to the semiconductor production process, which requires significant volumes of “ultra-pure” water for cleaning purposes;

Without careful planning, water scarcity can result in higher supply costs, social tensions with local communities and governments, and/or loss of access to water in water-scarce regions thereby presenting critical risks to production;

Semiconductor companies that are able to increase the efficiency of water use during manufacturing will maintain a lower risk profile and face lower regulatory risks as local, regional, and national environmental laws place increasing emphasis on resource conservation;

The Sustainability Accounting Standards Board (SASB) has established industry-specific standards to assist companies in disclosing financially material, decision-useful sustainability information to investors. The standards identify a minimum set of sustainability issues most likely to impact operating performance or financial condition of the typical company in an industry. Businesses can use SASB standards to better identify, manage, and communicate to investors sustainability information that is comparable, consistent, and financially material, thereby enabling better investment and voting decisions;

SASB standards are recognized as financially material by the mainstream investor community. The SASB Investor Advisory Group, 46 global asset owners and asset managers “[b]elieve SASB’s approach--which is industry-specific and materiality-focused--will help provide investors with relevant and decision-useful information.” Members of the SASB Investor Advisory Group and SASB Alliance, “a growing movement of organizations that believe standardized, industry-specific, and materiality-based standards help companies and investors adapt to the market’s expectations,” comprise seven of the ten largest worldwide money managers as well as pension funds of six states;

For the Semiconductor industry, SASB identifies Water Management as a material sustainability issue, and specifically total water withdrawn, total water consumed, and the percentage of each in regions with high or extremely high baseline water stress. Skyworks’ manufacturing facilities in Mexicali, Mexico, and Newbury Park, California are located in regions of extremely high baseline water stress.

Yet, Skyworks does not disclose this financially material information. Skyworks pursues conformance to the Responsible Business Alliance Code of Conduct, which includes, on the topic of Water Management, “a water management program that documents, characterizes, and monitors water sources, use and discharge.” Yet there is no disclosure about water management beyond one narrative sentence in the company’s sustainability report. The absence of clear information challenges investors’ ability to comprehensively evaluate the company’s management of sustainability risks and opportunities;

BE IT RESOLVED: Shareholders request that the Board of Directors issue sustainability information to shareholders in consideration of the SASB Semiconductor standard by 180 days after the 2020 Annual Meeting, at reasonable expense and excluding confidential information, describing the company’s water management risks.

Report on Water Risks for the Meat, Poultry and Dairy Sector

Sanderson Farms, Inc.

WHEREAS: Climate change has been confirmed by the Intergovernmental Panel on Climate Change and other expert analyses to exacerbate water scarcity issues for agriculture;

Climate change and increasing water scarcity can affect the production of animal feed, impacting availability and pricing that reduces profitability. 42% of our Company's production costs comprise feed ingredients;¹

In the United States, chicken feed predominantly comprises corn (60%).² 87% of irrigated corn production in the US is sourced from areas of high or extremely high base-line water stress;³

Our Company recently experienced the effects of water scarcity on feed prices. A 2018 drought in Argentina caused corn and soybean prices to spike,⁴ leading feed costs per pound to increase 5.8% over the prior year;⁵

The increase of water scarcity conditions can also impact the poultry production process in other ways, from providing drinking water, to treating wastes, to washing during processing, affecting our Company's 6000⁶ contracted chicken houses as well as its processing facilities. Our Company reports that in FY2017 it used 1.093 gallons of water/saleable lb of chicken, and produced 4.3 billion pounds;⁷

Our Company's poultry processing plant, hatchery and feed mill in Hazlehurst and Gallman, Mississippi, are located in an area of high baseline water stress. The majority of facilities in Texas and Mississippi are located in areas of medium drought risk;⁸

Thus, the increases in water scarcity caused by climate change can limit future access to water, affecting the ability to operate processing facilities, and negatively affecting revenues, credit profile and cost of capital;

The Sustainability Accounting Standards Board (SASB) has established industry-specific standards that assist companies in disclosing financially material, decision-useful sustainability metrics to investors. SASB's Meat, Poultry and Dairy Industry Standards include water management disclosure;

Yet, our Company provides inadequate disclosure to its investors regarding its exposure to these risks. In the absence of material and decision-useful metrics, investors cannot compare the relative risks between competing investments, nor period-to-period progress in managing these risks;

BE IT RESOLVED: Shareholders request that, in order to allow tracking of water stress trends and impacts that are expected to be exacerbated by climate change, the Board of Directors report to shareholders on quantitative metrics identified by the Sustainability Accounting Standards Board (SASB) as providing material information on water resource risks for the Meat, Poultry and Dairy sector by 180 days after the 2020 Annual Meeting, at reasonable expense and excluding confidential information, and annually thereafter, including:

- Total water withdrawn, and percentage in regions with High or Extremely High Baseline Water Stress;
- Percentage of contracts with producers located in regions with High or Extremely High Baseline Water Stress;
- Percentage of animal feed sourced from regions with High or Extremely High Baseline Water Stress.

1. Corporate Responsibility Report 2017, At 33.

2. <https://ris.utwente.nl/ws/portalfiles/portal/5146067/Report-48-WaterFootprint-AnimalProducts-Vol1.pdf> Figure 5.

3. <https://blog.nationalgeographic.org/2015/02/10/corn-remains-king-in-usda-irrigation-survey/>

4. <https://www.reuters.com/article/argentina-grains-drought/argentina-drought-bakes-crops-sparks-grain-price-rally-idUSL2N1QK1TT>

5. <http://ir.sandersonfarms.com/news-releases/news-release-details/sanderson-farms-inc-reports-results-third-quarter-fiscal-2018>

6. Supra Note 1, At 28.

7. Id.

8. World Resources Institute Water Risk Atlas. <https://www.wri.org/resources/maps/aqueduct-water-risk-atlas>

Reduce Water Pollution from Supply Chain

Pilgrim's Pride Corp

WHEREAS: Meat production is the leading source of water pollution in the U.S., exposing 5.6 million Americans to nitrates in drinking water and many more to toxic algal blooms.¹

The cultivation of feed ingredients for the 45 million chickens² produced weekly by Pilgrim's is a primary source of water pollution due to nitrates and phosphates washing off fields if improperly managed. Animal waste from over 5,300 poultry farms³ may contain nutrients, antibiotic-resistant bacteria, and pathogens. These contaminants and poor manure disposal practices pollute local waterways, endangering public health, workers, and the environment.

At the same time, there is a growing trend toward increased state regulation and oversight of pollution from the meat industry. Pilgrim's notes that its feed mills are "strategically located in the areas where we have processing operations."⁴ Several states where Pilgrim's has processing operations⁵ have tightened requirements related to nutrient management plans, manure disposal, field application of manure, and groundwater monitoring for animal agriculture.⁶

Pilgrim's competitors are working to reduce supply chain pollution: Smithfield met its target to purchase 75% of its grain from farms managed to reduce water pollution; Perdue has invested \$80 million in a poultry litter recycling operation to prevent nutrient pollution; Hormel adopted a sustainable agriculture policy addressing fertilizer and manure management; and Tyson committed to support improved fertilizer practices on two million acres of corn by the end of 2020. Walmart, a Pilgrim's customer, uses a Sustainability Index to assess suppliers, which includes indicators on manure management and fertilizer use.

Proponents acknowledge the company's efforts to reduce the quantity of the water it uses, and the company's environmental policy requiring "vendors" to comply with all applicable environmental laws and regulations, and encouraging vendors to "use best efforts to meet industry best practices and standards and responsibly manage the environmental impact of their operations."⁷ However, neither the company's disclosures nor its environmental policies specifically address the primary drivers of the company's supply chain water pollution, including manure from contracted facilities and nutrient runoff from animal feed crops. The company's reporting and policies therefore lack sufficient detail to assure investors that it is adequately managing the risks associated with water pollution within its supply chain.

RESOLVED: Shareholders of Pilgrim's Pride Corporation request a report assessing if and how the company plans to increase the scale, pace, and rigor of its efforts to reduce water pollution from its supply chain. This report should omit proprietary information, be prepared at reasonable cost, and be made available to shareholders by December 1, 2020.

Supporting statement:

Although we defer to management for the precise contents, investors believe that meaningful disclosure within the report could include:

- requirements for manure management practices intended to prevent water pollution.
- requirements for leading practices for nutrient management and pollutant limits throughout contract farms and feed suppliers, with a focus on verifiably reducing nitrate contamination plans to verify suppliers' compliance with Pilgrim's policies.

1 <https://www.epa.gov/nutrientpollution/sources-and-solutions>, <http://www.fao.org/3/CA0146EN/ca0146en.pdf>, <https://ehjournal.biomedcentral.com/articles/10.1186/s12940-018-0442-6>

2 <http://ir.pilgrims.com/static-files/1ca44dcf-df55-4c55-9039-3c886e92ef41>

3 Ibid.

4 <https://www.pilgrimsusa.com/our-chickens/>

5 <https://www.epa.gov/toxics-release-inventory-tri-program/tri-basic-data-files-calendar-years-1987-2017>

6 <https://www.opb.org/news/article/washington-dairy-pollution-regs/>, <https://www.environmentalintegrity.org/wp-content/uploads/2017/02/Shenandoah-Report.pdf>

<https://www.jsonline.com/story/news/politics/2017/01/07/state-wants-jump-start-manure-project/96212456/>

<https://www.nytimes.com/2018/07/09/us/algae-blooms-florida-nyt.html>, <https://www.flgov.com/wp-content/uploads/2019/01/EO-19-12-.pdf>

7 <https://sustainability.pilgrims.com/stories/supplier-code-of-conduct/>

Shareholder Advocacy

Shareholder advocacy covers a wide spectrum of tactics used by investors to influence the companies they own on questions of corporate social responsibility (CSR). Levels of advocacy can range from proxy voting in favor of shareholder-sponsored resolutions to direct engagement of management in investor dialogues; the intensity of engagement depends on the priorities and resources of the investor.

What is implicit in this work, however, is an acknowledgement of the responsibility that comes with stock ownership to ensure that management is doing what it can to improve its performance both financially and in terms of environmental, social and governance (ESG) measures, as this has direct implications throughout corporate global supply chains, and for communities where companies operate.

Visit ICCR's website (www.iccr.org) for more information on shareholder advocacy.

What is a Shareholder Resolution?

Every year beginning roughly in March, American corporations begin sending out proxy statements to their shareholders. Proxy statements list all the resolutions scheduled for a vote at a company's upcoming shareholder meeting, both those proposed by management, and those proposed by shareholders. Roughly one page in length, these resolutions contain a formal resolved clause, which is a specific request or "ask", with a number of carefully-researched rationales in the form of "whereas clauses" and supporting statements. The timetable for soliciting votes for the annual meeting depends largely on a company's meeting date, which usually is determined by the board of directors.

Proxy statements also include important information that the Securities and Exchange Commission (SEC) requires corporations provide to their

shareholders, such as corporate governance and financing information, like nominations for the board of directors, proposed incentive structures, or capitalization plans.

Shareholders are part-owners of companies, and as such they have the right to participate in annual general meetings (AGMs) where key decision making takes place. Therefore, any shareholder who has held at least one share of company stock for at least two months or more may vote on resolutions, either in person at the company's annual meeting, or via a proxy ballot, which can be done online using special voting websites like <https://central.proxyvote.com/pv/web>, or by mail. It is important to note that **proxy voting is the primary forum by which management seeks affirmation of its actions.** At the same time, it is the primary method investors use to reach out to other shareholders for support of their resolutions.

If investors do not actively vote their proxies, they automatically default to a vote for management. For this reason you should carefully review the company proxy statements you receive in the mail and exercise your shareholder rights by voting.

Who Can File a Shareholder Resolution?

Any shareholder or group of shareholders owning \$2,000 or more of a company's stock for a minimum of a year can introduce a proposal. Shareholder-sponsored resolutions must be filed with companies' corporate secretaries by specific dates in order to be placed on the company proxy ballot. Individual investors new to the process might want to consider teaming up with more experienced investors as the SEC rules on the drafting and submission of resolutions can be somewhat difficult to navigate and, if they are challenged at the SEC, difficult to appeal.

ICCR members are familiar enough with the process that they can draft resolutions that are

not only more likely to withstand challenges at the SEC but will achieve higher votes at AGMs. Moreover, by working in coalition and co-filing with other ICCR members, our proposals are likely to receive greater attention from management who may wish to negotiate a withdrawal in exchange for taking action on an issue.

What are the Guidelines for Writing a Shareholder Resolution?

The text of a resolution may not exceed 500 words (including any accompanying statement of support) and it may not contain any materially false or misleading statements. The matter addressed in the shareholder proposal must be “relevant” — i.e., it must relate to at least 5% of the company’s total assets and at least 5% of its net earnings and gross sales for the most current fiscal year. A shareholder proposal may be excluded from the proxy statement if it conflicts with a resolution put forward by another investor on the same subject, or if the company has already substantially implemented the proposal.

The proposal may not advocate action that would be improper under the laws of the state in which the company is organized or incorporated. Some states consider it improper for shareholders to issue mandates to boards of directors. (However, the SEC usually interprets shareholder proposals to be recommendations or requests rather than mandates.) The proposal may not recommend action that would violate any state, federal, or foreign law, nor can it call for action that the company has no power or authority to implement.

Corporate management can ask the SEC for permission to exclude a proposal that does not conform to all requirements. Indeed, every year, a few dozen corporations use the process outlined by the SEC to attempt to exclude shareholder resolutions – and the issues raised therein – from their proxy ballots. Filers have the right to appeal a company’s SEC challenge, however, and usually do so through legal counsel. The SEC staff then

adjudicate between the competing arguments. The rules governing these decisions can be found on the SEC website: <http://www.sec.gov/interp/legal/cfs14.htm>

What Does it Take to Get a Resolution Adopted?

At a company’s annual meeting one of the filers (or a designee) must make a motion from the floor to put the resolution to a vote (each Class A share gets one vote). In some cases, there must also be someone present to second the motion.

A resolution need not garner 51% of the vote to “win”. Votes in the double digits are generally considered very successful in focusing investor and management attention on issues. The SEC’s rules recognize this and give small shareholders a voice by requiring a fairly low threshold of support for a proposal to be resubmitted a second and third year. A resolution must get at least 3% of the vote in its first year; 6% of the vote in its second year; and 10% in its third year, and every year thereafter, to be eligible to remain on the ballot. This gives shareholder advocates the opportunity to mount multi-year education campaigns on proposals before a company. Outreach to pension funds and other institutional investors is an especially effective strategy to increase the size of the vote for resolutions. This is typically done via proxy exempt solicitation or proxy memos, which outline the reasons why investors should vote in favor of a given resolution.

While increasingly common, majority votes are difficult to achieve for a number of reasons. Not only is it rare for 100% of company shareholders to vote, in many cases, shareholder votes — particularly institutional shareholder votes — are determined by proxy voting firms which advise shareholders. Proxy voting firms generally prefer to leave decisions regarding day-to-day management, as well as social, environmental or political issues, to management and the board, and therefore vote in line with management

A Guide to Filing Resolutions

recommendations on proxy ballots. In addition, some corporate founders retain control over a large amount – even a majority – of shares. In Alphabet’s multi-class voting structure, for instance, each share of Class B common stock has 10 votes, leaving founders Mr. Page and Mr. Brin with control over 51% of the company’s total voting power, while owning less than 13% of its stock.

What if All My Investments are in Mutual Funds?

Mutual funds have the clout to hold the companies in their portfolios accountable. Furthermore, they have a duty to do so. As companies which fail to address corporate responsibility and sustainability are at risk for financial losses, lawsuits, and insurance problems, mutual funds are compelled to act responsibly to ensure that the companies in their portfolios minimize risk. But many mutual funds fall far short of addressing investor concerns.

As a first step, you should find out how your mutual funds vote. Because a fund’s Form N-PX filing with the SEC is publicly available, you can find proxy voting record information for a mutual fund by searching the SEC’s EDGAR database (<http://www.sec.gov/edgar/searchedgar/webusers.htm>). This information is also available in mutual funds’ semi-annual and annual reports to shareholders. You may also want to contact the financial managers who run your mutual funds directly, and request their voting records and policies on voting shareholder resolutions. You can then encourage them to vote for ESG resolutions.



Resolution Leads and Co-Filers

** Denotes lead sponsor of the resolution*

3M COMPANY

Consider Pay Grades When Setting CEO Compensation

*United Steelworkers

ABBOTT LABORATORIES

Lobbying Expenditures Disclosure - Pharma

*Unitarian Universalist Association

ABBVIE

Executive Compensation and Drug Pricing Risks-Feasibility Report

*United Church Funds, Benedictine Sisters of Virginia, Bon Secours Mercy Health, Dominican Sisters of Springfield Illinois, Mercy Investment Services, Northwest Women Religious Investment Trust, Sisters of Charity of St. Elizabeth, NJ, Sisters of Providence, Mother Joseph Province, Trinity Health

ABBVIE

Lobbying Expenditures Disclosure - Pharma

*Zevin Asset Management, Dana Investment Advisors, Friends Fiduciary Corporation, Reynders McVeigh Capital Management LLC

ADVANCE AUTO PARTS, INC.

Human Capital Management Disclosure

*As You Sow Foundation

AES CORPORATION

Lobbying Expenditures Disclosure - Climate Change

*Miller/Howard Investments

ALPHABET, INC.

Child Sexual Exploitation Online

*Christian Brothers Investment Services, Benedictine Sisters of Baltimore - Emmanuel Monastery, Benedictine Sisters of Mount St. Scholastica, Benedictine Sisters, Sacred Heart Monastery of Cullman, Alabama, Bon Secours Mercy Health, Catholic Health Initiatives, Congregation des Soeurs des Saints Noms de Jesus et de Marie, Dana Investment Advisors, Dignity Health, Dominican Sisters of Springfield Illinois, Mercy Investment Services, Sisters of St. Dominic of Caldwell, NJ, Sisters of the Holy Names of Jesus and Mary, US Ontario Province

ALPHABET, INC.

Evaluate Company Whistleblower Policies and Practices

*Trillium Asset Management Corporation

ALPHABET, INC.

Executive Pay-Incorporate Diversity and Sustainability Metrics

*Zevin Asset Management, Boston Trust Walden, Friends Fiduciary Corporation, Reynders McVeigh Capital Management LLC, Warren Wilson College

ALPHABET, INC.

Gender and Racial Pay Gap

*Arjuna Capital, Proxy Impact

ALPHABET, INC.

Give Each Share an Equal Vote

*NorthStar Asset Management

ALPHABET, INC.

Human Rights Risk Committee of the Board

*Federated Hermes, *NEI Investments, *Robeco Institutional Asset Management B.V., *The Sustainability Group at Loring Wolcott & Coolidge, Boston Common Asset Management, Sisters of St. Dominic of Caldwell, NJ

ALPHABET, INC.

Report on Government-Mandated Content Removal Requests

*Azzad Asset Management, Missionary Oblates of Mary Immaculate, Monasterio Pan de Vida

ALTRIA GROUP, INC.

Discouraging Nicotine Use Among Youth

*Sisters of St. Francis of Philadelphia, Bon Secours Mercy Health, Catholic Health Initiatives, Providence St. Joseph Health, Sisters of Charity of St. Elizabeth, NJ

ALTRIA GROUP, INC.

Lobbying Expenditures Disclosure

*Trinity Health, Benedictine Sisters of Mount St. Scholastica, Sisters of St. Joseph of Carondelet of St. Paul Province

AMAZON.COM, INC

Adopt a Human Rights Policy

*Ohman, Benedictine Sisters of Baltimore - Emmanuel Monastery, Franciscan Sisters of Perpetual Adoration, Monasterio Pan de Vida, Providence Trust, Sisters of the Humility of Mary, OH

AMAZON.COM, INC

Board Oversight of ESG Risks of Third-Party Sellers

*Dignity Health, *Mercy Investment Services

AMAZON.COM, INC

Customer Due Diligence

*Sisters of St. Joseph, Brentwood, American Baptist Home Mission Society, Maryknoll Sisters, Province of St. Joseph of the Capuchin Order (Midwest Capuchins), Sisters of Charity of St. Elizabeth, NJ, Sisters of St. Joseph of Peace, NJ, Sisters of the Holy Names of Jesus and Mary, US Ontario Province, Unitarian Universalist Association

AMAZON.COM, INC

Executive Pay-Incorporate Diversity and Sustainability Metrics

*Zevin Asset Management, Benedictine Sisters of Mount St. Scholastica, Pax World Fund

AMAZON.COM, INC

Hate Speech Products

*Nathan Cummings Foundation

AMAZON.COM, INC

Human Rights Impact Assessment

*Oxfam America, Sisters of St. Francis Charitable Trust, Zevin Asset Management

AMAZON.COM, INC

Human Trafficking Prevention

*Adrian Dominican Sisters, Catholic Health Initiatives, Daughters of Charity, Province of St Louise, Providence St. Joseph Health

AMAZON.COM, INC

Lobbying Expenditures Disclosure - Climate Change

*Newground Social Investment

AMAZON.COM, INC

Reduce Food Waste

*JLens Network

AMEREN (UNION ELECTRIC)

Independent Board Chair

*Nathan Cummings Foundation

AMERICAN WATER WORKS COMPANY, INC.

Lobbying Expenditures Disclosure

*Boston Common Asset Management, Friends Fiduciary Corporation, Maryknoll Sisters

AMGEN INC.

Executive Compensation and Drug Pricing Risks-Feasibility Report

*Mercy Investment Services, Benedictine Sisters of Mount St. Scholastica, Congregation of Divine Providence - San Antonio, Texas, Dana Investment Advisors, Friends Fiduciary Corporation, Northwest Women Religious Investment Trust, Providence Trust, Sisters of St. Francis Charitable Trust, Sisters of St. Francis of Dubuque, Sisters of St. Francis of Philadelphia, Trinity Health

AMGEN INC.

Independent Board Chair

*United Church Funds

ANI PHARMACEUTICALS, INC.

Board Diversity

*As You Sow Foundation

APPLE COMPUTER, INC.

Executive Pay-Incorporate Sustainability Metrics

*Zevin Asset Management, Friends Fiduciary Corporation, Service Employees International Union (SEIU), State of Rhode Island and Providence Plantations

AQUA AMERICA, INC.

Gender Identity Non-Discrimination Policy

*Trillium Asset Management Corporation, Benedictine Sisters of Mount St. Scholastica

ARCHER-DANIELS-MIDLAND COMPANY

Deforestation

*Green Century Capital Management, Inc.

AT&T INC.

Child Sexual Exploitation Online

*Christian Brothers Investment Services, Maryknoll Sisters

AUTOMATIC DATA PROCESSING, INC.

Include Non-Management Employees on the Board

*NorthStar Asset Management

Resolution Leads and Co-Filers

BADGER METER INC.

Include Non-Management Employees on the Board

*NorthStar Asset Management

BAKER HUGHES INC.

Reduce Climate-Related Water Risk

*As You Sow Foundation

BANK OF AMERICA CORP.

Risks of Maintaining Carbon-Intensive Lending

*As You Sow Foundation, Mercy Investment Services, Presbyterian Church (USA)

BANK OF MONTREAL

Adopt Quantitative Targets for Reducing GHG Emissions from Lending/Underwriting

*British Columbia Government and Service Employees Union

BARCLAYS PLC

Report on Reducing GHG Emissions Associated with Lending Activities

*ShareAction, As You Sow Foundation

BIOGEN, INC.

Executive Compensation and Drug Pricing Risks-Feasibility Report

*UAW Retiree Medical Benefits Trust, Mercy Investment Services, Northwest Women Religious Investment Trust, Sisters of St. Francis Charitable Trust, Sisters of St. Francis of Dubuque, Trinity Health

BLACKROCK, INC.

Change Company Management Systems to Implement BRT Statement of Purpose

*As You Sow Foundation

BLACKROCK, INC.

Lobbying Expenditures Disclosure - Climate Change

*Unitarian Universalist Association

BLACKROCK, INC.

Proxy Voting Policies Related to Climate Change

*Mercy Investment Services, Benedictine Sisters, Sacred Heart Monastery of Cullman, Alabama, Center for Community Change, Friends Fiduciary Corporation, School Sisters of Notre Dame Cooperative Investment Fund, United Church Funds, Zevin Asset Management

BLOOMIN' BRANDS INC.

Deforestation

*Green Century Capital Management, Inc.

BOEING COMPANY

Lobbying Expenditures Disclosure - Climate Change

*Province of St. Joseph of the Capuchin Order (Midwest Capuchins), Benedictine Sisters of Chicago, Missionary Oblates of Mary Immaculate, School Sisters of Notre Dame Central Pacific Province, St. Mary's Institute (Sisters of the Most Precious Blood), O'Fallon, Missouri, Ursulines, Central Province

BOSTON SCIENTIFIC CORPORATION

Include Non-Management Employees on the Board

*NorthStar Asset Management

BP P.L.C.

Report on Plans to Align Operations with Paris Agreement

*Follow This, As You Sow Foundation

BRIDGE BANCORP, INC.

Board Diversity

*Boston Trust Walden, Christopher Reynolds Foundation, Inc., Needmor Fund, Wallace Global Fund

BRINKER INTERNATIONAL INC. (CHILI'S)

Assess Strategies to Strengthen Supplier Antibiotic Use Standards

*As You Sow Foundation

BRISTOL-MYERS SQUIBB COMPANY

Independent Board Chair

*Sisters of St. Francis of Philadelphia, Bon Secours Mercy Health, Dana Investment Advisors, Daughters of Charity, Province of St. Louise, Dignity Health, Mercy Investment Services, Monasterio De San Benito, School Sisters of Notre Dame Cooperative Investment Fund

BROADCOM INC.

Recruitment and Forced Labor

*Miller/Howard Investments

CAMPBELL SOUP COMPANY

Report Quantitative Metrics on Supply Chain Pesticide Use

*As You Sow Foundation

CANADIAN NATIONAL RAILWAY

Pay Disparity

*British Columbia Government and Service Employees Union

CAPITAL ONE FINANCIAL CORP.

Senior Executive Equity Compensation Retention Policy

*As You Sow Foundation

CARNIVAL CORPORATION, INC.

Adopt a Human Rights Policy

*Mercy Investment Services, Presbyterian Church (USA)

CATERPILLAR INC.

Lobbying Expenditures Disclosure

*Fonds de Solidarite FTQ, Benedictine Sisters, Sacred Heart Monastery of Cullman, Alabama, Congregation des Soeurs des Saints Noms de Jesus et de Marie, Congregation of Benedictine Sisters, Boerne TX, Sisters of St. Francis of Philadelphia

CENTENE CORPORATION

Political Contributions

*Friends Fiduciary Corporation

CENTURYLINK

Lobbying Expenditures Disclosure

*AFL-CIO

CHARLES SCHWAB CORPORATION (THE)

Lobbying Expenditures Disclosure

*Friends Fiduciary Corporation

CHARTER COMMUNICATIONS, INC.

Sustainability Reporting - GHG Emphasis

*Illinois State Treasurer, Boston Trust Walden

CHENIERE ENERGY

Lobbying Expenditures Disclosure - Climate Change

*Miller/Howard Investments

CHEVRON CORP.

Assess Risk of Expanding Operations in Flood-Prone Areas

*As You Sow Foundation

CHEVRON CORP.

Climate Lobbying Report

*BNP Paribas Asset Management, Needmor Fund

CHEVRON CORP.

Evaluation of Human Rights Practices

*Sisters of St. Francis of Philadelphia, American Baptist Home Mission Society, Benedictine Sisters of Baltimore - Emmanuel Monastery, Congregation of Benedictine Sisters, Boerne TX, School Sisters of Notre Dame Cooperative Investment Fund, Sisters of Charity of St. Elizabeth, NJ, Sisters of St. Dominic of Caldwell, NJ, Sisters of St. Joseph Chestnut Hill Philadelphia, Sisters of the Humility of Mary, OH, Zevin Asset Management

CHEVRON CORP.

Independent Board Chair

*Newground Social Investment

CHEVRON CORP.

Lobbying Expenditures Disclosure - Climate Change

*City of Philadelphia Public Employees Retirement System, AP7 Seventh Swedish National Pension Fund, Benedictine Sisters of Mount St. Scholastica, Boston Trust Walden, Dana Investment Advisors, Mercy Investment Services, Religious of the Sacred Heart of Mary, Western American Province, Sisters of St. Francis Charitable Trust, Sisters of St. Francis of Dubuque, United Steelworkers

CHEVRON CORP.

Report on Plans to Align Operations with Paris Agreement

*As You Sow Foundation, Adrian Dominican Sisters, Benedictine Sisters, Sacred Heart Monastery of Cullman, Alabama, Bon Secours Mercy Health, Congregation of St. Joseph, OH, Dignity Health, Felician Sisters of North America, Presbyterian Church (USA), Providence St. Joseph Health, Sisters of the Holy Names of Jesus and Mary, US Ontario Province, Trinity Health

CHIPOTLE MEXICAN GRILL, INC.

Report on Plans to Align Operations with Paris Agreement

*Trillium Asset Management Corporation

CHOICE HOTELS INTERNATIONAL, INC.

Workforce Diversity Report

*Boston Trust Walden

CIGNA CORPORATION

Gender and Racial Pay Gap

*Proxy Impact

CITIGROUP

Lobbying Expenditures Disclosure - Climate Change

*New Economy Project, Greater Manchester Pension Fund, LGPS Central Limited, School Sisters of Notre Dame Cooperative Investment Fund

COCA-COLA COMPANY

Political Contributions

*As You Sow Foundation

COLES GROUP LIMITED

Modern Slavery in Company Operations and Supply Chains

*Australasian Centre for Corporate Responsibility, Mercy Investment Services

COMCAST CORP.

Lobbying Expenditures Disclosure

*Friends Fiduciary Corporation, Benedictine Sisters of Mount St. Scholastica, Boston Trust Walden, Dana Investment Advisors, Missionary Oblates of Mary Immaculate, Sisters of St. Francis of Philadelphia

COMMUNITY TRUST BANK

Risks of Maintaining Carbon-Intensive Lending

*Presbyterian Church (USA)

CORECIVIC

Director Qualifications : Human Rights Expertise

*Service Employees International Union (SEIU)

COSTCO WHOLESALE CORP.

Demonstrate Progress Towards Phasing Out Routine Use of Antibiotics

*As You Sow Foundation

CVS HEALTH CORP

Establish Deferral Period for Senior Executive Bonuses

*International Brotherhood of Teamsters, Adrian Dominican Sisters

CVS HEALTH CORP

Increase Scale and Pace of Support for Solutions to Plastic Pollution

*Trillium Asset Management Corporation

DAVITA INC.

Political Contributions

*Friends Fiduciary Corporation

DELL TECHNOLOGIES

Executive Leadership Diversity

*Proxy Impact

DELTA AIR LINES, INC.

Political Contributions

*Friends Fiduciary Corporation

DEVON ENERGY

Report on Plans to Align Operations with Paris Agreement

*As You Sow Foundation

DIAMONDBACK ENERGY

Reduce Climate-Related Water Risk

*As You Sow Foundation

DISNEY (WALT) COMPANY / ABC

Lobbying Expenditures Disclosure - Climate Change

*Congregation of Sisters of St. Agnes, Boston Trust Walden, Congregation of St. Joseph, OH, Daughters of Charity, Province of St Louise, Franciscan Sisters of Perpetual Adoration, Mercy Investment Services

DOMINION ENERGY

Risks of Stranded Assets

*As You Sow Foundation, Congregation of Divine Providence - San Antonio, Texas, Providence Trust

DTE ENERGY

Political Contributions

*Mercy Investment Services

DUKE ENERGY CORP.

Lobbying Expenditures Disclosure - Climate Change

*Mercy Investment Services, Benedictine Sisters of Virginia, Presbyterian Church (USA)

DUKE ENERGY CORP.

Report on Mitigating Health and Climate Impacts of Coal Use

*As You Sow Foundation

DUKE ENERGY CORP.

Report on Mitigating Health and Climate Impacts of Coal Use

*Daughters of Charity, Province of St Louise, Sisters of St. Francis of Philadelphia

DUKE ENERGY CORP.

Risks of Stranded Assets

*As You Sow Foundation

EASTGROUP PROPERTIES

Gender Identity Non-Discrimination Policy

*Trillium Asset Management Corporation,
Benedictine Sisters of Mount St. Scholastica

ELI LILLY AND COMPANY

Executive Compensation and Drug Pricing Risks-Feasibility Report

*Mercy Investment Services, Bon Secours Mercy Health, Catholic Health Initiatives, Friends Fiduciary Corporation, School Sisters of Notre Dame Central Pacific Province, Sisters of Charity of St. Elizabeth, NJ, Sisters of St. Francis Charitable Trust, Sisters of St. Francis of Dubuque, Sisters of the Holy Names of Jesus and Mary, US Ontario Province

ELI LILLY AND COMPANY

Independent Board Chair

*Daughters of Charity, Province of St. Louise, Providence St. Joseph Health

ELI LILLY AND COMPANY

Lobbying Expenditures Disclosure - Pharma

*Service Employees International Union (SEIU)

ENSIGN GROUP

Board Diversity

*Boston Trust Walden, Christopher Reynolds Foundation, Inc., Needmor Fund, Wallace Global Fund

ENTERGY CORP.

Reduce Climate-Related Water Risk

*As You Sow Foundation

EQUINOR ASA

Report on Plans to Align Operations with Paris Agreement

*Follow This, As You Sow Foundation

EVERGY, INC.

Political Contributions

*Nathan Cummings Foundation

EXPEDIA, INC.

Political Contributions

*Friends Fiduciary Corporation

EXXON MOBIL CORPORATION

Adopt Policy on Prison Labor in Supply Chain

*Nathan Cummings Foundation

EXXON MOBIL CORPORATION

Assess Risk of Expanding Operations in Flood-Prone Areas

*As You Sow Foundation

EXXON MOBIL CORPORATION

Climate Lobbying Report

*BNP Paribas Asset Management, Needmor Fund

EXXON MOBIL CORPORATION

Lobbying Expenditures Disclosure - Climate Change

*Boston Trust Walden, *United Steelworkers, Benedictine Sisters of Mount St. Scholastica, Carol Master, Congregation of Sisters of St. Agnes, Congregation of St. Joseph, OH, Congregation of the Sisters of the Holy Cross, Indiana, Dana Investment Advisors, Daughters of Charity, Province of St. Louise, Glenmary Home Missioners, Mercy Investment Services, Miller/Howard Investments, Missionary Oblates of Mary Immaculate, School Sisters of Notre Dame Cooperative Investment Fund, Sisters of Bon Secours USA, Sisters of St. Francis Charitable Trust, Sisters of St. Francis of Dubuque, Sisters of the Holy Family, CA

EXXON MOBIL CORPORATION

Political Contributions

*Unitarian Universalist Association

EXXON MOBIL CORPORATION

Report on Plans to Align Operations with Paris Agreement

*As You Sow Foundation, Adrian Dominican Sisters, Benedictine Sisters of Baltimore - Emmanuel Monastery, Benedictine Sisters of Virginia, Bon Secours Mercy Health, Congregation des Soeurs des Saints Noms de Jesus et de Marie, Congregation of Benedictine Sisters, Boerne TX, Dignity Health, Gwendolen Noyes, Maryknoll Sisters, Presbyterian Church (USA), Providence St. Joseph Health, School Sisters of Notre Dame Central Pacific Province, Sisters of Providence, Mother Joseph Province, Sisters of St. Dominic of Caldwell, NJ, Sisters of St. Francis of Philadelphia, Sisters of the Holy Names of Jesus and Mary, US Ontario Province, Trinity Health

FACEBOOK INC.

Child Sexual Exploitation Online

*Proxy Impact, Maryknoll Sisters, Sisters of St. Dominic of Caldwell, NJ, We Are Stardust

FACEBOOK INC.

Give Each Share an Equal Vote

*NorthStar Asset Management, New York State Common Retirement Fund

FACEBOOK INC.

Human Rights Board Oversight

*Nathan Cummings Foundation

FACEBOOK INC.

Independent Board Chair

*Trillium Asset Management Corporation, As You Sow Foundation, Benedictine Sisters of Mount St. Scholastica, Benedictine Sisters, Sacred Heart Monastery of Cullman, Alabama, Dana Investment Advisors, Missionary Oblates of Mary Immaculate, Sisters of the Holy Names of Jesus and Mary, US Ontario Province

FACEBOOK INC.

Nominate Human/Civil Rights Expert to the Board

*Arjuna Capital, As You Sow Foundation

FACEBOOK INC.

Reboot FB to Address Mismanagement around Privacy, Data Collection and Impact on

*Newground Social Investment, As You Sow Foundation

FASTENAL CO.

Workforce Diversity Report

*As You Sow Foundation

FEDEX CORPORATION

Report on Strategies for Mitigating Carbon Footprint of Vehicle Fleet

*As You Sow Foundation

FIRST HORIZON NATIONAL CORP.

Adopt a Human Rights Policy

*Figure 8 Investment Strategies

FIRSTCASH, INC.

Board Diversity

*Domestic and Foreign Missionary Society of the Episcopal Church, Bon Secours Mercy Health

FORD MOTOR COMPANY

Lobbying Expenditures Disclosure - Climate Change

*Unitarian Universalist Association

GENERAL ELECTRIC COMPANY

Report on Plans to Align Operations with Paris Agreement

*As You Sow Foundation, School Sisters of Notre Dame Cooperative Investment Fund

GENERAL MOTORS CORP.

Human Rights Policy Implementation

*Congregation of Holy Cross-Moreau Province, *School Sisters of Notre Dame Cooperative Investment Fund, Franciscan Sisters of Allegany, NY, Sisters of St. Dominic of Caldwell, NJ

GENERAL MOTORS CORP.

Lobbying Expenditures Disclosure - Climate Change

*New York City Employees Retirement System (NYC Pension Funds), Benedictine Sisters of Virginia, Congregation of Benedictine Sisters, Boerne TX, Daughters of Charity, Province of St Louise, Dignity Health, Mercy Investment Services, Presbyterian Church (USA)

GENUINE PARTS COMPANY

Human Capital Management Disclosure

*As You Sow Foundation

GEO GROUP INC.

Lobbying Expenditures Disclosure

*Service Employees International Union (SEIU)

GILEAD SCIENCES, INC.

Assess Company Diversity and Inclusion Efforts

*As You Sow Foundation

GILEAD SCIENCES, INC.

Establish deferral period for senior executive bonuses

*Domini Impact Investments LLC

GILEAD SCIENCES, INC.

Independent Board Chair

*United Church Funds, Adrian Dominican Sisters, Benedictine Sisters, Sacred Heart Monastery of Cullman, Alabama, Friends Fiduciary Corporation, Mercy Investment Services

GOLDMAN SACHS GROUP INC.

Report on Measuring GHG Footprint of Lending Activities

*As You Sow Foundation, Congregation of Divine Providence - San Antonio, Texas, Monasterio Pan de Vida, Providence Trust

GREAT-WEST LIFE CO INC.

Say on Pay

*British Columbia Government and Service Employees Union

HALLIBURTON COMPANY

Reduce Climate-Related Water Risk

*As You Sow Foundation

HANESBRANDS, INC.

Workforce Diversity Report

*Trillium Asset Management Corporation

HANOVER INSURANCE GROUP

Executive Leadership Diversity

*Trillium Asset Management Corporation

HERTZ GLOBAL HOLDINGS, INC.

Report on Strategies for Mitigating Carbon Footprint of Vehicle Fleet

*As You Sow Foundation

HESS CORPORATION

Report on Plans to Align Operations with Paris Agreement

*As You Sow Foundation

HOLLYFRONTIER CORPORATION

Report on Worker Safety Events and Environmental Violations

*United Steelworkers

HOME DEPOT, INC.

Assess Feasibility of Adopting Quantitative Renewable Energy Goals

*Boston Common Asset Management

HOME DEPOT, INC.

Report on Prison Labor in the Supply Chain

*NorthStar Asset Management

HOME DEPOT, INC.

Senior Executive Equity Compensation Retention Policy

*As You Sow Foundation

HOME DEPOT, INC.

Workforce Diversity Report

*Congregation of Benedictine Sisters, Boerne TX, Benedictine Sisters of Baltimore - Emmanuel Monastery, Benedictine Sisters of Mount St. Scholastica, Benedictine Sisters of Virginia, Benedictine Sisters, Sacred Heart Monastery of Cullman, Alabama, Boston Trust Walden, Trillium Asset Management Corporation

HONEYWELL INTERNATIONAL INC.

Lobbying Expenditures Disclosure

*Mercy Investment Services

HORMEL FOODS CORP.

Reduce Medically Important Antibiotics in Supply Chain

*Green Century Capital Management, Inc., Trinity Health

HUNTSMAN CORPORATION

Report on Plastic Pellet Pollution

*As You Sow Foundation

HYATT HOTELS CORPORATION

Workforce Diversity Report

*Boston Trust Walden

IDEX

Include Non-Management Employees on the Board

*NorthStar Asset Management

INTERNATIONAL FLAVORS & FRAGRANCES INC

Gender Identity Non-Discrimination Policy

*Trillium Asset Management Corporation

IPG PHOTONICS CORPORATION

Executive Leadership Diversity

*Trillium Asset Management Corporation

J. M. SMUCKER COMPANY (THE)

Report Quantitative Metrics on Supply Chain Pesticide Use

*As You Sow Foundation

J.B. HUNT TRANSPORT SERVICES, INC.

Report on Plans to Align Operations with Paris Agreement

*Trillium Asset Management Corporation

J.P. MORGAN CHASE & CO.

Assess Company Diversity and Inclusion Efforts

*As You Sow Foundation

J.P. MORGAN CHASE & CO.

Independent Board Chair

*Nathan Cummings Foundation

J.P. MORGAN CHASE & CO.

Oil and Gas Company and Project Financing Related to the Arctic and the Canadian

*Trillium Asset Management Corporation, Benedictine Sisters of Mount St. Scholastica, Sisters of St. Joseph of Peace, NJ

J.P. MORGAN CHASE & CO.

Proxy Voting Policies Related to Climate Change

*Boston Trust Walden, Benedictine Sisters of Baltimore - Emmanuel Monastery, Benedictine Sisters, Sacred Heart Monastery of Cullman, Alabama, Boston Trust Walden, Community Church of New York, Congregation of the Sisters of St. Joseph of Brighton, First Parish In Cambridge - Unitarian Universalist, Glenmary Home Missioners, Gwendolen Noyes, Mercy Investment Services, Presbyterian Church (USA), Sisters of Notre Dame de Namur-Boston, Sisters of the Holy Family, CA, The Oneida Trust

J.P. MORGAN CHASE & CO.

Report on Reducing GHG Emissions Associated with Lending Activities

*As You Sow Foundation, 444S Foundation, Adrian Dominican Sisters, Congregation of St. Joseph, OH, Maryknoll Sisters, Monasterio Pan de Vida, Needmor Fund, School Sisters of Notre Dame Cooperative Investment Fund, Sisters of the Humility of Mary, OH, The Swift Foundation, Tides Foundation

JOHNSON & JOHNSON

Board Oversight - Risks Related to the Opioid Crisis

*Illinois State Treasurer, Catholic Health Initiatives, Dignity Health, Mercy Investment Services, Sisters of Providence, Mother Joseph Province, Sisters of St. Dominic of Caldwell, NJ

JOHNSON & JOHNSON

Establish Deferral Period for Senior Executive Bonuses

*JLens Network

JOHNSON & JOHNSON

Independent Board Chair

*Trillium Asset Management Corporation, Adrian Dominican Sisters, Benedictine Sisters of Mount St. Scholastica, Benedictine Sisters of Virginia, Bon Secours Mercy Health, Congregation of Benedictine Sisters, Boerne TX, Daughters of Charity, Province of St Louise, Monasterio De San Benito, Providence St. Joseph Health

JOHNSON & JOHNSON

Senior Executive Incentives - Integrate Drug Pricing Risk

*Oxfam America, Dominican Sisters of Springfield Illinois

KELLOGG COMPANY

Report Quantitative Metrics on Supply Chain Pesticide Use

*As You Sow Foundation

KEURIG DR. PEPPER

Lobbying Expenditures Disclosure

*Trinity Health

KOHL'S CORPORATION

Recruitment and Forced Labor

*School Sisters of Notre Dame Central Pacific Province, Congregation of Divine Providence - San Antonio, Texas, Providence Trust, Province of St. Joseph of the Capuchin Order (Midwest Capuchins), School Sisters of Notre Dame Central Pacific Province, Sisters of St. Dominic, WI (Racine Dominicans)

KROGER CO.

Assess Environmental Impacts of Consumer Packaging

*As You Sow Foundation

KROGER CO.

Human Rights Due Diligence

*Oxfam America

KROGER CO.

Report Quantitative Metrics on Supply Chain Pesticide Use

*As You Sow Foundation

LEAR CORP.

Human Rights Impact Assessment

*Sisters of the Good Shepherd

LIBERTY BROADBAND CORP.

Board Diversity

*As You Sow Foundation

LKQ CORPORATION

Gender Identity Non-Discrimination Policy

*Trillium Asset Management Corporation

LOBLAW COMPANIES LTD.

Human Rights Risk Assessment

*British Columbia Government and Service Employees Union

MARATHON PETROLEUM

Develop Strategy to Reduce Contribution to Climate Change

*Mercy Investment Services, Adrian Dominican Sisters, As You Sow Foundation, Bon Secours Mercy Health, Congregation of St. Joseph, OH, Dana Investment Advisors, Domestic and Foreign Missionary Society of the Episcopal Church, Friends Fiduciary Corporation, Presbyterian Church (USA), Trillium Asset Management Corporation, Trinity Health

MARATHON PETROLEUM

Independent Board Chair

*United Steelworkers

MARATHON PETROLEUM

Integrate Community Impacts into Exec Compensation

*Trillium Asset Management Corporation

MARRIOTT INTERNATIONAL, INC.

Workforce Diversity Report

*Trillium Asset Management Corporation

MASTERCARD INCORPORATED

Assess Company Diversity and Inclusion Efforts

*As You Sow Foundation

MCDONALD'S CORP.

Improving Board Accountability, Standards and Disclosure on Decent Work

*Shareholder Association for Research and Education (SHARE)

MCKESSON CORPORATION

Change Company Management Systems to Implement BRT Statement of Purpose

*As You Sow Foundation

MCKESSON CORPORATION

Lobbying Expenditures Disclosure

*Mercy Investment Services, Trinity Health

MERCK & CO., INC.

Report on Allocation of Corporate Tax Savings

*Oxfam America, Benedictine Sisters of Mount St. Scholastica

MERCK & CO., INC.

Senior Executive Incentives - Integrate Drug Pricing Risk

*Province of St. Joseph of the Capuchin Order (Midwest Capuchins), Adrian Dominican Sisters, Benedictine Sisters of Baltimore - Emmanuel Monastery, Benedictine Sisters of Virginia, Boston Common Asset Management, Friends Fiduciary Corporation, Mercy Investment Services, Providence St. Joseph Health, Sisters of Charity of St. Elizabeth, NJ, Trillium Asset Management Corporation, Trinity Health

METLIFE, INC.

Assess Company Diversity and Inclusion Efforts

*As You Sow Foundation

MORGAN STANLEY

Assess Company Diversity and Inclusion Efforts

*As You Sow Foundation

MORGAN STANLEY

Report on Measuring GHG Footprint of Lending Activities

*As You Sow Foundation, Friends Fiduciary Corporation

NOBLE ENERGY, INC.

Offshore Drilling Impacts

*Pension Boards, United Church of Christ

NORDSTROM, INC.

Report on the Impact of Mandatory Arbitration on Workplace Culture

*Nathan Cummings Foundation, Boston Trust Walden

NORTHROP GRUMMAN CORPORATION

Human Rights Impact Assessment

*Sisters of St. Dominic of Caldwell, NJ, *Sisters of St. Francis of Philadelphia, School Sisters of Notre Dame Cooperative Investment Fund

NUCOR CORPORATION

Adopt a Human Rights Policy

*Congregation of Holy Cross-Moreau Province, *Sisters of the Good Shepherd

NUCOR CORPORATION

Assess Feasibility of Adopting Quantitative Renewable Energy Goals

*Friends Fiduciary Corporation

NUCOR CORPORATION

Lobbying Expenditures Disclosure - Climate Change

*Domini Impact Investments LLC

O'REILLY AUTOMOTIVE, INC.

Human Capital Management Disclosure

*As You Sow Foundation

OCCIDENTAL PETROLEUM CORPORATION

Report on Plastic Pellet Pollution

*As You Sow Foundation

OLD REPUBLIC INTERNATIONAL CORPORATION

Sustainability Reporting - GHG Emphasis

*Miller/Howard Investments

OLIN CORPORATION

Safety in the Firearms Industry

*Domestic and Foreign Missionary Society of the Episcopal Church, Adrian Dominican Sisters, Catholic Health Initiatives, Mercy Investment Services, Sisters of the Holy Names of Jesus and Mary, US Ontario Province

ORMAT TECHNOLOGIES INC.

Executive Leadership Diversity

*Trillium Asset Management Corporation

PACCAR, INC.

Assess Feasibility of Adopting Quantitative Renewable Energy Goals

*Pax World Fund

PAYPAL

Shareholder Rebuke of Political Contributions

*NorthStar Asset Management

PFIZER, INC.

Executive Compensation and Drug Pricing Risks-Feasibility Report

*Trinity Health, Adrian Dominican Sisters, American Baptist Home Mission Society, Catholic Health Initiatives, Dominican Sisters of Springfield Illinois, Mercy Investment Services, Sisters of Charity of St. Elizabeth, NJ, Sisters of Providence, Mother Joseph Province, Sisters of St. Dominic of Caldwell, NJ, Sisters of St. Francis Charitable Trust

PFIZER, INC.

Gender and Racial Pay Gap

*Proxy Impact

PFIZER, INC.

Independent Board Chair

*Sisters of St. Francis of Philadelphia, Dignity Health, Miller/Howard Investments

PFIZER, INC.

Lobbying Expenditures Disclosure - Pharma

*Oxfam America, Boston Trust Walden, Franciscan Sisters of Perpetual Adoration, Monasterio De San Benito

PHILLIPS 66

Assess Risk of Expanding Operations in Flood-Prone Areas

*As You Sow Foundation

PHILLIPS 66

Lobbying Expenditures Disclosure - Climate Change

*Fonds de Solidarite FTQ, Benedictine Sisters of Mount St. Scholastica, Friends Fiduciary Corporation, School Sisters of Notre Dame Cooperative Investment Fund

PILGRIM'S PRIDE CORP

Human Rights Due Diligence

*Oxfam America

PILGRIM'S PRIDE CORP

Reduce Water Pollution from Supply Chain

*Mercy Investment Services, Adrian Dominican Sisters

PNM RESOURCES

Report on Coal Ash Risks

*Dee Homans

PNM RESOURCES

Risks of Stranded Assets

*Robert Andrew Davis, Congregation of Divine Providence - San Antonio, Texas, Sam and Wendy Hitt Family Trust

PPG INDUSTRIES, INC.

Human Rights Disclosure

*Sisters of St. Joseph of Peace, NJ

PROCTER & GAMBLE COMPANY

Assess Company Diversity and Inclusion Efforts

*As You Sow Foundation

QANTAS AIRWAYS LIMITED (INT'L)

Review Company Policies Relating to Involuntary Transportation

*Australasian Centre for Corporate Responsibility, Mercy Investment Services

REPUBLIC SERVICES, INC.

Increase Scale and Pace of Support for Solutions to Plastic Pollution

*As You Sow Foundation

RESTAURANT BRANDS INTERNATIONAL

Develop Commitments on Plastic Pollution and Recycling

*As You Sow Foundation, British Columbia Government and Service Employees Union

ROCKWELL AUTOMATION, INC.

Assess Feasibility of Adopting Quantitative Renewable Energy Goals

*Nathan Cummings Foundation

ROGERS CORPORATION

Gender Identity Non-Discrimination Policy

*Trillium Asset Management Corporation

ROYAL BANK OF CANADA

Human Rights Risks Related to US Immigration Policy

*British Columbia Government and Service Employees Union

ROYAL CARIBBEAN CRUISES

Human Rights Policy Implementation

*Mercy Investment Services, Catholic Health Initiatives, Dana Investment Advisors

ROYAL DUTCH SHELL PLC

Report on Plans to Align Operations with Paris Agreement

*Follow This, As You Sow Foundation

SANDERSON FARMS, INC.

Human Rights Due Diligence

*Oxfam America

SANDERSON FARMS, INC.

Report on Water Risks for the Meat, Poultry and Dairy Sector

*As You Sow Foundation

SBA COMMUNICATIONS CORPORATION

Board Diversity

*Trillium Asset Management Corporation

SEMPRA ENERGY

Risks of Stranded Assets

*As You Sow Foundation, Congregation of Divine Providence - San Antonio, Texas, Providence Trust

SHERWIN-WILLIAMS COMPANY

Assess Feasibility of Adopting Quantitative Renewable Energy Goals

*Friends Fiduciary Corporation

SKECHERS U.S.A.

Adopt a Human Rights Policy

*Congregation of Divine Providence - San Antonio, Texas

SKYWORKS SOLUTIONS

Report on Water Management Risks

*As You Sow Foundation

SMITH (A.O.) CORPORATION

Assess Feasibility of Adopting Quantitative Renewable Energy Goals

*Nathan Cummings Foundation

SMITH (A.O.) CORPORATION

Gender Identity Non-Discrimination Policy

*Trillium Asset Management Corporation

SONOCO PRODUCTS COMPANY

Increase Scale and Pace of Support for Solutions to Plastic Pollution

*Trillium Asset Management Corporation

SOUTHERN COMPANY

Risks of Stranded Assets

*As You Sow Foundation

SPIRE INC

Report on Reducing Methane Emissions

*As You Sow Foundation

SQUARE INC.

Include Non-Management Employees on the Board

*NorthStar Asset Management

STARBUCKS CORP.

Step up Scale and Pace of Sustainable Packaging Initiatives

*As You Sow Foundation, Trillium Asset Management Corporation

STEEL DYNAMICS, INC.

Assess Feasibility of Adopting Quantitative Renewable Energy Goals

*Friends Fiduciary Corporation

STRYKER CORPORATION

Executive Pay-Incorporate Sustainability Metrics

*Trillium Asset Management Corporation

Resolution Leads and Co-Filers

STRYKER CORPORATION

Include Non-Management Employees on the Board

*NorthStar Asset Management

STURM RUGER AND COMPANY, INC.

Lobbying Expenditures Disclosure

*Mercy Investment Services, Daughters of Charity, Province of St Louise

SVB FINANCIAL GROUP

Executive Leadership Diversity

*Trillium Asset Management Corporation

SYNEOS HEALTH

Gender Identity Non-Discrimination Policy

*Trillium Asset Management Corporation

T-MOBILE USA (SUBSIDIARY OF DEUTSCHE TELEKOM)

Board Diversity

*Pax World Fund

T. ROWE PRICE ASSOCIATES, INC.

Proxy Voting Policies Related to Climate Change

*Zevin Asset Management

TESLA INC.

Human Rights Disclosure

*Sisters of the Good Shepherd

TJX COMPANIES, INC.

Consider Pay Grades When Setting CEO Compensation

*Trillium Asset Management Corporation, Benedictine Sisters of Mount St. Scholastica

TJX COMPANIES, INC.

Recruitment and Forced Labor

*Priests of the Sacred Heart, US Province, Benedictine Sisters of Virginia, Benedictine Sisters, Sacred Heart Monastery of Cullman, Alabama

TJX COMPANIES, INC.

Report on Plans to Reduce Chemical Footprint

*Trillium Asset Management Corporation

TJX COMPANIES, INC.

Report on Prison Labor in the Supply Chain

*NorthStar Asset Management

TRACTOR SUPPLY COMPANY

Executive Leadership Diversity

*Trillium Asset Management Corporation, Pax World Fund

TRAVELERS COMPANIES, INC.

Workforce Diversity Report

*Trillium Asset Management Corporation

TYSON FOODS, INC.

Deforestation

*Green Century Capital Management, Inc.

TYSON FOODS, INC.

Human Rights Due Diligence

*American Baptist Home Mission Society, Adrian Dominican Sisters, Congregation of Sisters of St. Agnes, Congregation of St. Joseph, OH, Daughters of Charity, Province of St Louise, Dignity Health, Felician Sisters of North America, Franciscan Sisters of Allegany, NY, Mercy Investment Services, Portico Benefit Services (ELCA), Sisters of Providence, Mother Joseph Province, Sisters of St. Francis of Philadelphia, Sisters of the Good Shepherd

ULTA BEAUTY INC.

Human Capital Management Disclosure

*As You Sow Foundation

UNITED AIRLINES HOLDINGS, INC.

Executive Compensation ESG Metrics

*Mercy Investment Services, Adrian Dominican Sisters, Dignity Health, Domestic and Foreign Missionary Society of the Episcopal Church, Presbyterian Church (USA), Providence St. Joseph Health

UNITED AIRLINES HOLDINGS, INC.

Lobbying Expenditures Disclosure - Climate Change

*Nathan Cummings Foundation

UNITED PARCEL SERVICE, INC.

Lobbying Expenditures Disclosure - Climate Change

*Boston Trust Walden, 444S Foundation, Center for Community Change, Community Church of New York, Congregation of the Sisters of St. Joseph of Brighton, First Parish In Cambridge - Unitarian Universalist, Fresh Pond Capital, Friends Fiduciary Corporation, Glenmary Home Missioners, Gwendolen Noyes, Haymarket People's Fund, Lemmon Foundation, Max and Anna Levinson Foundation, Mercy Investment Services, Mercy Investment Services, Needmor Fund, The Oneida Trust, Sisters of the Holy Family, CA, The George Gund Foundation, Tides Foundation, Zevin Asset Management

UNITED PARCEL SERVICE, INC.

Report on Plans to Align Operations with Paris Agreement

*Trillium Asset Management Corporation, *Zevin Asset Management, United Steelworkers

UNITED TECHNOLOGIES

Impact of Plant Closures

*AFL-CIO, United Steelworkers

VANGUARD FUNDS

Proxy Voting Policies Related to Climate Change

*Boston Trust Walden

VERIZON COMMUNICATIONS INC.

Child Sexual Exploitation Online

*Christian Brothers Investment Services, Benedictine Sisters of Virginia, Daughters of Charity, Province of St. Louise, Dignity Health, Maryknoll Sisters, Mercy Investment Services, Proxy Impact, Sisters of St. Dominic of Caldwell, NJ

VERIZON COMMUNICATIONS INC.

User Privacy

*Trillium Asset Management Corporation, Missionary Oblates of Mary Immaculate

VERTEX PHARMACEUTICALS INCORPORATED

Lobbying Expenditures Disclosure - Pharma

*Friends Fiduciary Corporation

VERTEX PHARMACEUTICALS INCORPORATED

Senior Executive Incentives - Integrate Drug Pricing Risks

*Trinity Health, Benedictine Sisters of Mount St. Scholastica, Domini Impact Investments LLC

VISA INC.

Gun Sales Risk Reporting

*SumofUs

WALGREENS BOOTS ALLIANCE

Board Oversight - Risks Related to the Opioid Crisis

*Mercy Investment Services

WALGREENS BOOTS ALLIANCE

Establish Deferral Period for Senior Executive Bonuses

*International Brotherhood of Teamsters, Domini Impact Investments LLC, Northwest Women Religious Investment Trust

WALMART STORES, INC.

Assess Environmental Impacts of Single-Use Plastic Shopping Bags

*As You Sow Foundation

WALMART STORES, INC.

Assess Strategies to Strengthen Supplier Antibiotic Use Standards

*As You Sow Foundation

WALMART STORES, INC.

Board Oversight - Risks Related to the Opioid Crisis

*Mercy Investment Services, Congregation of St. Joseph, OH, Dana Investment Advisors, Daughters of Charity, Province of St. Louise, Dominican Sisters of Springfield Illinois, Missionary Oblates of Mary Immaculate, Providence St. Joseph Health, Sisters of St. Francis of Philadelphia

WASTE MANAGEMENT INC.

Increase Scale and Pace of Support for Solutions to Plastic Pollution

*Trillium Asset Management Corporation, As You Sow Foundation

WELLS FARGO & COMPANY

Report on Reducing GHG Emissions Associated with Lending Activities

*As You Sow Foundation, Benedictine Sisters of Mount St. Scholastica, Benedictine Sisters, Sacred Heart Monastery of Cullman, Alabama, Mercy Investment Services, Presbyterian Church (USA)

WENDY'S INTERNATIONAL, INC.

Demonstrate Progress Towards Phasing Out Routine Use of Antibiotics

*As You Sow Foundation

WESTERN UNION COMPANY (THE)

No Business with Governments Complicit in Genocide - Burma

*Friends Fiduciary Corporation

WESTLAKE CHEMICAL

Report on Plastic Pellet Pollution

*As You Sow Foundation



Resolution Leads and Co-Fileers

WILLIAMS-SONOMA, INC.

Workforce Diversity Report

*Boston Trust Walden, Congregation of the Sisters of St. Joseph of Brighton, Wallace Global Fund

WORLD FUEL SERVICES CORPORATION

Board Diversity

*Domestic and Foreign Missionary Society of the Episcopal Church

WYNDHAM WORLDWIDE CORP.

Gender and Racial Pay Gap

*Proxy Impact

YUM! BRANDS, INC.

Curtailing the Climate Impacts of Deforestation in Company Supply Chain

*SumofUs, Franciscan Sisters of Perpetual Adoration

YUM! BRANDS, INC.

Sustainable Packaging Report

*As You Sow Foundation

Contact Details for Filers

444S Foundation

P.O. Box 1128, Bellevue, WA 98009

Adrian Dominican Sisters

1257 East Siena Heights Drive
Adrian, MI 49221-1793
206-223-1138, <http://www.ipjc.org>

AFL-CIO

815 16th St. NW
Office of Proxy Voting
Washington, DC 20006

American Baptist Home Mission Society

1075 First Avenue, King of Prussia, PA 19406

As You Sow Foundation

2150 Kittredge St., Suite 450, Berkeley, CA 94720
510-735-8158

Australasian Centre for Corporate Responsibility

GPO Box 1596, Canberra, ACT 2601, Australia

Azzad Asset Management

3141 Fairview Park Drive Suite
Falls Church, VA 22042

Benedictine Sisters of Chicago

7430 N. Ridge Blvd., Chicago, IL 60645

Benedictine Sisters of Mount St. Scholastica

Mount St. Scholastica, Atchison, KS 66002

Benedictine Sisters of Virginia

Saint Benedict Monastery, Bristow, VA 20136-1217
703-361-0106

Benedictine Sisters, Sacred Heart Monastery of Cullman, Alabama

916 Convent Road NE, Cullman, AL 35055

Bon Secours Mercy Health

1505 Marriotsville Road, Marriotsville, MD 21104

Boston Common Asset Management

84 State Street, Boston, MA 02109

Boston Trust Walden

One Beacon Street, Boston, MA 02108
<https://www.bostontrustwalden.com/>

British Columbia Government and Service Employees Union

4911 Canada Way, Burnaby, BC V5G 3W3, Canada
<https://www.bcgeu.ca/>

Catholic Health Initiatives

198 Inverness Drive West, Englewood, CO 80112
215-358-4553

Center for Community Change

1536 U Street, NW, Washington, DC 20009
202-339-9300

Christian Brothers Investment Services

777 Third Avenue, 29th Floor,
New York, NY 10017-1401
212-490-0800

City of Philadelphia Public Employees Retirement System

2 Penn Plaza, Philadelphia, PA 19102

Community Church of New York

40 East 35th Street, New York, NY 10016

Congregation des Soeurs des Saints Noms de Jesus et de Marie

80 Rue Saint-Charles Est,
Longueuil, QC J4H 1A9, Canada
450-651-8104

Congregation of Benedictine Sisters, Boerne TX

P.O. Box 200423, San Antonio, TX 78220
210-348-6704

Congregation of Divine Providence, San Antonio, Texas

515 SW 24th Street, San Antonio, TX 78207

Congregation of Holy Cross, Moreau Province

101 St. Edward's Drive, Austin, TX 78704-6512
512-442-7856

Congregation of Sisters of St. Agnes

320 County Road K, Fond Du Lac, WI 54935
920-907-2300, <http://www.csasisters.org>

Congregation of St. Joseph, OH

3430 Rocky River Drive, Cleveland, OH 44111

Contact Details for Filers

**Congregation of the Sisters of
St. Joseph of Brighton**

637 Cambridge Street, Boston, MA 02135

**Congregation of the Sisters of the Holy Cross,
Indiana**

Bertrand Hall - St. Mary's,
Notre Dame, IN 46556-5000

Dana Investment Advisors

P.O. Box 1067, Brookfield, WI 53008-1067

Daughters of Charity, Province of St Louise

4330 Olive Street, St. Louis, MO 63108

Dignity Health

185 Berry Street, Ste. 300,
San Francisco, CA 94107-1739

**Domestic and Foreign Missionary Society
of the Episcopal Church**

815 Second Avenue, New York, NY 10017

Domini Impact Investments LLC

532 Broadway, New York, NY 10012-3939

Federated Hermes

150 Cheapside
London, UK EC2V 6ET

Felician Sisters of North America

871 Mercer Road, Beaver Falls, PA 15010

Figure 8 Investment Strategies

205 North 10th Street, Boise, ID 83702
208-385-0078, <https://figure8investing.com/>

First Parish In Cambridge - Unitarian Universalist

3 Church St, Cambridge, MA 02138
617-876-7772

Fonds de Solidarite FTQ

545 boulevard Cremazie Est,
Montreal, QC H2M 2W4, Canada

Fresh Pond Capital

4 Liberty Street, Boston, MA 02109
617-226-3339

Friends Fiduciary Corporation

1700 Market Street, Suite 1535,
Philadelphia, PA 19103
<http://www.friendsfiduciary.org/>

Glenmary Home Missioners

PO Box 465618, Cincinnati, OH 45246-5618

Greater Manchester Pension Fund

Guardsman Tony Downes House, Droylsden,
M43 6SF, Great Britain
0161 301 7000

Green Century Capital Management, Inc.

114 State Street, Boston, MA 02109
617-482-0800

Haymarket People's Fund

42 Seaverns Avenue, Boston, MA 02130

Illinois State Treasurer

100 W Randolph St., Chicago, IL 60601

International Brotherhood of Teamsters

25 Lousiana Avenue, NW, Washington, DC 20001

Investor Advocates for Social Justice

40 South Fullerton Avenue, Montclair, NJ 07042

JLens Network

c/o Upstart, San Francisco, CA 94105
925-482-7500

Lemmon Foundation

15510 Sunset Boulevard,
Pacific Palisades, CA 90272

LGPS Central Limited

Mander House, Wolverhampton, WV1 3NB,
Great Britain
01902 916 180

Maryknoll Sisters

766 Brady Avenue - Apt. 635, Bronx, NY 10462
914-941-7575

Max and Anna Levinson Foundation

P.O. Box 6309, Sante Fe, NM 87502-6309
505-995-8802

Mercy Investment Services

2039 North Geyer Rd, St. Louis, MO 63131
570-366-1809

Miller/Howard Investments

10 Dixon Avenue, Woodstock, NY 12498

Contact Details for Filers

Missionary Oblates of Mary Immaculate

391 Michigan Avenue, NE, Washington, DC 20017

Monasterio De San Benito

Rio Bamba 870, Colonia Liindavista, 7300, Mexico

Monasterio Pan de Vida

Apdo. Postal 105-3 Torreon,
Coahuila C.P., 27003, Mexico

Nathan Cummings Foundation

475 Tenth Avenue, 14th Floor, New York, NY 10018
212-787-7300

Needmor Fund

539 East Front St., Perrysburg, OH 43551

New York City Employees Retirement System (NYC Pension Funds)

One Centre St., New York, NY 10007

Newground Social Investment

111 Queen Anne Ave North, Suite 500,
Seattle, WA 98109-4955
206-522-1944

NorthStar Asset Management

30 St. John Street, Boston, MA 02130

Northwest Women Religious Investment Trust

PO Box 248, Bellevue, WA 98009

Ohman

Master Samuelsgatan 6, Stockholm, 11144, Sweden
+46 8-407 58 00

The Oneida Trust

P.O. Box 365, Oneida, WI 54155

Oxfam America

226 Causeway Street, Boston, MA 02114-2206
617-482-1211

Pax World Fund

224 State Street, Portsmouth, NH 03801

Pension Boards, United Church of Christ

475 Riverside Drive, New York, NY 10115

Presbyterian Church (USA)

100 Witherspoon St., Rm 3046,
Louisville, KY 40202-1396
502-569-5809

Priests of the Sacred Heart Province

7373 S. Lovers Lane Rd., Hales Corners, WI 53130
414-427-4273

Providence St. Joseph Health

1801 Lind Avenue, SW, Renton, WA 98057-9016

Providence Trust

515 SW 24th Street, San Antonio, TX 78207-4619
210-434-1866

Province of St. Joseph of the Capuchin Order (Midwest Capuchins)

1015 N. 9th Street, Milwaukee, WI 53233

Proxy Impact

1611 Telegraph Ave., Suite 1450, Oakland, CA 94612

Reynders McVeigh Capital Management LLC

121 High St., Boston, MA 02110
617-226-9999, <https://reyndersmcveigh.com>

School Sisters of Notre Dame Central Pacific Province

320 East Ripa Avenue, St. Louis, MO 63125

School Sisters of Notre Dame Cooperative Investment Fund

345 Belden Hill Road, Wilton, CT 06897
203-762-3318

Service Employees International Union (SEIU)

1800 Massachusetts Avenue, NW,
Washington, DC 20036

Shareholder Association for Research and Education (SHARE)

26th Floor, 1055 West Georgia,
Vancouver, BC V6E 3R5, Canada

Sisters of Bon Secours USA

1525 Marriottsville Road, Marriottsville, MD 21104

Sisters of Charity of St. Elizabeth, NJ

One Convent Station Rd.,
Convent Station, NJ 07961-0476
201-278-1424

Sisters of Providence, Mother Joseph Province

506 Second Ave., Ste. 1200, Seattle, WA 98104-2329

Contact Details for Filers

Sisters of St. Dominic of Caldwell, NJ

52 Old Swartwood Station Road,
Newton, NJ 07860-5103

Sisters of St. Francis Charitable Trust

3390 Windsor Avenue, Dubuque, IA 52001
563-583-9786

Sisters of St. Francis of Allegany, New York

115 East Main Street, St. Bonaventure, NY 14706

Sisters of St. Francis of Dubuque

3390 Windsor Avenue, Dubuque, IA 52001
563-583-9786

Sisters of St. Francis of Philadelphia

609 S. Convent Rd., Aston, PA 19014

Sisters of St. Joseph Chestnut Hill Philadelphia

9701 Germantown Avenue,
Philadelphia, PA 19118-2693

**Sisters of St. Joseph of Carondelet
of St. Paul Province**

1881 Randolph Ave., St. Paul, MN 55105

Sisters of St. Joseph of Peace, NJ

399 Hudson Terrace, Englewood Cliffs, NJ 07632

Sisters of St. Joseph, Brentwood

St. Joseph's, Brentwood, NY 11717

Sisters of the Good Shepherd

82-31 Doncaster Place, Jamaica, NY 11432

Sisters of the Holy Cross, Indiana

Bertrand Hall - St. Mary's,
Notre Dame, IN 46556-5000
219-284-5551

Sisters of the Holy Family, CA

159 Washington Blvd., Fremont, CA 94539
510-624-4500

**Sisters of the Holy Names of Jesus and Mary,
US Ontario Province**

P.O. Box 398, Marylhurst, OR 97036
503-675-7100

Sisters of the Humility of Mary, OH

2218 West Blvd., Cleveland, OH 44102
216-961-3169

**St. Mary's Institute (Sisters of the Most Precious
Blood), O'Fallon, Missouri**

204 N. Main Street, O'Fallon, MO 63366

State of Rhode Island and Providence Plantations

Office of the General Treasure, Providence, RI 02903

SumofUs

P.O. Box 1128, New York, NY 10156

The George Gund Foundation

1845 Guildhall Building, Cleveland, OH 44115

The Swift Foundation

1167 Coast Village Road, Suite A,
Santa Barbara, CA 93108

Tides Foundation

The Presidio, San Francisco, CA 94129-0903

Trillium Asset Management Corporation

Two Financial Center, Boston, MA 02111

Trinity Health

20555 Victor Parkway, Livonia, MI 48152-7006

UAW Retiree Medical Benefits Trust

301 N. Main St., Suite 100, Ann Arbor, MI 48104
734-929-5789 x210

Unitarian Universalist Association

24 Farnsworth Street, Boston, MA 02210-1409
617-742-2100

United Church Funds

475 Riverside Drive, Suite 1020, New York, NY 10115

United Steelworkers

60 Boulevard of the Allies, Pittsburgh, PA 15222

Ursulines, Central Province

353 S. Sappington Road, St. Louis, MO 63122

Warren Wilson College

701 Warren Wilson Rd., Swannanoa, NC 28778
<https://www.warren-wilson.edu>

We Are Stardust

PO Box 540205, Houston, TX 77254
713-526-6530

Zevin Asset Management

2 Oliver Street, Boston, MA 02109

About ICCR

The Interfaith Center on Corporate Responsibility is a coalition of faith and values-driven organizations who view the management of their investments as a powerful catalyst for social change. Our membership comprises nearly 300 organizations including faith-based institutions, socially responsible asset management companies, unions, pension funds, colleges and universities that collectively represent over \$400 billion in invested capital.

ICCR members and staff engage hundreds of multinational corporations annually to promote more sustainable and just practices because we believe in doing so they will secure a better future for their employees, their customers and their shareholders.

While our coalition engages corporations on a host of environmental, social and governance (ESG) issues, since our inception five decades ago, our principal focus has been on the social impacts of corporate operations and policies and our engagements are shaped by a human rights lens.

The motivation for our work is grounded in the values and principles of our member organizations and stems from the practical conviction that business leaders who choose to serve the common good build more profitable businesses over the long term. With on-the-ground missions all over the world, many of our faith-based members hear directly from community members about corporate impacts — both positive and negative. We have found that, in order to effectively mitigate the negative impacts of their operations and build sustainable communities where they operate, companies must become disciplined listeners, actively seeking the feedback of all relevant stakeholders, primarily community members, and be prepared to include them in the decision-making process.

ICCR's legacy is living proof that positive corporate transformation is possible and we have pledged to mentor others in this important work.

Please join us.

For more information call 212-870-2936 or visit www.iccr.org/membership.



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