

ICCR'S 2019 PROXY RESOLUTIONS AND VOTING GUIDE



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RESPONSIBILITY

2019 Proxy Resolutions and Voting Guide

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2019 Executive Summary

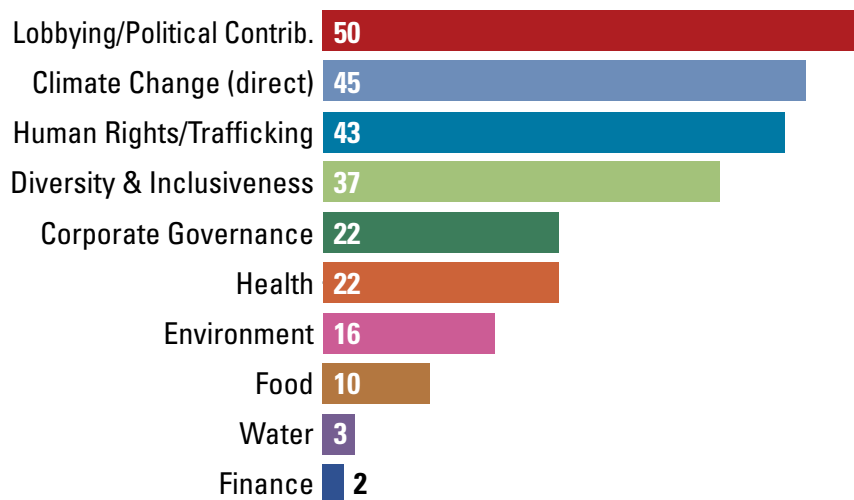
Members of the Interfaith Center on Corporate Responsibility are investors who believe that focused attention and action on environmental, social and governance (ESG) issues helps corporations mitigate risks and enhances long-term shareholder value. For nearly 50 years, our members have engaged hundreds of corporations annually in an effort to foster improved transparency and performance on issues such as human rights, health equity, climate change, corporate water stewardship, sustainable food production, responsible lending, and corporate lobbying and political spending.

This guide presents ICCR member-sponsored resolutions — both as lead- and co-filer — for 2019 corporate proxies, as of the end of January. 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.

This year ICCR members filed **250 resolutions at 163 companies**. Resolutions addressing corporate lobbying and political spending were the most popular filing category at 50, a slight increase over last year. The cluster of resolutions directly citing climate change was the next highest, with 45 resolutions. Human rights-related resolutions jumped to 43 from 26. Resolutions seeking greater inclusiveness and diversity were the next most popular category of proposals at 37 filings.

Resolutions by Issue



Noteworthy Trends

A Surge in Proposals Citing Human Rights Risks

Since our inception in 1971, ICCR members have consistently underscored the material risk human rights violations present for corporations and their shareholders. From human trafficking and forced labor in global supply chains, to free prior and informed consent and conflict minerals, human rights concerns have always been at the forefront of our coalition’s work.

This proxy season we are seeing a surge in human rights-related proposals, 43 overall, with emerging themes that relate to digital rights and the growing influence of Google, Facebook and Amazon. Still other resolutions examine how companies with government contracts may be linked to human rights abuses as a result of “zero tolerance” U.S. immigration policies.

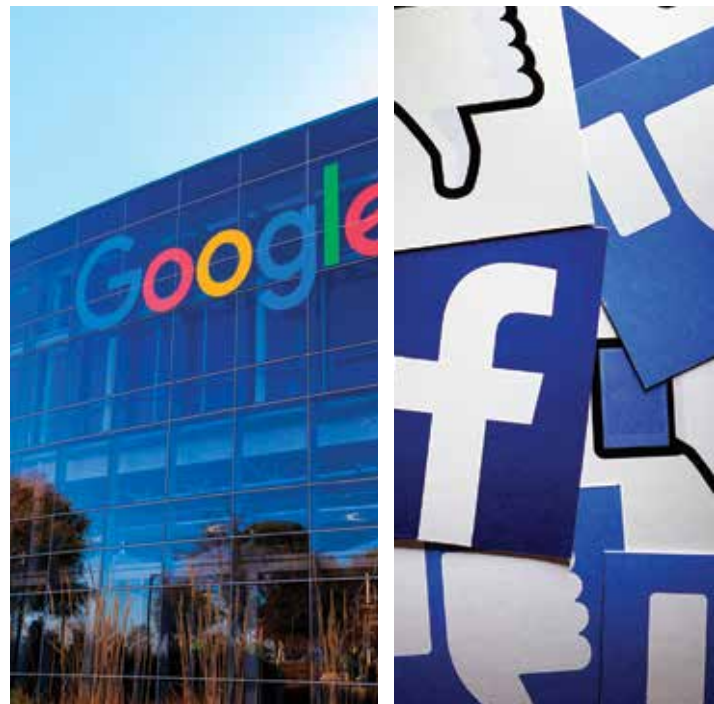
Filings on Immigrant Detention

Against a backdrop of new immigration policies with discriminatory overtones, seven resolutions this year focused on immigration, including addressing *immigrant detention in for-profit private prisons*; the use of *facial recognition technology at the border*; and *banks' financing of private prisons involved in immigrant detention and agencies involved in child separation*.

Data Privacy Concerns Spur Investor Actions in the ICT Sector

Information, communications and technology (ICT) companies drive global innovation and influence the lives of millions of people worldwide. Yet, without proper oversight, some of these technologies have the potential to cause serious, unintended social harm. In 2018 alone, we witnessed massive data security breaches, scandals related to use of surveillance and censorship software, and the manipulation of social media platforms to influence national elections and facilitate genocide in countries such as Myanmar. At the same time hate speech is rising and online platforms are failing to adequately manage the crisis. And just this past month news broke that Facebook, desperate for deeper data on its competitors, has been paying teens to install an app that extracts and transmits their private phone and web activity.

As a result, this year ICCR members filed a group of resolutions with companies in the ICT sector. One resolution called on Facebook to address the risks posed by ongoing *controversies regarding its content governance policies*, including Cambridge Analytica's misappropriation of Facebook users' data. Google was challenged on its plans for developing a *censored search product* called "Dragonfly" for use in China. Investors also challenged Amazon to report on its *efforts to address hate speech* on its platforms.



A Focus on Amazon

As one of the largest companies in the world, **Amazon** has unrivaled global impact and, as a result of its vast supply chain, significant environmental and social risks. This season ICCR members filed ten resolutions urging Amazon to address its risk exposure across a number of issues, including the *potential misuse of its facial recognition software*, how it is addressing *hate speech on its platforms*, its *greenhouse gas emissions reductions goals* and how it is *addressing potential forced labor in its supply chain* and more. Amazon has challenged six of the resolutions at the SEC.

Still other human rights resolutions focused on *prison labor in corporate supply chains* and asked *gun makers to adopt human rights policies*.

As the Investor Alliance for Human Rights, an ICCR initiative, continues to build investor capacity for engaging on corporate human rights due diligence, we expect this trend of increased filings on human rights risks to continue.

Other ICCR Member Resolutions

Human Trafficking and Ethical Labor Recruitment

Currently, almost 25 million people are trapped in conditions of forced labor that generate over \$150 billion in profits for other parties. Eight companies were asked to *identify human rights and trafficking risks in their operations and supply chains*. Monster Beverage was asked to report on *human trafficking in the sugarcane supply chain*, and Hub Group was asked to *implement a program to address human trafficking*. Four resolutions emphasized *due diligence processes for identifying human rights risks*. Three resolutions this year asked companies to report on their efforts to *combat child sexual exploitation*.

Climate Change Remains Major Shareholder Concern

We are already experiencing the adverse impacts of a changing climate, including more extreme and unpredictable weather causing dangerous droughts and floods. These and other impacts are having severe consequences for communities around the globe. As a result, this year ICCR members filed 45 resolutions directly addressing climate. Again this year members filed resolutions asking companies to set *greenhouse gas reduction goals*, in line with goals of the Paris Climate



Agreement. Other resolutions called for *adoption of quantitative, company-wide goals for increasing use of renewable energy*. Three banks were asked to *reduce the carbon footprint of their loan and investment portfolios*. Members continued to call for greater oversight of methane production and challenged companies to *adopt quantitative targets for reducing their methane emissions*. Other resolutions called for *Paris-compliant business plans* or for *sustainable energy access*, or a *climate change scenario analysis*. An additional 27 resolutions addressed climate change within the contexts of lobbying, governance, sustainability, food, and water.

Among these were 16 resolutions emphasizing *anti-climate lobbying* and *political spending*, particularly corporate membership in the U.S. Chamber of Commerce and ALEC, which oppose the Paris climate accord.

Shining a Spotlight on Corporate Lobbying and Political Spending

Corporate lobbying and political spending disclosure formed the largest stream of ICCR member filings, with 50 total resolutions. Investors often have little to no idea how much a given company is spending on *lobbying*, including through trade associations. Although companies are required to report their federal lobbying, disclosure requirements at the state level are often uneven and



nonexistent, and disclosure of trade association support is sporadic at best. Investors sought to highlight corporate lobbying on a multitude of issues this year, including fuel efficiency standards and climate policy, net neutrality, data breaches, CAFOs, water privatization, and fracking, among others.

Corporate political donations and their outsized influence on elections and, ultimately, policy and regulation, have been an even greater source of controversy ever since the Supreme Court's *Citizens United* ruling. Shareholders argue that transparency around how corporations wield financial power to influence elections is critical given that political spending poses reputational and financial risk to companies. ICCR members filed 20 resolutions this year requesting transparency on *corporate political spending*.

Escalating Drug Prices and Opioid Misuse Remain a Focus for Investors

The U.S. far outpaces the world in the cost of branded medications. Shareholders argue that companies' excessive dependence on drug price increases for profitability is both risky and unsustainable because the impact of price increases could provoke a backlash from insurers, prescribers and regulators. Our members urged nine companies to integrate drug pricing risk into *senior executive incentives*. They also asked two companies for *greater board oversight of drug pricing*.

Opioid abuse is an undeniable public health crisis with profound economic and social consequences. In 2015, opioid abuse caused more than 33,000 deaths in the U.S., or 91 people per day. Investors this year asked five companies including Mallinckrodt and Amerisource Bergen to *report on the measures they have taken to monitor and manage financial and reputational risks related to the opioid crisis*, including whether they have assigned responsibility for such monitoring to the board or one or more board committees.

Shareholders also asked the boards of Teva and Mallinckrodt – both of which are facing lawsuits related to opioid abuse – to disclose whether they had *“clawed back” any senior executive compensation* awards. Shareholder efforts on the opioid crisis are organized by the Investors for Opioid Accountability coalition which is co-led by Mercy Investment Services and the UAW Retiree Medical Benefits Trust.

Diversity and Gender Issues

Given the pervasive pay gap that exists between men and women in nearly all industries in the U.S., ICCR members this year filed resolutions addressing the *gender pay gap* at six companies.

Recent high-profile revelations of sexual harassment have shed a light on the role that mandatory arbitration and confidentiality clauses play in masking a culture that permits sexual harassment. Investors challenged companies on their use of *NDAs/mandatory arbitration in sexual harassment cases*.



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Because women and people of color remain significantly underrepresented on U.S. corporate boards, investors filed 16 resolutions calling for greater *board diversity*.

While diversity in the boardroom has seen slight improvement in recent years, expanding diversity, including gender diversity, in the C-Suite has not seen similar success. In 2018, the number of female CEOs declined 25%. Members filed resolutions calling for greater *executive leadership team diversity*, and for companies to *integrate diversity metrics into executive pay*.

There were seven filings calling for expanded *workplace diversity*, with reports identifying employees according to the major EEOC-defined job categories.

Building a Sustainable Food System and Water Stewardship

Modern agriculture is failing to manage critical business risks which negatively impact workers, local communities and consumers. Risks include antibiotic resistance from the overuse of antibiotics in concentrated animal feeding operations (CAFOs) which has accelerated the development of antibiotic-resistant bacteria; deforestation to make space for agricultural commodities like soy, palm oil, and cattle which is accelerating global warming; and pesticide toxicity from the herbicides and insecticides used in agriculture.



Five of our members' resolutions on food addressed commodity-related *deforestation*, four sought to reduce the use of *medically important antibiotics in animal agriculture*, and one sought to *reduce food waste*.

The world is expected to face a calamitous 40 percent shortfall between water demand and supply by 2030. Consequently, water-intensive processes like agriculture and hydraulic fracking face significant operational risk. This year, our members are seeking to improve water disclosure in the fossil fuel, and food and beverage sectors by encouraging corporate reporting via the CDP Water Questionnaire, enabling them to better evaluate business risk. One resolution highlighted the *water impacts of business operations*, and two called for the upholding of the *human right to water*.

Safeguarding Environmental Health

ICCR members encourage corporations to manage resources in a responsible manner that will minimize business risk and community impact, and safeguards natural resources for future generations. Shareholders have increasingly turned their attention to wasteful "to go" disposable culture, as plastic pollution of land and water has become an increasingly urgent environmental issue. Five resolutions this year called for corporate *sustainability reporting*, and

four called on companies to address the *environmental impacts of their non-recyclable packaging*. Others called for reports on *plastic pollution*, and action to *reduce synthetic chemical pesticides* and the *health hazards of coal residuals*.

Responsible Banking

As part of our members' ongoing work with the financial services sector, they frequently engage with banks on matters related to responsible lending. In 2017, the largest U.S. banks collected \$11.45 billion in overdraft fees, the vast majority from customers living paycheck to paycheck who can least afford them. It is not unusual for bank customers to pay more in overdraft fees than their actual overage amounts. This year, two resolutions challenged Bank of America and J.P. Morgan Chase to *evaluate the impact of their overdraft practices on their customers*, arguing that both banks' overdraft fee amounts do not appear to bear any relationship to the actual cost or risk involved in covering an overdraft.

Corporate Governance

Strong corporate governance policies that ensure proper board oversight and strengthen executive accountability help to reduce risk and strengthen long-term financial performance that benefits all stakeholders.

This year there were 22 resolutions dealing with governance issues, including nine calling for an *independent board chair*. Facebook shareholders cited CEO Mark Zuckerberg's dual-class shareholding which gives him control of approximately 60% of Facebook's voting shares, leaving the company's board with only a limited ability to check his power. The Amazon independent chair resolution, meanwhile, highlighted the increasing criticism the company has faced over its relationships with its employees and the communities where it operates.

By allowing certain stock more voting power, companies may deny their shareholders an equal



voice in corporate governance. As a result of Alphabet's multi-class voting structure, its CEO and President currently control over 51% of the company's total voting power, while owning less than 13% of stock. Shareholders asked Alphabet and Facebook to *adopt recapitalization plans for all outstanding stock to have one vote per share*.

Arguing that both companies may be too large and complex to be managed effectively, shareholders argued that Alphabet and Facebook should be broken up. Both companies were asked to begin orderly *processes of retaining advisors to study strategic alternatives*.

Amazon's products and services have become embedded in everyday life. Consumer and human rights advocates argue that some applications of these technologies have the potential to cause serious, social harm. Arguing it is necessary in order to rebuild and maintain public trust, shareholders this year also asked Amazon to *form a Societal Risk Oversight Committee*.

The Trump administration's Tax Cuts and Jobs Act (TCJA) permanently reduced the corporate tax rate from 35 percent to 21 percent in the hopes that companies would invest these savings in expanding their businesses, adding jobs and increasing wages for their current workers. To date, however, most companies have used these savings to repurchase stock to enrich executives. Investors asked Gilead to report on how it *plans to allocate its new tax savings*.

New Topics This Year

- Anti-Competitive Practices
- Censored Google Search in China
- Community Impact of Company's Operation
- Corporate Tax Savings Allocation Disclosure
- Evaluate Impact of Overdraft Practices on Customers
- Immigrant Detainees - Human Rights Policy Implementation
- Immigration - Human Rights Due Diligence
- Immigration - Integrate Detainee Rights Risks into Exec Comp
- Report on Efforts to Address Hate Speech
- Report on Human Rights Risks Related to Immigrant Detention
- Risks of Sales of Facial Recognition Software
- Risks Posed by Content Governance Controversies
- Study Strategic Alternatives Including Sale of Assets/ Subsidiaries
- Use of NDAs/Mandatory Arbitration in Sexual Harassment Cases

In addition, many of this year's health resolutions strongly emphasized corporate governance, including incorporating drug pricing risk into senior executive incentives, executive incentive pay clawback, and board oversight of risks related to the opioid crisis. These proposals are discussed in detail in the health section (see page 138).

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. 2018 was another strong year for the ICCR coalition, as we negotiated 108 substantive corporate commitments on a range of issues.

At the time of publishing, ICCR members had **withdrawn** 35 resolutions in exchange for substantive agreements with companies directly related to their resolutions, on par with 31 this time last year.

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 intersectional, i.e., addressing 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: Filings received after the January closing date are not included in this Guide but will be made available on www.iccr.org. In addition, over the next few months, some 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.

Climate Change

We are already experiencing the adverse impacts of a warming planet including dramatic changes in sea levels and more extreme and unpredictable weather causing both dangerous droughts and floods. A large swathe of the U.S. was recently caught in a severe “polar vortex” due to jetstream-disrupting warming in the Arctic, plunging thermometers in the upper Midwest to dangerously frigid temperatures. These impacts are having severe consequences for communities around the globe including a rise in climate refugees fleeing droughts and floods, serious public health impacts due to heat waves and fires as well as a rise in infectious diseases like malaria, dengue and ebola.

In an attempt to forestall these threats, in 2015 representatives from approximately 196 countries came together to adopt the Paris Climate Agreement, which aims to limit the increase in global average temperature to below 2°C by drastically cutting the greenhouse gas (GHG) emissions responsible for accelerating global warming. As was widely reported, on June 1st, 2017 President Trump pulled the U.S. out of the Paris Agreement and since then has been on a crusade to roll back critical climate regulations, including rules meant to rein in methane emissions – a climate forcer 86 times more powerful than CO2.



Climate Change	45
Proposal Topic	Quantity
Greenhouse Gas Reduction - In Line with Paris Goals	10
Paris-Compliant Business Plan	5
Sustainability Reporting - GHG Emphasis	5
Greenhouse Gas Reduction - Renewable Energy	4
Reduce Carbon Footprint of Loan & Investment Portfolio	3
Methane Emissions - Monitor & Minimize	2
Report on Petrochemical Resiliency Risks	2
Adopt Quantitative Targets for Reducing Methane Emissions	1
Business Plan for 2C Warming Scenario	1
Climate Change Scenario Analysis	1
Climate Criteria for Investing in Projects In Emerging Mkts	1
Climate Related Financial Disclosure	1
Establish Board Committee on Climate Change	1
Greenhouse Gas Reduction - Science-Based Targets	1
Link GHG Emissions to Executive Compensation	1
Nominate Environmental Expert to Board	1
Proxy Voting Policies - Climate Change	1
Report on Climate-Related Water Risk	1
Report on Mitigating Health & Climate Impacts of Coal Use	1
Sustainability Reporting - Climate Change & Water Emph.	1
Sustainable Energy Access	1

With climate progress stalled at the federal level, the responsibility for maintaining momentum on GHG reduction has shifted to the states and the private sector. Seventeen states have set GHG reduction goals in line with the Paris Agreement. Nine are targeting transportation emissions with new cap-and-trade plans, and Pennsylvania has boldly committed to reduce its GHG emissions by 26 percent by 2025 and 80 percent by 2050. Meanwhile, over 60 percent of Fortune 100



companies including Apple, General Motors, McDonald's and Microsoft have already set GHG emissions targets.

ICCR members have been pressing their portfolio companies to adopt Paris-compliant GHG reduction targets, and this year filed 45 resolutions directly addressing climate change through a variety of approaches: by setting Paris-compliant reduction targets, and renewable energy sourcing goals; by developing climate change scenario analyses; increasing sustainable energy access, and; through methane emissions reduction.

Because several large energy companies still mount expensive campaigns to oppose climate regulation, investors are also pressing companies to end their climate lobbying, and instead, to raise their voices in support of solutions to climate change. Investors filed an additional 15 resolutions challenging corporate political spending and lobbying on climate policy this year (discussed in detail in the Lobbying section, which starts on page 195).

An additional 27 resolutions addressed climate change indirectly in combination with other concerns, and are discussed in the Food, Water, Corporate Governance, and Environmental Health & Sustainability sections.

Greenhouse Gas Reduction – In Line with Paris Goals

One of the most important steps a company can take to manage its climate risks while helping meet the goals of the Paris Plan is to set GHG emission reduction targets. Over 60 percent of Fortune 100 companies including Apple, General Motors, McDonald's and Microsoft have already done so. ICCR's members have pressed for GHG reduction since the early 2000s.

This year ICCR members asked 10 companies, including Amazon, Chevron, ExxonMobil, and Home Depot to develop quantitative, company-wide goals for managing greenhouse gas (GHG) emissions, considering the objectives and timelines of the Paris Climate Agreement. C.H. Robinson Worldwide was asked to adopt science-based targets for reducing its total GHG emissions.

Business Plan for 2C Warming Scenario

Companies and their investors are increasingly accepting the need to formally integrate 2-degree Paris goals into their business planning decisions, believing that doing so will help them maintain their competitiveness and protect their operations and supply chains from climate impacts.

Investors challenged Antero Resources to publish an assessment of the long-term impacts on the company of public policies and technological advances that are consistent with limiting global temperature rise to no more than 2 degrees Celsius over preindustrial levels.



“The risk from climate change is clear, growing, and its impacts are predicted to be catastrophic if insufficient action is taken in the necessary time frame. Oil & gas projects lock in emissions over decades, making it increasingly difficult to achieve the Paris goal of maintaining global temperatures substantially below 2 degrees.

Shareholders recognize that climate change poses growing risk to the individual companies in which they are invested, and systemically, across their portfolios. As climate-related harm accelerates, economy-wide losses are growing and negatively impacting portfolios. It is estimated that keeping warming below 1.5, instead of 2, degrees will avoid over \$30 trillion in global losses.

To address these concerns, As You Sow, representing a variety of shareholders, has filed a “Paris Compliant Business Plan” proposal at Chevron, Exxon, Anadarko, and Hess. This proposal begins where company-specific climate risk assessments leave off, focusing on reducing global climate risk. It asks companies to report if, and how, they plan to affirmatively reduce their total GHG footprints in line with Paris goals. Other oil & gas companies are starting on a path to meaningfully reduce their operational and product emissions to meet Paris goals. It is rational for shareholders to ask these companies to adopt similar plans, or report their unwillingness to do so.

Investor choices can create change — or perpetuate the status quo. This proposal seeks to affirmatively align oil & gas companies’ actions with global needs by increasing the scale, pace, and rigor of company response to climate imperatives.”

Danielle Fugere, President – As You Sow

Sustainable Energy Access

Roughly 3 billion people today lack access to modern energy services for heating and cooking, including nearly 1 billion who lack access to electricity. Investors are challenging energy companies to expand energy access in a way that helps mitigate the worst impacts of climate change. Achieving sustainable energy access entails switching from carbon-intensive energy development to methods favoring clean energy and maximizing efficiency.

Investors asked ExxonMobil to report on how its business activities contribute to the provision of affordable, reliable, sustainable, and modern energy to alleviate energy poverty, in alignment with the 2C Paris Climate Agreement goal.





Adopt Quantitative Targets for Reducing Methane Emissions

Methane, the primary component of natural gas, is a GHG 86 times more powerful than CO₂, and is responsible for one quarter of today's global warming. As leaks during U.S. oil and gas production are responsible for much of the country's methane emissions and can be reduced cost-effectively, controlling methane emissions from upstream oil and gas production is crucial to halting the worst impacts of climate change.

Investors called on EOG to adopt quantitative targets for reducing its methane emissions. Atmos and UGI were asked to report on actions they were taking to reduce their GHG emissions by monitoring and minimizing their methane emissions.

After EOG agreed to set both qualitative and quantitative methane emissions reduction targets, shareholders withdrew their resolution. Similarly, UGI agreed to disclose information about its methane emissions; investors subsequently withdrew their resolution.

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. Artisan Partners — a global investment firm with \$115 billion in assets under management — voted against all shareholder resolutions on climate change last year, including those with straightforward requests for enhanced disclosure or adoption of GHG reduction goals.

Investors asked Artisan Partners Asset Management to issue a report on its proxy voting policies and practices related to climate change.

After Artisan agreed to change its proxy voting guidelines, investors withdrew their resolution.

Sustainable Energy Access

Exxon Mobil Corporation

WHEREAS, roughly 3 billion people lack access to modern energy services for heating and cooking, including nearly 1 billion people without access to electricity.¹ Sustainable Development Goal (SDG) 7 calls for access to affordable, reliable, sustainable and modern energy for all by 2030; the world is not on track to meet this goal.² Meeting SDG 7 is essential for the achievement of all the SDGs, addressing inequality, and ending global poverty.

According to the UN Guiding Principles on Business and Human Rights (UNGPs), corporations have a responsibility to respect human rights and should seek to mitigate human rights impacts associated with their operations, business relationships, and products or services. This may include actual and potential adverse impacts linked to climate change, which ExxonMobil may cause, contribute to, or be directly linked to through its carbon-intensive business model. As the fifth largest emitter of greenhouse gases among global fossil fuel producers, ExxonMobil's contribution to climate change may interfere with its human rights responsibilities.³ Initiatives to increase energy access must align with limiting warming to below 1.5°C above pre-industrial levels.

Over 95% of people who lack access to electricity live in Sub-Saharan Africa and Asia.⁴ ExxonMobil has profited greatly from exploration and production in these resource-rich regions, without adequate contribution to economic growth and infrastructure development. ExxonMobil has long spoken of the "dual challenge" of increasing energy access while mitigating climate change. However, the company's efforts have focused disproportionately on carbon-intensive energy development, rather than increasing access to clean energy and maximizing efficiency in areas most affected by energy poverty and adverse climate impacts.

Ensuring access to affordable, reliable, sustainable and modern energy for energy-poor populations presents a strategic business opportunity for ExxonMobil. Peers Total and Enel are partnering with Sustainable Energy for All, a multi-stakeholder initiative working to achieve quantifiable results in energy access, renewable energy, and energy efficiency.

While ExxonMobil's Energy Outlook proposes that oil and gas will remain the primary energy sources through 2040, this conflicts with the rapid decarbonization necessary to prevent the worst impacts of climate change. The Intergovernmental Panel on Climate Change (IPCC) advises that limiting warming to 1.5°C instead of 2°C could significantly reduce the severity of climate change impacts, including water scarcity, extreme heat, food shortages, and natural disasters, which disparately affect vulnerable populations.

RESOLVED: Shareholders request that ExxonMobil issue a report, at reasonable cost and omitting proprietary information, on how ExxonMobil's business activities contribute to the provision of affordable, reliable, sustainable, and modern energy to alleviate energy poverty, in alignment with the Paris Climate Agreement goal to limit global average temperature increases to well below 2°C above pre-industrial levels.

Supporting Statement: Both prongs of the "dual challenge" can and must be addressed simultaneously by integrating SDG 7 into business activities. Collaboration is essential, and ExxonMobil has a role to play, given its expertise, and resources, as well as its human rights responsibilities.

1 <https://sustainabledevelopment.un.org/topics/energy>

2 https://trackingsdg7.esmap.org/data/files/download-documents/tracking_sdg7-the_energy_progress_report_full_report.pdf

3 <https://www.theguardian.com/sustainable-business/2017/jul/10/100-fossil-fuel-companies-investors-responsible-71-global-emissions-cdp-study-climate-change>

4 <https://www.iea.org/energyaccess/database/>

Reduce Carbon Footprint of Loan and Investment Portfolio

J.P. Morgan Chase & Co.

WHEREAS: The Intergovernmental Panel's recent report on Climate Change announced that "rapid, far-reaching" changes must be made, and net emissions of carbon dioxide must fall 45 percent by 2030, reaching "net zero" by 2050, to avoid disastrous levels of global warming. The impacts associated with climate change present systemic portfolio risks to investors. A warming climate causes supply chain dislocations, reduced resource availability, lost production, commodity price volatility, infrastructure damage, energy disruptions, among others.

Banks' financing choices have a major role to play in promoting carbon reduction. Bank lending and investments make up a significant source of external capital for carbon intensive industries. Every dollar banks invest in new fossil fuel infrastructure increases climate risk and slows the transition to a clean energy economy.

JPMorgan recognizes climate change and has increased clean energy financing and renewable energy sourcing for its operations.¹ JPMorgan's Environmental and Social Policy Framework requires avoiding coal projects in developed nations (where there is limited demand for such projects).² Significantly, JPMorgan's climate change policies do not require reductions in its largest contribution to climate change: its investments and loans in carbon-intensive fossil fuel projects and companies.

To the contrary, JPMorgan continues to make investments and loans in the most extreme fossil fuel projects. Between 2015 and 2017, it poured over 26 billion dollars into financing tar sands, Arctic oil, ultra-deepwater oil, LNG and coal – the highest funding of any American bank.³ It also invests in companies holding licenses to drill in the Amazon rainforest, threatening climate stability and indigenous human rights.

In contrast, peer banks have adopted policies to reduce carbon in loan and investment portfolios. Five banks with a combined portfolio of 2.7 trillion dollars committed to decrease the climate impact of their loans in alignment with Paris climate goals.⁴ BNP Paribas' policies phase out financing for companies tied to Arctic drilling, oil sands, and shale development and restrict financing for coal.⁵ Natixis committed to end financing of tar sands and Arctic drilling.⁶ The World Bank committed to end upstream oil and gas financing. Eleven banks have adopted policies to end or reduce financing for Arctic oil and/ or tar sands projects.⁷ Banks that finance carbon intensive fossil fuel investments, projects, and companies also face reputational harm, boycotts, divestment, and litigation that adversely affects shareholder value.

RESOLVED: Shareholders request that JPMorgan Chase adopt a policy to reduce the carbon footprint of its loan and investment portfolios in alignment with the 2015 Paris goal of maintaining global warming well below 2 degrees, and issue annual reports (at reasonable cost, omitting proprietary information) describing targets, plans, and progress under this policy.

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

- The carbon reduction benefits of expeditiously reducing exposure to extreme fossil fuel projects such as coal, Arctic oil and gas, and tar sands.

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

2 <https://www.jpmorganchase.com/corporate/Corporate-Responsibility/document/jpmc-environmental-and-social-policy-framework.pdf>

3 http://www.ran.org/wpcontent/uploads/rainforestactionnetwork/pages/19540/attachments/original/1525099181/Banking_on_Climate_Change_2018_vWEB.pdf?1525099181

4 <https://www.bloomberg.com/news/articles/2018-12-04/five-of-europe-s-biggest-banks-join-low-carbon-lendingeffort>

5 <https://www.upi.com/BNP-Paribas-says-it-will-nolonger-back-oil/4921507715402/>

6 https://www.banktrack.org/download/natixis_deepens_its_commitment_to_the_climate_and_the_environment/pr_natixis_new_commitments__december_11_2017.pdf

7 https://www.banktrack.org/campaign/banks_that_ended_direct_finance_for_arctic_oil_and_gas_projects

Reduce Carbon Footprint of Loan and Investment Portfolio

Goldman Sachs Group Inc.

WHEREAS: Banks with financial ties to carbon intensive fossils fuel investments face reputational harm, boycotts, divestment, and litigation that adversely affects shareholder value. Goldman Sachs has suffered extensive reputational damage from, and has been the target of significant public protests, based on its support of the Dakota Access Pipeline and other similarly controversial projects.

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 lending and investments make up a significant source of external capital for carbon intensive industries. Every dollar banks invest in new fossil fuel infrastructure increases risk and slows the transition to a clean energy economy.

Goldman Sachs recognizes climate change¹ and has taken certain related actions including pledging to conduct a carbon footprint analysis in its equity work, increase clean energy financing, and reduce direct carbon emissions from its offices and travel. Goldman’s Environmental Policy Framework requires assessing client climate risk and avoiding coal projects in developed nations (where there is limited demand for such projects). Significantly, Goldman’s climate change policies do not require reductions in the bank’s largest contribution to climate change — its investments and loans in carbonintensive fossil fuel projects and companies.

To the contrary, Goldman continues to make investments and loans in the most extreme fossil fuel projects. Last year, Goldman added coal loans to its portfolio.² Between 2015 and 2017, Goldman poured nearly \$9 billion into financing of tar sands, Arctic oil, and coal.³

In contrast, peer banks have adopted policies reducing carbon in their loan and investment portfolios, including reducing or avoiding investments in extreme fossil fuels. ING adopted a methodology to measure the carbon content of its portfolio and decrease the climate impact of its loans.⁴ BNP Paribas’ policies phase out financing for companies tied to Arctic drilling, oil sands, shale development, and restrict financing for those tied to coal.⁵ Natixis committed to end financing of tar sands and Arctic drilling.⁶ The World Bank committed to end upstream oil and gas financing. Eleven banks adopted policies to end or substantially reduce financing for Arctic oil and/or tar sands projects.⁷

BE IT RESOLVED: Shareholders request that Goldman Sachs adopt a policy to reduce the carbon footprint of its loan and investment portfolios in alignment with the 2015 Paris goal of maintaining global warming well below 2 degrees, and issue annual reports (at reasonable cost, omitting proprietary information) describing targets, plans, and progress under this policy.

Supporting Statement: Shareholders recommend the report include, among other issues at board and management discretion: The carbon reduction benefits of expeditiously reducing exposure to extreme fossil fuel projects such as such as coal, Arctic oil and gas, and tar sands.

1 <https://www.goldmansachs.com/citizenship/environmentalstewardship/market-solutions-to-address-climate-change/>

2 <https://www.nytimes.com/2018/05/28/business/banks-coal-loans.html>

3 http://www.ran.org/wpcontent/uploads/rainforestactionnetwork/pages/19540/attachments/original/1525099181/Banking_on_Climate_Change_2018_vWEB.pdf?1525099181, p.6.

4 <https://www.eco-business.com/press-releases/ing-reveals-2c-scenario-analysis-method-for-corporatelending- portfolios/>

5 <https://www.upi.com/BNP-Paribas-says-it-will-no-longer-back-oil/4921507715402/>

6 https://www.banktrack.org/download/natixis_deepens_its_commitment_to_the_climate_and_the_environment/pr_natixis__new_commitments__ december_11_2017.pdf

7 https://www.banktrack.org/campaign/banks_that_ended_direct_finance_for_arctic_oil_andor_gas_projects

Reduce Carbon Footprint of Loan and Investment Portfolio

Wells Fargo & Company

BE IT RESOLVED: Shareholders request that Wells Fargo adopt a policy for reducing the greenhouse gas emissions resulting from its loan and investment portfolios to align with the Paris Agreement's goal of maintaining global temperatures substantially below 2 degrees Celsius, and issue annual reports (at reasonable cost, omitting proprietary information) describing targets, plans, and progress under this policy.

SUPPORTING STATEMENT: Shareholders recommend the report include, among other issues at board and management discretion, discussion of opportunities to expeditiously reduce the portfolio's greenhouse gas (GHG) emissions by avoiding investments in high carbon, high risk fossil fuel projects such as coal, Arctic oil and gas, and tar sands.

WHEREAS: Banks with financial ties to carbon intensive fossils fuel investments face reputational damage, boycotts, divestment, and litigation that adversely affects shareholder value. Wells Fargo lost billions in deposits and banking business and suffered extensive reputational damage from its support of the Dakota Access Pipeline and other similarly controversial projects.

The Intergovernmental Panel on Climate Change recently released a report finding that "rapid, far-reaching" changes are necessary in the next decade 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 lending and investments make up a significant source of external capital for carbon intensive industries. Every dollar banks invest in new fossil fuel infrastructure slows the transition to a clean energy economy.

Peer banks have adopted policies reducing carbon in their loan and investment portfolios, including reducing or avoiding investments in extreme fossil fuels. ING adopted a methodology to measure the carbon content of its portfolio and decrease the climate impact of its loans.¹ BNP Paribas and Natixis' policies phase out business with companies tied to Arctic drilling, oil sands, shale development, and coal energy.² The World Bank committed to end upstream oil and gas financing. Over a dozen banks adopted policies to end or substantially reduce financing for Arctic oil and/ or tar sands projects.³

In contrast, Wells Fargo has increased investments in the dirtiest fuels in each of the past three years.⁴ Between 2015 and 2017, Wells poured \$4.6 billion into financing of extreme fossil fuels like tar sands, Arctic oil, and coal.

Despite Wells' broad climate statements, it has not adopted targets, goals, or clear measures to reduce its investments in, or loans to, carbon intensive projects and companies. It joined the "Carbon Principles," but a recent report found no evidence that adoption of the Principles leads to limiting financing of carbon intensive projects.⁵ Wells' Enterprise Security Risk Management program considers client-based climate risk but does not require carbon reductions. Wells' participation in other Advisory and stakeholder groups, including the Portfolio Carbon Initiative, does not require and has not resulted in significant reductions of Wells' fossil fuel investments and loans. In fact, the opposite has occurred.

1 <https://www.eco-business.com/press-releases/ing-reveals-2c-scenarioanalysis- method-for-corporate-lending-portfolios/>

2 <https://www.upi.com/BNP-Paribas-says-it-will-no-longer-backoil/ 4921507715402/>

3 https://www.banktrack.org/campaign/banks_that_ended_direct_finance_for_arctic_oil_andor_gas_projects

4 http://www.ran.org/wpcontent/ uploads/rainforestactionnetwork/pages/19540/attachments/original/1525099181/Banking_on_Climate_Change_2018_vWEB.pdf?1525099181, p.6.

5 https://www.banktrack.org/news/new_report_finds_bank_carbon_principles_did_not_curb_financing_of_coal

Climate Criteria for Investing in Projects In Emerging Markets

General Electric Company

WHEREAS: The 2015 Paris Climate Agreement states a goal to limit the increase in global temperatures to substantially below 2 degrees Celsius. Successfully mitigating the devastating impacts of climate change on humanity, ecosystems, and the global economy requires every corporation to reduce climate emissions related to its actions. Investors are concerned not only about climate risk to individual companies they hold, but also the economy-wide risk of climate impacts and the associated harm to investors' portfolios.

The Intergovernmental Panel on Climate Change "Special Report on Global Warming of 1.5C" details that to avoid the worst impacts of climate change, we must limit warming to 1.5 degrees Celsius. To achieve this goal, 70-85 percent of electricity demand must be met by renewables by mid-century, while coal combustion must decline to close to 0 percent by 2050 (<http://www.ipcc.ch/report/sr15/>).

Many financing institutions, such as Morgan Stanley, are reducing their exposure to coal given its significant climate and regulatory risks (https://www.morganstanley.com/about-us/governance/pdf/Morgan_Stanley_Coal_and_Oil_Sands_Policy_Statement.pdf).

In spite of the above, General Electric is pursuing new development of fossil fuel projects internationally, including in Pakistan, Cambodia, Bangladesh, Vietnam, Kenya, and Mozambique; each of which has its own unique political climate and combination of available renewable resources to help meet national climate goals.

Many emerging market countries lack sufficient mechanisms to ensure proposed energy projects do not jeopardize the country's ability to meet climate goals. For example, in 2018 General Electric announced a partnership to build a coal plant in Lamu, Kenya despite there being clean, economically competitive alternatives. Kenya has 7,000 – 10,000 MW of geothermal potential that could be developed for baseload generation. The Lamu project has met with intense local opposition regarding its potential health and climate impacts, and the potentially higher cost of coal-based electricity, creating risks for General Electric.

Given the urgency of addressing climate change, General Electric must adopt policies to avoid locking developing economies into decades of uneconomical, polluting energy while creating risk to its investments and its reputation.

BE IT RESOLVED: Shareholders request that General Electric, with board oversight, publish a report, omitting proprietary information and prepared at reasonable cost, assessing the adequacy of the company's climate change related criteria for ensuring that investments in fossil fuel projects in emerging markets are consistent with the Paris Agreement's goal of limiting global temperature increase to "well below 2 degrees Celsius."

Supporting Statement: In creating the report, investors request the company consider:

Whether its criteria adequately manage the reputational, financial, and climate risks to GE associated with such proposed fossil fuel projects

Whether its criteria avoid investments in fossil fuel projects in developing markets that run counter to a country's ability to meet its Nationally Determined Contribution to the Paris Agreement, especially in countries with inadequate mechanisms to enforce climate policies

Greenhouse Gas Reduction - Renewable Energy

Goodyear Tire & Rubber Co.

A similar resolution was submitted to Harley-Davidson Inc.

RESOLVED: Shareholders request that The Goodyear Tire & Rubber Company (Goodyear) senior management, with oversight from the Board of Directors, issue a report on climate change mitigation strategies that assesses the feasibility of adopting quantitative, company-wide goals for increasing Goodyear's use of renewable energy. The report should also evaluate any other measures senior management deems prudent to substantially reduce Goodyear's greenhouse gas emissions and mitigate climate change risks associated with the use of fossil fuel-based energy. The report should be issued at reasonable cost and omit proprietary information.

Supporting Statement: By assessing goals to increase renewable energy as a share of total energy consumed and by evaluating other measures to reduce greenhouse gas emissions Goodyear could prepare to take concrete, practical steps to reduce its emissions of the greenhouse gases (GHGs) contributing to climate change.

In order to mitigate the worst impacts of climate change, the Intergovernmental Panel on Climate Change (IPCC) estimates that a 45 percent reduction in anthropogenic carbon dioxide emissions (from 2010 levels) is needed by 2030 (Global Warming of 1.5°C, IPCC, Oct 2018). According to Goodyear's 2018 proxy statement, Goodyear reduced its GHG emissions by only 20 percent between 2017 and its 2010 baseline year. While this is important progress, more remains to be done. Assessing the feasibility of establishing goals for renewable energy procurement and other greenhouse gas reducing measures could contribute to this end and serve as a practical step towards aligning Goodyear's business operations with global efforts to limit climate change. Doing so could also help insulate our company from regulatory uncertainty, position Goodyear as contributing to climate solutions and produce reputational benefits.

Many major companies are finding that measures to reduce greenhouse gasses, such as establishing goals for renewable energy usage, are not only practical, but often benefit their bottom line. Nationally, the US Energy Information Association reports the average cost of electricity at \$0.1066/kWh for commercial customers in 2017, up from \$0.1043 in 2016. By contrast, according to Bloomberg New Energy Finance's 2018 Sustainable Energy in America Factbook, "the most competitive power purchase agreements (PPAs) came in at just over \$20/MWh for solar [\$0.02/kWh], while wind PPAs ... averaged an estimated \$17/MWh in 2017 (\$0.017/kWh)."

Unfortunately, Goodyear's website is silent on its forward-looking renewable energy goals. As such, it lags behind peers like Ingersoll Rand and Kohler, both of which have already set ambitious clean energy targets. In fact, 154 companies, including Anheuser-Busch InBev, BMW Group, General Motors and Tata Motors, have already publicly committed to source 100% of their global electricity consumption from renewable energy sources.

Accordingly, we urge Goodyear to emulate the best climate risk mitigation practices among its corporate peers and study the feasibility of adopting goals for measures like renewable energy sourcing, which can substantially reduce greenhouse gas emissions.

Greenhouse Gas Reduction - Renewable Energy

Verizon Communications Inc.

RESOLVED: Shareholders request that Verizon Communications, Inc. senior management, with oversight from the Board of Directors, issue a report assessing the feasibility of increasing the scale, rigor, and pace of Verizon's utilization of renewable energy and other measures deemed prudent by company management to substantially reduce the Company's greenhouse gas emissions and climate change risks associated with the use of fossil fuel-based energy. The report should be produced at reasonable cost and omit proprietary information.

WHEREAS: In 2015, 196 parties at the UN Climate Change Conference agreed to limit climate change to under an average global warming of 2 degrees Celsius above preindustrial temperatures. In order to mitigate the worst impacts of climate change, the Intergovernmental Panel on Climate Change estimates that net emissions of carbon dioxide must fall 45% by 2030 and reach net zero by 2050 to stabilize global temperatures.¹

For industries whose greatest source of emissions come from electricity, sourcing renewable energy represents one of the most effective ways to reduce a company's carbon footprint. According to Verizon, more than 93 percent of the Company's emissions result from the electricity used to power its networks.

Verizon currently has a commitment to source a total of 44 megawatts of renewable energy above by 2025. According to a widely publicized 2018 report entitled *Clean Energy is Calling*,² this commitment would only cover approximately 4% of Verizon's total energy use. The rest of the telecommunications industry has embraced increased renewable energy sourcing, potentially leaving laggards with a competitive disadvantage:

- T-Mobile³ has a publicly stated commitment to power its entire operations with renewable energy by 2021. As of March 2018, T-Mobile had reached 60 percent renewables and expects to save approximately \$100 million in the next 15 years through its efforts.
- In 2018, AT&T⁴ announced renewable energy purchases totaling 820 megawatts, covering nearly 20% of the Company's total energy usage.
- Vodafone⁵ and Telefonica S.A.⁶ both service nearly twice as many customers as Verizon and have committed to source 100% renewable energy globally by 2025 and 2030, respectively.

Studies have found that man-made climate change is impacting the strength and severity of natural disasters such as hurricanes.⁷ Verizon notes in its 2018 10-K that natural disasters "could cause significant damage to our infrastructure upon which our business operations rely, resulting in degradation or disruption of service to our customers."⁸ In October of 2018, Hurricane Michael, the strongest hurricane to ever hit the Florida panhandle, caused "unprecedented damage" to the Company's fiber cable infrastructure.⁹

Assessing the feasibility of goals for renewable energy procurement and other greenhouse gas reducing measures, while benchmarking industry peers, could serve as a practical step towards aligning business operations with global efforts to limit climate change. This could help insulate our company from regulatory uncertainty, mitigate risk of climate related service disruptions, and position Verizon as a contributor to climate solutions, producing reputational benefits.

1 http://report.ipcc.ch/sr15/pdf/sr15_spm_final.pdf

2 <https://www.greenamerica.org/report-cleanenergy-calling>

3 <https://www.t-mobile.com/responsibility/sustainability/renewable-energy>

4 http://about.att.com/story/att_expands_renewable_energy_program_with_nextera_energy_resources.html

5 <https://www.vodafone.com/content/index/about/sustainability/energy-innovation/energy-innovation-in-ouroperations.html>

6 <https://www.telefonica.com/en/web/responsible-business/environment/energy-and-climatechange-2>

7 https://www.washingtonpost.com/energy-environment/2018/09/11/category-climate-change-maycause-more-hurricanes-rapidly-intensify/?utm_term=.7d470c72be4a

8 <https://www.sec.gov/Archives/edgar/data/732712/000073271218000009/a201710-k.htm>

9 <https://www.verizon.com/about/news/hurricane-michael-network-updates>

Greenhouse Gas Reduction - Renewable Energy

Yum! Brands, Inc.

RESOLVED: Shareholders request that Yum! Brands (Yum) 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 Yum! Brands' use of renewable energy and any other measures deemed prudent 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 by November 30, 2019 at reasonable cost and omitting proprietary information.

Supporting Statement: In order to mitigate the worst impacts of climate change, the Intergovernmental Panel on Climate Change estimates that a 45% reduction in anthropogenic GHG emissions globally is needed by 2030 (from 2010 levels) to stabilize global temperatures (Global Warming of 1.5 degrees C, IPCC, Oct 2018). Setting goals to increase renewable energy as a share of total energy consumed and other such measures to reduce GHG emissions could help insulate our company from regulatory uncertainty and position Yum as contributing to climate solutions, producing reputational benefits.

Fortuitously, many major companies are finding that adopting renewable energy to reduce GHG emissions often benefit their bottom line. The US Energy Information Association reports the average cost of electricity at \$0.1068/kWh for commercial U.S. customers in 2017. By contrast, according to Bloomberg New Energy Finance's 2018 Sustainable Energy in America Factbook "the most competitive power purchase agreements (PPAs) came in at just over \$20/MWh for solar [\$0.02/kWh], while wind PPAs... averaged an estimated \$17/MWh in 2017 [\$0.017/kWh]."

Yum's website is silent on specific goals to reduce the company's GHG emissions as well as on renewable energy procurement that could lead to substantial emissions reduction. As such, Yum lags behind its peers in the restaurant industry including McDonald's, which has recently adopted an approved Science-Based Target for GHG emissions reduction across their operations and supply chain. Many other leading food companies, including Kellogg, Grupo Bimbo, Mars, Nestlé, and Starbucks are among the 154 RE100 member companies who have publicly committed to converting to 100% renewable energy. Yum has an opportunity to distinguish itself as being the first U.S. restaurant to join this initiative.

Accordingly, we urge Yum to emulate the best climate risk mitigation practices among its corporate peers such as renewable energy sourcing and to study the feasibility of adopting goals to substantially reduce GHG emissions.

Greenhouse Gas Reduction - In Line with Paris Goals

Vertex Pharmaceuticals Incorporated

A similar resolution was submitted to Home Depot

RESOLVED: Shareholders request that Vertex Pharmaceuticals, Inc. adopt a policy with timebound, quantitative, company-wide goals for managing greenhouse gas (GHG) emissions, considering the objectives of the Paris Climate Agreement, and report, at reasonable cost and omitting proprietary information, on its plans to achieve these targets.

WHEREAS: It is appropriate for shareholders to request that Vertex set goals for managing GHG emissions because such goals help to mitigate a critically important issue for civil society and businesses — climate change.

Scientists expect that failure to mitigate climate change will lead to additional sea level rise, more extreme weather, mass migration, and public health impacts from heat waves, fires, and changing disease vectors. To manage such risks, representatives from approximately 195 countries adopted the Paris Climate Agreement, which aims to limit the increase in global average temperature — and the most devastating social impacts of climate change — by reducing GHG emissions.

Regulation to foster transition to the low-carbon future envisioned in the Agreement is likely to fundamentally transform the competitive global economy. A recent UN IPCC report maintains that we must limit average global temperature rise to 1.5°C to avoid the most severe impacts of climate change, requiring global ‘net zero’ emissions.

This proposal requests adoption of a high-level policy with goals but leaves the nature, timing and level of the goals entirely up to Vertex’s discretion. The proposal is not an attempt to micromanage but to set a guiding direction that can be assessed by shareholders.

Large institutional investors such as BlackRock and State Street Global Advisors have publicly and privately called on companies to address climate change. A State Street white paper states: “We view establishing company-specific GHG emissions targets as one of the most important steps in managing climate risk.”¹ Investors are concerned about climate impacts on individual companies as well as portfolio-wide risks related to changing regulations and costs associated with extreme weather events.

As nineteen of the twenty-five largest global biotech and pharmaceutical companies have adopted policies to reduce GHG emissions, laggards may be at a competitive disadvantage and will not achieve the cost- and risk- reduction benefits realized by companies that are implementing such goals, negatively impacting long-term shareholder value.

- Johnson & Johnson has a goal to reduce carbon emissions 80% by 2050 and discloses ongoing progress towards this goal
- Pfizer has been working to reduce GHG emissions since 2000 and is currently on track to achieve 60-80% reduction by 2050
- Merck & Company have committed to reducing Scope 1 and Scope 2 GHG emissions by 40% by 2025
- Johnson & Johnson, Pfizer, Merck, Novartis, GlaxoSmithKline, AbbVie, Abbot Laboratories, Ely Lilly, Novo Nordisk, Bayer, Biogen, and AstraZenica all report to CDP on company-wide GHG emissions to provide transparency to investors. Vertex has never reported through CDP.

In contrast to its peers, Vertex has been notably silent regarding plans to manage operational GHG emissions.

¹ <https://www.ssga.com/investment-topics/environmental-socialgovernance/2017/perspectives-on-effective-climate-change-disclosure.pdf>, p. 2.

Greenhouse Gas Reduction - In Line with Paris Goals

Illinois Tool Works Inc.

RESOLVED: Shareholders request Illinois Tool Works, Inc. (ITW) adopt quantitative, company-wide targets for reducing greenhouse gas (GHG) emissions, consistent with the goals of the Paris Climate Agreement, and report annually, at reasonable cost and omitting proprietary information, on its plans and progress towards achieving these targets.

Supporting Statement: Proponents recommend ITW consider the methods outlined by the Science Based Targets Initiative (sciencebasedtargets.org) to ensure its emissions reductions targets are consistent with the ambitions of the Paris Climate Agreement.

WHEREAS: Scientists expect that failure to mitigate climate change will lead to additional sea level rise, more extreme weather, mass migration, and public health impacts from heat waves, fires, and changing disease vectors. To manage these risks, representatives from approximately 195 countries adopted the Paris Climate Agreement, which aims to limit the increase in global average temperature — and the most devastating societal impacts of climate change — by reducing GHG emissions. Aligning corporate practices with this global goal is widely seen as a prudent course of action to help manage the associated reputational, regulatory, and financial risks.

While some of ITW's divisions have taken action to reduce emissions, ITW's company-wide emissions intensity increased 9% from 2013 to 2017. Despite this increased emissions trajectory, ITW has not set emissions reduction targets or signaled an intent to align its strategies with the ambitions of the Paris Agreement. Setting GHG reduction targets would enable shareholders to better evaluate emissions performance trends and the effectiveness of ITW's strategies.

ITW has set company-wide, quantitative goals for other aspects of its business. For example, ITW has a goal for 30% of its global leaders to be women by 2020. The Company has made progress towards this goal every year.

ITW states its emissions intensity is below its peer average. However, this doesn't offset the fact that ITW's increased emissions set it apart from its peers that have been steadily reducing emissions for years. According to proponent's research, 13 out of 17 of ITW's self-identified peers have set quantitative, company-wide emissions reduction targets. Four of these businesses have committed to science-based targets thus far.

Notable examples include:

- 3M – Reduced absolute emissions 64% from 2002 to 2014 and aims to reduce GHG emissions 50% by 2025 while growing the business;
- Johnson Controls – reduced GHG emissions intensity 41% from 2002 to 2014 and targets an additional 15% reduction by 2020;
- Honeywell – Set its third GHG emissions reduction goal after achieving its first two; reduced emissions intensity more than 65% from 2004 to 2017.

Last year this proposal received a 24.6% vote. As an additional sign of growing investor interest, one of the recommendations of The Task Force on Climate-related Financial Disclosures, whose members include representatives from BlackRock, JPMorgan Chase, and UBS Asset Management is: "Describe the targets used by the organization to manage climate-related risks and opportunities and performance against these targets."

Greenhouse Gas Reduction - In Line with Paris Goals

Devon Energy

RESOLVED: Shareholders request that the Devon Board of Directors, in annual reporting from 2020, include disclosure of short-, medium- and long-term greenhouse gas targets aligned with the greenhouse gas reduction goals established by the Paris Climate Agreement to keep the increase in global average temperature to well below 2°C and to pursue efforts to limit the increase to 1.5°C. This reporting should cover both the corporation's operations and products, omit proprietary information, and be prepared at reasonable cost.

WHEREAS: It is widely accepted that a transition to a low carbon economy — driven by advances in technology and government policy aligned with the Paris Agreement — is under way. As the use of zero- and low-carbon technology increases due to technical breakthroughs and decreasing costs, and as governments take steps to limit greenhouse gas emissions, fossil fuel companies face enhanced risk. These trends could limit returns to Devon's investors by increasing the company's operating costs or by reducing demand for its products.

The Grantham Research Institute on Climate Change and the Environment has identified at least 1,512 climate change laws. Growing recognition of the risks from climate change will result in increasing numbers of, stringency of, and support for these laws.

In addition, Devon's greenhouse gas emissions contribute to climate change impacts, presenting systemic portfolio risks to investors. A warming climate is associated with supply chain dislocations, reduced resource availability, lost production, commodity price volatility, infrastructure damage, crop loss, energy disruptions, political instability, and reduced worker efficiency, among others.

Disclosing targets is an important means of assuring investors of the management of risks associated with climate change and that the Company is decreasing the full range of company emissions in line with Paris goals. Devon states that "reducing GHG emissions intensity is one of the guiding principles" of its Environmental Health and Safety philosophy. It has adopted greenhouse gas reduction targets in certain of its Canadian operations, where required by law. The company has not adopted greenhouse gas emission reduction targets in its U.S. operations or taken actions beyond reducing its operational emissions. In fact, its companywide GHG emissions intensity has increased from 2016 to 2017.¹ In contrast, other oil and gas companies, including Total and Shell, have disclosed much longer term ambitions, including for emissions resulting from use of their products. Investors are seeking enhanced disclosure of targets and other measures demonstrating company alignment with the Paris Agreement.

To ensure that Devon is adequately prepared to be successful into the future for its shareholders and other stakeholders we believe it is essential for the company to identify and disclose targets that are aligned with the goals of the Paris Agreement.

¹ <https://www.devonenergy.com/sustainability/environment/greenhouse-gas-emissions>

Greenhouse Gas Reduction - In Line with Paris Goals

Exxon Mobil Corporation

A similar resolution was submitted to Chevron Corp.

RESOLVED: Shareholders request that the Board of Directors, in annual reporting from 2020, include disclosure of short-, medium- and long-term greenhouse gas targets aligned with the greenhouse gas reduction goals established by the Paris Climate Agreement to keep the increase in global average temperature to well below 2°C and to pursue efforts to limit the increase to 1.5°C. This reporting should cover both the corporation's operations and products, omit proprietary information, and be prepared at reasonable cost.

Supporting Statement: It is widely accepted that a transition to a low carbon economy - driven by advances in technology and government policy aligned with the Paris Agreement - is under way. As the use of zero- and low-carbon technology increases due to technical breakthroughs and decreasing costs, and as governments take steps to limit greenhouse gas emissions, fossil fuel companies face enhanced risk. These trends could limit returns to ExxonMobil's investors by increasing the company's operating costs or by reducing demand for its products.

The Grantham Research Institute on Climate Change and the Environment has identified at least 1,512 climate change laws. Growing recognition of the risks from climate change will result in increasing numbers of, stringency of, and support for these laws.

Disclosing targets is an important means of assuring investors of the management of risks associated with climate change and investors welcome ExxonMobil's recent announcement of a 2020 methane emission reduction goal. However, some of ExxonMobil's peer companies, including Total and Shell, have disclosed much longer-term ambitions, including for emissions resulting from the use of their products. Investors participating in Climate Action 100+, representing over \$32 trillion in assets under management, are seeking enhanced disclosure of targets and other measures demonstrating company alignment with the Paris Agreement.

To ensure that ExxonMobil is adequately prepared to be successful into the future for its shareholders and other stakeholders we believe it is essential for the company to identify and disclose targets that are aligned with the goals of the Paris Agreement.

Greenhouse Gas Reduction - In Line with Paris Goals

Emerson

RESOLVED: Shareholders request that Emerson Electric adopt time-bound, quantitative, companywide goals for reducing total greenhouse gas (GHG) emissions, considering the goals of the Paris Climate Agreement, and issue a report at reasonable cost and omitting proprietary information on its plans to achieve these goals.

Supporting Statement: In December 2015, representatives from 195 countries adopted the Paris Climate Agreement, which specifies a goal to limit the increase in global average temperature to well below 2°C above pre-industrial levels. To meet the 2-degree goal, climate scientists estimate it is necessary to reduce global emissions by 55 percent by 2050 (relative to 2010 levels), entailing a US reduction target of 80 percent.

In 2017, The Task Force on Climate-related Financial Disclosures (TCFD), commissioned by the Financial Stability Board, issued their recommendations. Supported by a cross section of influential investors and business leaders, the TCFD recommends that companies adopt targets to manage climate-related risks and disclose related strategies.

Sixty-four percent of Fortune 100 companies have set goals, while 44 percent of the smallest 100 companies in the Fortune 500 have done so (Source: Power Forward 3.0). Many of Emerson Electric's peers and customers have set GHG goals:

- Rockwell Collins: reduce emissions by 29 percent by 2019 compared to a 2009 baseline and plans to set a science-based target.
- Honeywell: reduce emissions intensity by 10 percent from 2013 levels. This is Honeywell's third goal, having already met previous goals to reduce emissions intensity by 15 percent from 2011 levels and reduce total GHG emissions by 30 percent.
- ABB: reduce energy intensity by 20 percent by 2020 from a 2013 baseline.

A strong business case is leading companies to set GHG emissions reduction, energy efficiency, or renewable energy targets. Power Forward 3.0 reports that 190 companies among the Fortune 500 are collectively saving \$3.7 billion annually because of energy efficiency programs—a key way to reduce GHG emissions. CDP research finds that four out of five companies earn a higher return on carbon reduction investments than on their overall corporate capital investments. Among Emerson Electric's peers, Honeywell reports energy efficiency projects that will result in annual savings exceeding \$8 million, all with payback periods of 3 years or less.

Fifty-three Fortune 500 companies have established a renewable energy target—another strategy to reduce emissions. And nearly two dozen of these companies have committed to power all of their operations with renewable energy. Many of these companies publicly state that sourcing renewable energy saves them money.

While Emerson Electric's products help its clients reduce energy usage and climate impacts, our company has not committed publicly to GHG emissions reductions targets for its own operations. By not setting and pursuing GHG reduction goals, Emerson may not achieve the benefits realized by its peers—a competitive disadvantage for the company and shareholders alike.

In 2018, nearly 40% of shares (excluding abstentions) voted in favor of this resolution, a substantial level of support that management should not ignore.

Greenhouse Gas Reduction - In Line with Paris Goals

Amazon.com, Inc.

RESOLVED: Shareholders request that Amazon.com, Inc. adopt a policy with quantitative, company-wide goals for managing greenhouse gas (GHG) emissions, considering the objectives and timelines of the Paris Climate Agreement, and report, at reasonable cost and omitting proprietary information, on its plans to achieve these targets.

WHEREAS: Amazon's GHG emissions result from its massive warehouse and logistics operations, data centers and servers, corporate facilities, and owned and subcontracted delivery fleets. Amazon does not disclose any quantitative data regarding its operational GHG emissions, nor has it adopted forward-looking goals to manage GHG emissions.

It is appropriate for shareholders to request that Amazon set goals for managing GHG emissions because such goals help to mitigate a critically important issue for civil society and businesses — climate change.

Scientists expect that failure to mitigate climate change will lead to additional sea level rise, more extreme weather, mass migration, and public health impacts from heat waves, fires, and changing disease vectors. To manage such risks, representatives from approximately 195 countries adopted the Paris Climate Agreement, which aims to limit the increase in global average temperature — and the most devastating social impacts of climate change — by reducing GHG emissions.

Regulation to foster transition to the low-carbon future envisioned in the Agreement is likely to fundamentally transform the competitive global economy. A recent United Nations Intergovernmental Panel on Climate Change (IPCC) report maintains that we must limit average global temperature rise to 1.5°C to avoid the most severe impacts of climate change, requiring global 'net zero' emissions.

This proposal requests adoption of a high-level policy with goals but leaves the nature, timing and level of the goals entirely up to Amazon's discretion. The proposal is not an attempt to micromanage but to set a guiding direction that can be assessed by shareholders.

Investors are concerned about climate impacts on individual companies as well as portfolio-wide risks related to changing regulations and costs associated with extreme weather events. Large institutional investors such as BlackRock and State Street Global Advisors have publicly and privately called on companies to address climate change. A State Street white paper states: "We view establishing company-specific GHG emissions targets as one of the most important steps in managing climate risk."¹

The GHG management goals requested are intended to be integrated with other goals the company has adopted. Well over 60% of Fortune 100 companies have already set GHG emissions targets,² presumably while taking into consideration other corporate goals and policies. Operating a company by striving to meet a variety of specific goals is a standard business practice.

Examples of companies with GHG reduction goals include: Apple, Johnson & Johnson, General Motors, AT&T, Procter & Gamble, JP Morgan Chase, McDonald's, and Microsoft.

Amazon's peers that have set GHG management goals include: Walmart, Target, Google, Best Buy, Otto, and Oracle.

¹ <https://www.ssga.com/investment-topics/environmental-social-governance/2017/perspectives-on-effective-climate-change-disclosure.pdf>, p. 2.

² https://c402277.ssl.cf1.rackcdn.com/publications/1049/files/original/Power_Forward_3.0_-_April_2017_-_Digital_Second_Final.pdf?1493325339, P. 40

Greenhouse Gas Reduction - In Line with Paris Goals

J.B. Hunt Transport Services, Inc.

RESOLVED: Shareholders request J.B. Hunt Transport Services (JBHT) adopt company-wide, quantitative targets to reduce total greenhouse gas (GHG) emissions, taking into account the goals of the Paris Climate Agreement, and issue a report, prepared at reasonable cost and omitting proprietary information, discussing its plans and progress towards achieving these targets.

Supporting Statement: Proponents recommend JBHT consider the methods outlined by the Science Based Targets Initiative (sciencebasedtargets.org) to ensure its emissions reductions targets are consistent with the ambitions of the Paris Climate Agreement.

Whereas: The Paris Climate Agreement of 2015 that was agreed to by 195 countries established a target to limit global temperature increases to 2°C above preindustrial levels, ideally striving for 1.5°C. Achieving this limited warming scenario will require “rapid and far-reaching” transitions for many sectors, including transportation, according to a 2018 report from the Intergovernmental Panel on Climate Change.

Data from the U.S. Energy Information Administration shows the transportation sector recently surpassed the electricity generation sector as the largest producer of GHG emissions. Transportation is also the only major U.S. sector with increasing emissions – the residential, commercial, industrial, and electric power sectors have been reducing emissions for several years.

Aware of the need to increase the scale and pace of action on climate change, nearly 1,200 global companies have stated intentions to set “science-based” emissions reduction targets to ensure they are doing their part to fulfill the ambitions of the Paris Climate Agreement. This includes Expedito’s International, Republic Services, Waste Management and Norfolk Southern, companies JBHT identifies as peers. In addition, roughly half of JBHT’s Fortune 500 peers have set quantitative GHG emissions reduction targets.

JBHT has stated it takes climate change seriously. It has adopted various initiatives to reduce fuel consumption and its Inter-Modal operations provide emissions reductions for its clients. However, the Company has not set company-wide, quantitative targets, nor has it aligned its efforts with climate science.

Proponents believe adopting such targets would help JBHT align new and existing initiatives, lower costs, increase competitiveness, mitigate the risks of severe weather events, and prepare for changing regulations. Setting company-wide, quantitative targets would also enable shareholders to better evaluate the rigor of JBHT’s emissions management strategies.

Setting science-based GHG emissions reduction targets may help unlock important opportunities for growth as business customers are increasingly demanding environmental accountability from suppliers. For example, Walmart, one of JBHT’s major customers, is aiming to drastically reduce its supply chain emissions by encouraging its suppliers to set their own ambitious, science-based emissions reduction targets.

As a sign of growing investor interest, one of the recommendations of The Task Force on Climate-related Financial Disclosures, whose members include JPMorgan Chase, UBS Asset Management, Generation Investment Management, and BlackRock, is: “Describe the targets used by the organization to manage climate-related risks and opportunities and performance against these targets.”

Greenhouse Gas Reduction - In Line with Paris Goals

The Cooper Companies, Inc.

RESOLVED: Shareholders ask the Cooper Company to prepare a report evaluating the feasibility of the Company achieving greenhouse gas emissions reductions in line with Paris climate change goals for those parts of the business directly owned and operated by the Company. The report should be prepared at reasonable expense and may exclude confidential information.

WHEREAS: In 2015, 196 parties at the U.N. Climate Change Conference agreed to limit climate change to no more than 2 degrees Celsius warming above pre-industrial temperatures, with a goal of limiting warming to 1.5 degrees Celsius. In October 2018, the Intergovernmental Panel on Climate Change (IPCC), the world's leading scientific climate authority, released its most dire warning yet. The IPCC panel, based on more than 6,000 scientific references, underscored that, in line with the 1.5 degree Paris goal, the world must cut pollution by 45 percent by 2030, and reach net zero pollution by 2045. It underscored that maintaining warming below 1.5 degrees versus 2 degrees warming would significantly affect the extent of global harms. For instance, it would mean the difference between having some coral reefs survive and virtually none at all; of agriculture surviving across vast swathes of the Earth, or suffering mass desertification; and would mean saving the world \$20 trillion in climate impacts.

Achieving emissions in line with the Paris Agreement's goal of 1.5 degrees requires the world to achieve net zero emissions sooner than is currently planned by most corporations and nations. We believe that achieving this goal is important for the success of companies operating in a globally carbon-constrained economy and to achieve long-term shareholder value. The Cooper Company should be a leader in this area, given its prominent role in the new technology economy.

Supporting Statement: In producing this report, the Company should provide information on how it plans to achieve Paris compliant emissions reductions, including how it might achieve net zero emissions by 2045.

Further, in implementing this proposal, the Company may wish to consider The Greenhouse Gas Protocol, prepared by World Business Council for Sustainable Development and the World Resources Institute, which provides a useful guide for quantifying and reporting corporate GHG emissions. That Protocol identifies three types of emissions:

- Direct Emissions from sources owned or controlled by the company, e.g., company-owned buildings or facilities; and
- Electricity Indirect Emissions, which are emissions from electricity purchased and consumed by the company.
- Scope 3 Emissions that are a consequence of a company's activities, but that stem from sources not owned or controlled by the company, e.g., employee business travel, commuting, product end-of-life disposal.

Greenhouse Gas Reduction - Science-Based Targets

C.H. Robinson Worldwide, Inc.

RESOLVED: Shareholders request that C.H. Robinson Worldwide, Inc.'s (Company) board oversee the adoption of time-bound, quantitative, company-wide, science-based targets for reducing total greenhouse gas (GHG) emissions, taking into account the goals of the Paris Climate Agreement, and report, at reasonable cost and omitting proprietary information, on its plans to achieve these goals.

Supporting Statement: In order to mitigate the worst impacts of climate change, the Intergovernmental Panel on Climate Change estimates that a 45% reduction in anthropogenic GHG emissions globally is needed by 2030 (from 2010 levels) to stabilize global temperatures (Global Warming of 1.5 degrees C, IPCC, Oct 2018). The Fourth U.S. National Climate Assessment concluded that climate change is expected to cause growing losses to American infrastructure and property and impede the rate of economic growth over this century (upward of \$500 billion a year) without substantial and sustained global efforts to reduce greenhouse gas emissions.

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. The TCFD is supported by a cross section of influential investors and business leaders including BlackRock, Fidelity, Glass Lewis, Statoil, and Vanguard.

63 percent of Fortune 100 companies have established targets that will lead to emissions reductions (Source: Power Forward 3.0). Many Company peers and industry associations throughout their value chain have set GHG emissions targets and are reducing operating costs by boosting fuel efficiency. For instance, Expeditors International set a 27 percent reduction target for Scope 1 and 2 emissions by 2017; the International Air Transport Association committed to a 50 percent reduction in emissions by 2050 (with carbon neutral growth from 2020); and the International Maritime Organization has a mandatory ship energy efficiency management plan, along with a 50 percent reduction target per ton/km in 2050.

Climate change has significant potential to adversely impact the Company's business. As the Company notes in their most recent 10-K, their contract carriers are subject to increasingly stringent regulations around climate change, which could increase contract costs. As the frequency and intensity of extreme weather events increases with climate change, along with infrastructure risks, shipments may be subject to more frequent delays and losses, ultimately increasing operating costs and potentially threatening revenue.

A similar proposal made by the proponent last year received a favorable vote of nearly 38%. Since then, the Company has taken little action to monitor, manage, or meaningfully mitigate these risks or capture the opportunities. This is confirmed by MSCI rating the Company as worst-in-class for management of risks from carbon emissions, and by Sustainalytics placing the Company below their peer group average for carbon intensity and GHG reduction programs. As the world's largest third party logistics providers, the Company has a unique opportunity to lead the transition of the commercial freight sector into the low carbon future.

Methane Emissions - Monitor & Minimize

UGI Corporation

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

Methane is the main chemical component of natural gas. Methane emissions are a significant contributor to climate change, with a global warming impact roughly 86 times that of CO₂ over a 20 year period according to the IPCC. Methane leaks from UGI's aging infrastructure create significant climate risk. Importantly, research indicates that across the global economy methane leaks of only 3.2% across the natural gas supply chain — from production through distribution — could fully erase the climate benefits of replacing coal with gas. Leaked methane is also a loss of product; across the US economy it is enough to fuel 10 million homes per year according to EDF's 2018 report in Science.

UGI's methane leaks expose the company to climate change related regulatory risk. In recent years state-level regulations on greenhouse gas emissions have become increasingly stringent. States in which UGI operates are pressing forward with methane reduction policies, including for instance, the Pennsylvania Governor's Methane Reduction Strategy.

Methane leaks also present a safety hazard. UGI's leaking pipeline infrastructure puts its 600,000 gas customers at risk of becoming victims of a catastrophic explosion. Avoidable pipeline corrosion has been found to be the cause of multiple gas explosions across UGI's service territories over its history. Between 2005 and 2018, the Pipeline and Hazardous Materials Safety Administration reports that the nation's natural gas distribution system was responsible for incidents resulting in 122 fatalities, 602 injuries, and costs of almost \$900 million.

Key strategies to address methane leakage include pipeline replacement and leak detection and mitigation. However, UGI has not disclosed sufficient information about its pipeline replacement plans nor disclosed the degree to which it is making any improvements in its leak detection and monitoring program.

The Proponent believes that the Company's poor disclosure and limited action on this issue may expose shareholders to material risks due to climate and regulatory developments, as well as catastrophic incidents.

RESOLVED: As You Sow requests the company report to shareholders (at reasonable cost, omitting proprietary information), the company's actions beyond regulatory requirements to reduce its greenhouse gas emissions and associated climate risk by monitoring and minimizing its methane emissions.

Supporting Statement: Investors suggest that the report specifically include a description of its methane reduction program and quantitative indicators, such as:

- Any company plans to replace leak prone pipeline or implement other emission reduction practices;
- Any deployment of leak detection and repair technologies, including timelines;
- Amount of methane emissions reduced annually (and how emissions are calculated), including any goals or targets for methane reduction.

Methane Emissions - Monitor & Minimize

Atmos Energy Corporation

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

Methane is the main chemical component of natural gas. Methane emissions are a significant contributor to climate change, with a global warming impact roughly 86 times that of CO₂ over a 20 year period according to the IPCC. Methane leaks from Atmos' aging infrastructure create significant climate risk. Importantly, research indicates that across the global economy methane leaks of only 3.2% across the natural gas supply chain — from production through distribution — could fully erase the climate benefits of replacing coal with gas. Leaked methane is also a loss of product; across the US economy it is enough to fuel 10 million homes per year according to EDF's 2018 report in Science.

Atmos' methane leaks expose the company to climate change related regulatory risk. In recent years state-level regulations on greenhouse gas emissions have become increasingly stringent. States in which Atmos operates are pressing forward with methane reduction policies, including for instance, Texas' new Administrative Code requirements for leak surveys and repairs.

Methane leaks also present a safety hazard. Atmos' leaking pipeline infrastructure puts its over 3 million gas customers across 8 states at risk of becoming victims of a catastrophic explosion. In early 2018, a gas explosion at a Dallas home served by Atmos resulted in the tragic death of 12-year-old girl. Between 2005 and 2018, the Pipeline and Hazardous Materials Safety Administration reports that the nation's natural gas distribution system was responsible for incidents resulting in 122 fatalities, 602 injuries, and costs of almost \$900 million.

Key strategies to address methane leakage include pipeline replacement and leak detection and mitigation. However, Atmos' has not disclosed its pipeline replacement plans nor disclosed the degree to which it is making any improvements in its leak detection and monitoring program.

The Proponent believes that the Company's poor disclosure and limited action on this issue may expose shareholders to material risks due to climate and regulatory developments, as well as catastrophic incidents.

RESOLVED: As You Sow requests the company report to shareholders (at reasonable cost, omitting proprietary information) the company's actions beyond regulatory requirements to reduce its greenhouse gas emissions and associated climate risk by monitoring and minimizing its methane emissions.

Supporting Statement: Investors suggest that the report specifically include a description of its methane reduction program and quantitative indicators, such as:

- Any company plans to replace leak prone pipeline or implement other emission reduction practices;
- Any deployment of leak detection and repair technologies, including timelines;
- Amount of methane emissions reduced annually (and how emissions are calculated), including any goals or targets for methane reduction.

Adopt Quantitative Targets for Reducing Methane Emissions

EOG Resources, Inc.

RESOLVED: Shareholders request EOG Resources, Inc. (EOG) adopt quantitative targets for reducing methane emissions, and issue a report (at reasonable cost, in a reasonable time, and omitting proprietary information) discussing its plans and progress towards achieving these targets.

Supporting Statement: In 2014 a shareholder proposal focusing on methane emission targets at EOG received a 28% vote. An almost identical proposal earned a 31.5% vote in 2015.

WHEREAS: The Paris Climate Agreement of 2015, agreed to by 195 countries, established a target to limit global temperature increases to 2-degrees Celsius above pre-industrial levels. To meet the 2-degree goal and mitigate the most severe impacts of climate change, climate scientists estimate it is necessary to reduce global emissions 55 percent by 2050 (relative to 2010 levels), entailing a US reduction target of 80 percent.

Methane is the primary component of natural gas and is a greenhouse gas 84 times more potent than CO₂ over a 20-year period. Methane accounts for 25% of the world's warming today, and the oil and gas industry is the largest source of methane emissions in the U.S.

EOG provides two years of data on methane emissions showing improvement in 2017 over 2016. However, two data points does not constitute a trend; investors believe setting methane reduction goals would help ensure EOG achieves continued reductions going forward. Proponents believe establishing quantitative methane emissions reduction targets would serve to align new and existing initiatives, spur innovation to drive further emissions reductions, lower costs through enhanced efficiency, mitigate risk, and enhance shareholder value.

Many other oil and gas companies are setting meaningful methane reduction targets while simultaneously adjusting operational strategies to respond to a variety of factors. The Oil and Gas Climate Initiative, whose members include BP, Chevron, ExxonMobil, Occidental Petroleum, and Shell recently announced a target to reduce the methane intensity of member's upstream oil and gas operations to below 0.25% of gas sold. Hess, Apache, Kinder Morgan, and Southwestern are among EOG's peers that have set quantitative methane emissions reduction targets. Over half of EOG's fellow S&P 500 companies have set GHG emissions reduction targets.

Investors are concerned with methane leaking from EOG's operations not only because of the climate impacts, but also because it represents lost saleable product.

Climate Action 100+, an organization supported by 310 investors with \$32 trillion in assets under management, including PIMCO, Northern Trust Asset Management, Deutsche Asset Management, Manulife Asset Management, and HSBC Global Asset Management, is actively engaging the world's 100 largest GHG emitters. This group requests the companies publicly disclose their GHG emissions reduction targets and plans to utilize existing technology solutions to meet such targets.

One of the recommendations of the Task Force on Climate-related Financial Disclosures, whose members include JPMorgan Chase, UBS Asset Management, Generation Investment Management, and BlackRock, is: "Describe the targets used by the organization to manage climaterelated risks and opportunities and performance against these targets."

Paris-Compliant Business Plan

BP P.L.C.

Strategy consistent with the goals of the Paris Agreement

“That in order to promote the long term success of the Company, given the recognised risks and opportunities associated with climate change, we as shareholders direct the Company to include in its Strategic Report and/or other corporate reports, as appropriate, for the year ending 2019 onwards, a description of its strategy which the Board considers, in good faith, to be consistent with the goals of Articles 2.1(a) (1) and 4.1(2) of the Paris Agreement (3) (the ‘Paris Goals’), as well as:

Capital Expenditure: how the Company evaluates the consistency of each new material capex investment, including in the exploration, acquisition or development of oil and gas resources and reserves and other energy sources and technologies, with (a) the Paris Goals and separately (b) a range of other outcomes relevant to its strategy;

Metrics and Targets: the Company’s principal metrics and relevant targets or goals over the short, medium and/or long-term, consistent with the Paris Goals, together with disclosure of:

- the anticipated levels of investment in (i) oil and gas resources and reserves; and (ii) other energy sources and technologies;
- the Company’s targets to promote reductions in its operational greenhouse gas emissions, to be reviewed in line with changing protocols and other relevant factors;
- the estimated carbon intensity of the Company’s energy products and progress on carbon intensity over time; and
- any linkage between the above targets and executive remuneration;
- Progress reporting: an annual review of progress against (1) and (2) above.

Such disclosure and reporting to include the criteria and summaries of the methodology and core assumptions used, and to omit commercially confidential or competitively sensitive information and be prepared at reasonable cost; and provided that nothing in this resolution shall limit the Company’s powers to set and vary its strategy, or associated targets or metrics, or to take any action which it believes in good faith, would best promote the long-term success of the Company.

Footnotes

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.”

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.

U.N. Framework Convention on Climate Change Conference of Parties, Twenty-First Session, Adoption of the Paris Agreement, U.N. Doc. FCCC/CP/2015/L.9/Rev.1 (Dec. 12, 2015).

Continued

Investor supporting statement

This resolution has been prepared by a group of investors, many of whom are supporters of the Climate Action 100+ collaborative engagement initiative, launched in December 2017, which now has the support of 310 investors representing more than US\$32 trillion of assets under management¹. The Initiative's aim is to engage systemically important greenhouse gas emitters and other companies across the global economy that have significant opportunities to drive the clean energy transition and help achieve the goals of Articles 2.1(a) and 4.1 of the Paris Agreement (the 'Paris Goals').

This resolution, prepared with support from environmental law organisation, Client Earth², builds on the special resolution prepared by the 'Aiming for A' coalition of investors which requested further disclosures of the Company's management of climate change-related risks and opportunities and was passed overwhelmingly by shareholders at the Company's 2015 AGM.

Strategy consistent with the Paris Goals

Many investors will recognise the Company's leadership on climate change in a number of important areas. This includes helping to form the Oil & Gas Climate Initiative³; the evolution of the BP Energy Outlook to include a range of low carbon scenarios; and a range of climate-related targets, including to best-in-class management of fugitive methane emissions⁴.

Nonetheless, investors remain concerned that the Company has not yet demonstrated that its strategy, which includes growth in oil and gas as well as pursuing low carbon businesses, is consistent with the Paris Goals. It also presents a potential inconsistency between the Company's actions and its stated corporate purpose "to power economic growth and lift people out of poverty" given climate vulnerabilities in many developing countries. In accordance with investors' fiduciary duties, and to promote the long-term success of the Company, this resolution seeks clarity on the critical question of how the Company's strategy is consistent with the Paris Goals.

Investor expectations of oil & gas companies

Investors' expectations concerning climate-related risks have increased following ratification of the Paris Agreement in 2016, publication of the guidelines of the Taskforce on Climate-related Financial Disclosures (TCFD) in 2017⁴ and the recent report from the UN's Intergovernmental Panel on Climate Change on the impacts of global warming to 1.5°C⁵. The latter showed how the difference between a 1.5°C and 2°C rise in global temperatures can be expected to result in additional economic damages globally of between \$8tn and \$11tn before 2050.

Investors' expectations of oil & gas companies were recently summarised in an open letter to the industry, published in The Financial Times in May 2018⁶, which asked all oil and gas companies to clarify how they see their future in a low carbon world, and should involve:

- Making concrete commitments to substantially reduce carbon emissions;
- Assessing the impact of emissions from the use of their products; and
- Explaining how the investments they make today in energy sources and technologies are compatible with a pathway towards the Paris Goals.

This shareholder resolution formalises that public request, tailored to the specific circumstances of BP, while ensuring the Board retains control over its strategic decision-making.

Capital Expenditure consistent with Paris Goals

As demonstrated in BP's Energy and Technology Outlook publications, future levels of oil and gas demand are uncertain. To contain temperature increases to well-below 2°C requires a considerable decrease in demand for, and investment in, fossil fuels.

Continued



Proxy Resolutions: Climate Change

Based on current disclosures, it is not possible to evaluate the extent to which the Company's investments in fossil fuel reserves or resources are consistent with the Paris Goals. This limits investors' ability to appraise the attractiveness of the Company as an investment proposition. Therefore, the resolution seeks disclosure of how the Company evaluates the consistency of new material capex investments to the Paris Goals, as well as annual reporting on that evaluation. The Company should also explain how it separately evaluates consistency with other relevant outcomes, resulting in additional (not alternative) criteria for capex investment consistent with the Paris Goals.

The Company should determine the methodology for this evaluation and evolve this over time. However, investors expect this to include consideration of the full life-cycle economics of individual projects, evaluation of the potential return on investment and consideration of their competitive positioning in the context of the Paris Goals. Research by Carbon Tracker⁷ provides an example methodology for this type of analysis and indicative results of the extent to which the Company and others may already be consistent.

Metrics and Targets consistent with Paris Goals

To help investors evaluate progress against its strategy, it is vital to understand the Company's key goals and targets and other associated metrics. These should be set over as long a time frame as reasonably possible and reviewed regularly for continued consistency to the Paris Goals, in line with developments in the Company's portfolio, available measurement protocols and other relevant factors such as evolving science, technology and regulation.

To better appraise the long-term investment proposition, investors need to understand the consequences of the Company's strategy for its future business model. This should include the profile of anticipated levels of investment in different types of energy, including oil and gas and other lower carbon energy technologies and their strategic fit. Investors also want to understand the implications for both the carbon emissions associated with the Company's operations and the carbon intensity of its energy products over time. The company should determine the methodology for estimating product carbon intensity. However, investors expect this to include the carbon content of oil and gas products and other emissions associated with the full value chain of operations. Finally, investors request to understand the linkage of the company's targets and metrics to executive remuneration.

Progress reporting

Investors expect appropriate summaries of the strategy, the evaluation of each material capex investment and performance against key targets and metrics to be contained in the Strategic Report, supported by other reporting as appropriate.

1 <http://www.climateaction100.org/>

2 <https://www.clientearth.org>

3 <https://oilandgasclimateinitiative.com/> 4 <https://www.bp.com/energytransition>

4 <https://www.fsb-tcf.org/>

5 <https://www.ipcc.ch/sr15/>

6 <https://www.ft.com/content/fda63c26-5906-11e8-b8b2-d6ceb45fa9d0>

7 <https://www.carbontracker.org/reports/2-degrees-of-separation-update/> (noting that the scenarios used may not be consistent with the Paris Goals)

Paris-Compliant Business Plan

Anadarko Petroleum Corp.

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. Specifically, it instructs that net emissions of carbon dioxide must fall by 45 percent by 2030 and reach “net zero” by 2050 to maintain warming below 1.5 degrees Celsius.

The Fourth National Climate Assessment report, issued November 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 —more than the current gross domestic product of many U.S. states.” Other studies estimate global losses over \$30 trillion.

These climate change impacts present systemic portfolio risks to investors. A warming climate is associated with supply chain dislocations, reduced resource availability, lost production, commodity price volatility, infrastructure damage, crop loss, energy disruptions, political instability, and reduced worker efficiency, among others.

The oil and gas industry is one of the most significant contributors to climate change; Anadarko is the 47th largest contributor.

While the investment choices of oil and gas companies can play a major role in the transition to a clean energy economy, every dollar invested in fossil fuel resource development and infrastructure slows that transition, increasing risk to the global economy and investor portfolios.

A number of peer oil and gas companies have announced policies to reduce their full climate footprint. Shell announced scope 3 greenhouse gas intensity targets. Total has invested in solar energy and is reducing the carbon intensity of its energy products. Equinor is investing in wind energy development. Orsted, a Danish oil and gas company, sold its oil and gas portfolio and rebranded itself.

While Anadarko has assessed and reported on Company-related risk from climate change, and has adopted plans to reduce its own operational emissions (generally less than 20 percent of its climate footprint), Anadarko has not adopted Paris-aligned targets or actions to reduce the full climate impact of its investments in fossil fuel energy sources. Anadarko’s Scope 3 product emissions are increasing as its ratio of gas to oil reserves declines.

BE IT RESOLVED: Shareholders request that Anadarko 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 temperatures 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 greenhouse gas emission reduction targets for the company’s full carbon footprint, inclusive of operational and product-related emissions
- Reducing capital investments in oil and/or gas resource development
- Investing in renewable energy resources

Paris-Compliant Business Plan

Exxon Mobil Corporation

Similar resolutions were submitted to Chevron Corp., Hess Corporation

RESOLVED: Shareholders request that Exxon issue a report (at reasonable cost, omitting proprietary information) on how it can reduce its carbon footprint in alignment with greenhouse gas reductions necessary to achieve the Paris Agreement's goal of maintaining global warming 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 transitioning its operations and investments through the following actions:

- Investing in low carbon energy resources
- Reducing capital investments in oil and/ or gas resource development that is inconsistent with a below-2 degree pathway
- Otherwise diversifying its operations to reduce the company's carbon footprint (from exploration, extraction, operations, and product sales).

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. Specifically, it instructs that net emissions of carbon dioxide must fall 45 percent by 2030, reaching "net zero" by 2050 to maintain warming below 1.5 degrees Celsius.

The Fourth National Climate Assessment report 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 - more than the current gross domestic product of many U.S. states." Other studies estimate global losses over 30 trillion dollars.¹

These climate change impacts present systemic portfolio risks to investors. A warming climate is associated with supply chain dislocations, reduced resource availability, lost production, commodity price volatility, infrastructure damage, crop loss, energy disruptions, political instability, and reduced worker efficiency, among others.

The fossil fuel industry is one of the most significant contributors to climate change. ExxonMobil is the 5th largest global contributor with the largest climate change impact of any publicly owned oil and gas company.² Exxon's investment choices matter. Every dollar invested in fossil fuel resources increases risk to the global economy and investor portfolios.

A number of peer oil and gas companies have announced policies to reduce their climate footprint in support of Paris goals. Shell announced scope 3 greenhouse gas intensity reduction ambitions.³ Total has invested substantially in solar energy and is reducing the carbon intensity of its energy products.⁴ Equinor rebranded itself from 'StatOil' and is diversifying into wind and solar energy development.⁵ Orsted, previously a Danish oil and gas company, sold its oil and gas portfolio.⁶

In contrast, ExxonMobil is planning reductions to its own operational emissions (less than 20 percent of its climate footprint), has reported on its own climate risk, and is conducting technology development research. ExxonMobil has not adopted Paris-aligned policies or actions intended to reduce its full climate footprint.⁷ Exxon's climate risk report and 2018 Energy Outlook maintain that use of its products and resulting emissions of carbon dioxide will rise through 2040.

1 <https://www.theguardian.com/environment/2018/may/23/hitting-toughest-climate-target-will-save-world-30tn-damages-analysisshows>

2 <https://www.theguardian.com/sustainable-business/2017/jul/10/100-fossil-fuel-companies-investors-responsible-71-global-emissions-cdp-study-climate-change>

3 https://www.shell.com/sustainability/sustainability-reporting-and-performancedata/performancedata/greenhouse-gas-emissions/_jcr_content/par/tabbedcontent/tab/textimage.stream/1534322148157/faafbe2d44f8f9adel0d1202b31b8552a67d1430dc3ae7ddc192fc83e9f835c8/2018-cdp-climate-change-submission-180815.pdf,C4.lb

4 https://www.total.com/sites/default/files/atoms/files/total_climat_2018_en.pdf, p. 35, p. 6

5 <https://www.equinor.com/en/how-and-why/climate-change.html>

6 <https://www.ft.com/content/57482c0b-db29-3147-9b7ec522aea02271>

7 <http://www.lse.ac.uk/GranthamInstitute/tpi/new-research-shows-only-two-large-oil-gas-companies-have-long-term-low-carbon-ambitions/>

Business Plan for 2C Warming Scenario

Antero Resources

WHEREAS: In November 2016 the Paris Agreement set a goal of keeping global temperature rise well below 2 degrees Celsius and it continues to shape policy decisions around the globe. This has resulted in national, state, and local regulations to address climate change. Additionally, technological innovation, energy efficiency improvements, falling costs for renewable energy sources and consumer preferences are leading toward a low-carbon energy market that will meaningfully reduce demand for carbon-based fuels. This is true even for natural gas, our company's main product, which faces significant risks from the growth of renewables. Major electric utilities are rapidly moving to decarbonize, with AEP, AES, Southern and Xcel all committing to greenhouse gas emissions reductions ranging from 70-100% over the coming decades—moves that could substantially curtail gas demand.

Antero Resources faces a variety of risks due to climate change and the transition to a low-carbon economy. Antero acknowledges in its financial filings that action on climate change "could result in increased operating costs and reduced demand for the oil and natural gas that we produce while potential physical effects of climate change could disrupt our production and cause us to incur significant costs in preparing for or responding to those effects."

Investors are increasingly focused on the need for robust climate disclosure. In June 2017, the Task Force on Climate-related Financial Disclosures finalized its guidelines for reporting on climate risk, recommending that companies evaluate the potential impact of different scenarios, including a 2-degree scenario, on their businesses, strategy, and financial planning. Major asset managers, such as BlackRock and Vanguard, have called for improved climate risk disclosures. In June 2016, the credit rating agency Moody's indicated that it would begin to analyze carbon transition risk based on scenarios consistent with the Paris Agreement. And Antero notes in its most recent 10-K filing that due to climate change concerns some financial institutions are restricting or even eliminating investments in oil and gas activities which "could make it more difficult to secure funding for exploration, development, production, and acquisition activities."

Scenario analysis allows a company to design a strategy that is resilient in a world of increasing uncertainty. Peer companies including Pioneer Natural Resources, Southwestern Energy and Noble, as well as larger integrated oil and gas companies such as Chevron and Exxon Mobil have produced or are producing scenario reports in response to investor concerns. A report will help Antero identify vulnerabilities and opportunities for its business and reassure investors that the company is poised to manage and take advantage of future regulatory, technological, and market changes.

RESOLVED: Shareholders request that Antero Resources, with board oversight, publish an assessment of the long-term impacts on the company of public policies and technological advances that are consistent with limiting global temperature rise to no more than 2 degrees Celsius over preindustrial levels. The report should be done at reasonable cost and omit proprietary information.

Climate Related Financial Disclosure

MGE Energy, Inc.

WHEREAS: 195 countries adopted the 2015 Paris Climate Agreement, which specifies a goal to limit the increase in global temperatures. In order to mitigate the worst impacts of climate change, the Intergovernmental Panel on Climate Change estimates that a 45% reduction in anthropogenic greenhouse gas emissions globally is needed by 2030 and net zero emissions by 2050 (from 2010 levels) to limit atmospheric temperature rise to 1.5 degrees Celsius over pre-industrial levels. Transitioning to a low-carbon future will fundamentally transform the economy and the competitive environment in which all corporations operate.

As of June 2018, over 250 organizations have expressed support for the industry-led Task Force on Climate-related Financial Disclosures Recommendations (Recommendations), including BlackRock, Fidelity, Glass Lewis, Statoil, and Vanguard. The Recommendations will catalyze more consistent, comparable, and reliable disclosure of climate-related information that will facilitate more informed business and investment decision-making. These disclosures are an important step forward in enabling market forces to drive efficient allocation of capital and support a smooth transition to a lowcarbon economy.

Coal continues to account for a majority of MGE Energy Inc.'s (Company) energy production. Although the Company has announced targets to achieve a reduction in carbon dioxide emissions of 40% by 2030 and 80% by 2050 based on 2005 levels, it has yet to describe the specific initiatives, investments and programs to best accomplish these goals. The Company has not disclosed the impact that public policies and technological advances consistent with the Paris Climate Agreement ambition would have on its business operations and capital expenditures. Key to this assessment will be the impact of the Company's previous capital investment in coal fired electricity generation.

RESOLVED: To help address the significant social and environmental impact of climate change, shareholders request that the Board of Directors report annually, utilizing quantitative metrics where possible, on the physical and transition risks and opportunities to the Company associated with climate change. The reporting should be prepared at reasonable cost, omit proprietary information, and focus on disclosures that are above and beyond existing disclosures and those required by law.

Supporting Statement: Examples of physical risks that should be discussed include risks to corporate property and supply chains that scientists commonly associate with climate change stemming from rising sea levels and more extreme storms, floods, droughts, heat waves and wildfires. Examples of transition risks and opportunities include regulatory shifts, changes in energy prices, product substitution, and reputational risk.

In producing its disclosures, we recommend the board consider the Recommendations disclosure guidance on topics such as governance, strategy, risk management, metrics and targets. While the Board, in its discretion, should determine which elements of the requested disclosure are most appropriate for our company — and may choose to use a different disclosure framework — we believe the Recommendations offer a helpful template against which our Company can evaluate gaps and enhance existing disclosure.

Climate Change Scenario Analysis

American International Group, Inc. (AIG)

WHEREAS: Climate change presents systemic challenges and opportunities to our global economy. The insurance sector has a unique position as society's risk managers and as institutional investors in addressing climate risk. Insurance regulatory bodies including the National Association of Insurance Commissioners¹ and UK Prudential Regulation Authority² recognize insurer climate risks, ranging from physical, to legal liability, to investment risks amidst climate change and transition to a low-carbon economy.

Investors require increased transparency on the resilience and adaptability of insurance companies to ensure their long-term stability and profitability. Supported by over 230 CEOs, the Financial Stability Board's industry-led Task Force on Climate Related Financial Disclosures (TCFD) identifies scenario analysis as essential to climate disclosure,³ including assessing climate risks in the core business operations of underwriting and investment portfolios.⁴ Insurance supervisors and regulators identify scenario analysis as a "critical tool to understand how the insurance sector could be impacted by ... the transition to a low-carbon and climate resilient economy."⁵

Other leading global insurers such as AIG are developing methodologies for assessing the impact of climate change on their business. AXA announced the publication of its first comprehensive TCFD report, including a two-degree Celsius scenario.⁶ Aviva committed to disclosure aligned with TCFD recommendations.⁷ In 2018 the U.N. Environment's Finance Initiative (UNEP FI) announced a partnership with 16 of the world's largest insurers, to develop new risk assessment tools to assess climate-related risks in insurers' core insurance portfolios and products.⁸

RESOLVED: Given the profound societal impacts of climate change and our company's potentially critical role in mitigating harm to society, shareholders request that AIG, with board oversight, publish an assessment, at reasonable cost and omitting proprietary information, of the plausible impacts of a climate change scenario consistent with a globally agreed upon target of limiting warming to well below 2 degrees Celsius, as well as additional scenarios reflecting higher global average temperatures.

Supporting Statement: This requested report can be incorporated into existing reporting and should address business impacts related to the physical effects of climate change and transition to a lower-carbon economy. Climate scenario analysis is an emerging strategic planning tool, and there is an opportunity for AIG to join other leading global insurers in establishing best practices for disclosure that align with TCFD recommendations. This includes TCFD's supplemental guidance for insurance companies and asset owners, their technical guidance for scenario analysis, and the following considerations:

- Assessment of various, feasible climate-related scenarios
- Reporting of critical input parameters⁹ such as transition scenarios from the International Energy Agency and physical impact scenarios from the Intergovernmental Panel on Climate Change
- Reporting of time frames used for the scenarios, including short-, medium-, and long-term milestones¹⁰
- How business strategies across underwriting and investment activities may change to align with climate scenarios.

1 http://www.naic.org/cipr_newsletter_archive/vol18_warming_world.pdf

2 www.bankofengland.co.uk/pru/documents/supervision/activities/pradefra0915.pdf.

3 <https://www.fsb-tcfd.org/tcfd-supporters-december-2017/>

4 <https://www.fsb-tcfd.org/wp-content/uploads/2017/06/FINAL-TCFD-Annex-062817.pdf>

5 http://unepinquiry.org/wp-content/uploads/2017/07/SIF_TCFD_Statement_July_2017.pdf

6 <https://group.axa.com/en/newsroom/news/combining-analysis-and-action-axa-publishes-its-first-tcfd-climate-risk-report>

7 <https://www.aviva.com/content/dam/aviva-corporate/documents/socialpurpose/pdfs/climatewise-response-2017-18.pdf>

8 <https://www.unenvironment.org/news-and-stories/press-release/un-environment-convenes-worlds-insurers-assess-intensifying-climate>

9 <https://www.fsb-tcfd.org/wp-content/uploads/2017/06/FINAL-TCFD-Annex-062817.pdf>

10 <https://www.fsb-tcfd.org/wp-content/uploads/2017/06/FINAL-TCFD-Annex-062817.pdf>

Report on Climate-Related Water Risk

Energen Corporation

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.

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 the Company and investors alike.

Oil and gas operations like those of Energen require significant amounts of water. Energen operates in the Permian Basin, an area where water shortages are a growing issue. As the availability of fresh water grows scarcer, contamination of precious freshwater supplies presents increased reputational risk to companies like Energen. The potential for hydraulic fracturing operations to contaminate water sources if not responsibly managed is also a significant risk; groundwater contamination, in particular, is of great concern to nearby communities.

Most large companies have developed water planning, reduction, recycling, and leak prevention initiatives to diminish water risk and reduce costs. Peer companies like Anadarko and Apache inform investors about their water resource management through voluntary reporting initiatives such as CDP Water Information Requests and sustainability reports. Energen Corporation has yet to provide adequate information to shareholders on its water stewardship initiatives.

Disclosure is the primary means by which investors can gauge whether our Company is sufficiently managing its water risks, including adoption of best practices for water management and quantitative performance metrics on the company’s water-related impacts. Current disclosures provided by Energen are generalized and lack critical information. For instance, while Energen acknowledges that it faces risk from having concentrated operations in the drought-prone Permian Basin, the company fails to disclose a comprehensive strategy to mitigate this risk. Instead, Energen briefly mentions its use of brackish and recycled water but offers no quantitative information on how much water is recycled and how much risk is reduced by these activities, or whether Energen has defined targets that will enable it to mitigate water-related risks now and in the future.

BE IT RESOLVED: Shareholders request that Energen, with board oversight, provide a report on its climate-related water risk, including comprehensive strategies to mitigate that risk beyond regulatory requirements. Such a report should omit proprietary information and be prepared at reasonable cost.

Supporting Statement: Investors seek information such as:

- Data on the sources and volumes of withdrawals and company consumption levels
- Competing local demands for key water supplies
- Water quality impacts from leaks or wastewater discharges
- Quantitative goals to manage or reduce water use at the company’s operations

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. Coal burning releases carbon dioxide, which is the primary greenhouse gas driving climate change. Climate change results in many health harms and challenges — from extreme temperatures to declining air and water quality. In addition to 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.

Climate impacts are exacerbating health risks, necessitating robust mitigation planning from Duke to reduce and avoid such impacts.

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 water 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, causing spills and leaks associated with health harms, and millions of dollars in clean-up costs. This year's Hurricane Florence highlighted Duke's lack of preparation for storms and flooding, the frequency and intensity of which are increasing due to climate change. Duke's failure to prevent breaches at two of its coal ash waste ponds as a result of Florence's impact has been criticized, while peers have demonstrated that available best practices could have prevented such spills.

Harm to vulnerable communities. The impacts of Duke's coal ash management are felt disproportionately by low-income communities. After Hurricane Florence, Duke indefinitely closed Lake Sutton to the public — a lake that locals rely on for subsistence fishing.

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 illness, including asthma and lung diseases, heart attacks, reduced life expectancy, and increased infant mortality. These harms often become particularly acute as climate change dramatically increases local temperatures.

Despite all this, Duke has yet to adequately address the risks of its continued use of coal, especially with regard to the growing impacts it is causing on local communities.

BE IT 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:

- How Duke Energy's coal burning exacerbates public health harms;
- How Duke's coal operations, including its coal ash disposal, impacts the public health of low income communities and communities of color.

Report on Petrochemical Resiliency Risks

Exxon Mobil Corporation

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 impacts to their health and livelihoods from unintentional 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 severe 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 skin 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. Flood-related damage is projected to be highest in Texas, where many of ExxonMobil's petrochemical plants are concentrated. Houston alone has seen three 500-year floods in the span of three years. Hurricane Harvey contributed to decreased earnings of approximately \$40 million for ExxonMobil in 2017.

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. Investors are concerned that ExxonMobil has not adequately demonstrated how it will prevent such unsafe chemical releases.

In spite of these risks, Exxon has accelerated its petrochemical activity in the Gulf Coast, investing heavily in further expansion in flood-prone areas of Texas and Louisiana. The company has generally disclosed that risks from storms may impact its business and that extreme storms are among the factors considered in its Operations Integrity Management System. The impacts to Exxon's operations from Hurricane Harvey, however, indicate the company's level of preparedness was insufficient. While the Company rapidly expands its petrochemical assets in climate-impacted areas, its available disclosures do not provide investors adequate information to understand whether ExxonMobil is effectively assessing and managing the drastic increase in material public health and financial risks presented by climate-related storm impacts and sea level rise.

Report on Petrochemical Resiliency Risks

DowDuPont

BE IT RESOLVED: Shareholders request that DowDuPont, with board oversight, publish a report on climate change-induced flooding and public health, omitting proprietary information and prepared at reasonable cost. The report should assess the public health risks of petrochemical operations and investments in areas increasingly prone to climate change-induced storms, flooding, and sea level rise and the adequacy of measures the company is employing to prevent public health impacts from resultant chemical releases.

WHEREAS: Investors are concerned about the financial, health, environmental, regulatory, and reputational risks associated with operating and building-out new chemical plants and related infrastructure in Gulf Coast locations that are 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 impacts to their health and livelihoods. Such opposition threatens to jeopardize DowDuPont'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 severe chemical release risks during extreme weather events. Flooding from Hurricane Harvey in 2017 resulted in DowDuPont plant shut downs and the release of unpermitted, unsafe levels of pollutants. Nearby Houston residents reported respiratory and skin problems following Dow'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. Flood-related damage is projected to be highest in Texas, where many of DowDuPont's petrochemical plants are concentrated. Houston alone has seen three 500-year floods in the span of three years, and Hurricane Harvey reduced DowDuPont's 2017 third quarter earnings by 250 million dollars. Sea level rise poses particularly significant risks to DowDuPont's current and planned activities in Louisiana, where land loss from rising seas is a serious, growing issue.

Historically, DowDupont has paid out millions in settlements with the Environmental Protection Agency and Department of Justice for violation of various clean air and water laws. As floods and storms intensify, they may bring additional unplanned chemical releases. Investors are concerned that DowDupont has not demonstrated how it will prevent such unsafe chemical releases and associated financial damages.

In spite of these growing risks, DowDuPont has dramatically accelerated its petrochemical activity in the Gulf Coast. The Company's plans to invest heavily in further expansion in flood-prone areas of Texas and Louisiana increase risks to its physical assets and associated health harms to local communities from leaks, spills, and damages exacerbated by increasingly severe storms and flooding. While the company has disclosed that risks from storms may impact its business, and that it is undertaking engineering and emergency planning and "continues to study" storm preparedness, available disclosures do not provide investors sufficient information to understand whether DowDuPont is effectively managing the material public health and financial risks presented by climate-induced storm impacts and sea level rise.

Proxy Voting Policies - Climate Change

Artisan Partners Asset Management Inc.

Artisan Partners is a respected global investment firm with \$115 billion in assets under management providing investment services to individual and institutional clients.

As part of its fiduciary duty, Artisan Partners votes proxies for its clients. Each year investors get an opportunity to cast ballots on a number of important governance matters as well as shareholder resolutions on social and environmental issues. Proxy Voting is a primary mechanism for investors to express their opinions to management on many policies and practices. The company has a Proxy Voting Policy to guide them as well as a central proxy voting committee supported by active investment teams.

Artisan Partners has exercised its responsibilities as a shareowner by supporting and voting in favor of a wide range of governance reforms each year and has concluded it is important to urge portfolio companies to make specific governance changes.

Conversely, and in stark contrast, the company votes against each and every environmental or social resolution even if the issues presented have a demonstrable impact on our portfolio companies and their shareholder value.

We believe assuming that a company's management is "always right" on social and environmental issues and therefore shareholder proposals don't deserve a thoughtful assessment of the financial impact on a company is not consistent with being a prudent fiduciary for clients.

Artisan Partners focuses appropriately on clients' economic interests in voting proxies and, as noted, frequently votes for important governance reforms proposed by shareholders believing these issues affect shareholder value.

In contrast, Artisan Partners' public proxy voting record for the past year reveals votes against all shareholder resolutions on climate change such as requests for enhanced disclosure or adoption of greenhouse gas reduction goals, even when independent experts find a strong business case for support.

In contrast, funds managed by investment firms such as AllianceBernstein, Fidelity, Goldman Sachs, Morgan Stanley, Neuberger Berman, State Street, Wells Fargo and many others supported a significant number of these resolutions believing climate change deserved careful review because of the risk to shareholder value.

Moreover, proxy voting practices that ignore climate change fail to recognize significant company-specific and economy-wide risks associated with negative impacts of climate change. For example, corporations that effectively address climate issues impacting their businesses are protecting long-term shareholder value.

Thus we believe it is Artisan Partners' fiduciary duty, while they vote proxies, to review how climate change impacts both the economy and portfolio companies and evaluate how shareholder resolutions on climate may impact long-term shareholder value. As a result, we are requesting that our Board initiate a review of our proxy voting process focusing on climate change as a clear case in point.

RESOLVED: Shareowners request that the Board of Directors initiate a review and issue a report on our proxy voting policies and practices related to climate change prepared at reasonable cost and omitting proprietary information.

Nominate Environmental Expert to Board

PNM Resources

WHEREAS: The Fourth National Climate Assessment, released by the U.S. Global Change Research Program (USGCRP) in 2017/18 states: “ Climate change creates new risks ... in communities across the United States, presenting growing challenges to human health and safety, quality of life, and the rate of economic growth.” It further notes: “ Without substantial and sustained global mitigation and regional adaptation efforts, climate change is expected to cause growing losses to American infrastructure and property and impede the rate of economic growth over this century. ”

Electric utilities are particularly exposed to the risks associated with climate change. Rising temperatures, extreme weather events, depletion of water resources, and increased regulation all have a direct and profound effect on the future health of the industry. Therefore, environmental and climate change expertise is critical to the success of companies in this sector. Further, a company’s inability to demonstrate that sufficient attention is being paid to climate change can lead to lack of investor confidence and difficulties in raising new capital.

We believe that PNM Resources (PNM) would benefit by addressing the environmental impact of climate change on its business at the most strategic level by appointing an environmental specialist to the board. Both Chevron and Exxon Mobil have recently taken this step. Such a specialist would enable PNM to more effectively address the energy resource choices it makes. It would also demonstrate to regulators, stockholders, investors and customers that PNM takes the challenges posed by climate change seriously.

RESOLVED: Shareholders request that, as elected board directors’ terms of office expire at least one candidate be nominated who:

- has a high level of expertise and experience in environmental and climate change related matters relevant to electric generation and transmission and is widely recognized in the business and environmental communities as an authority in such fields, as reasonably determined by the company’s board, and
- will qualify, subject to exceptions in extraordinary circumstances explicitly specified by the board, as an independent director.

SUPPORTING STATEMENT: For these purposes, a director shall not be considered independent if, during the last three years, he or she—

- was, or is affiliated with a company that was an advisor or consultant to the Company;
- was employed by or had a personal service contract(s) with the Company or its senior management;
- was affiliated with a company or non-profit entity that received the greater of \$2 million or 2% of its gross annual revenues from the Company;
- had a business relationship with the Company worth at least \$100,000 annually;
- has been employed by a public company at which an executive officer of the Company serves as a director;
- had a relationship of the sorts described herein with any affiliate of the Company; and
- was a spouse, parent, child, sibling or in-law of any person described above.

Establish Board Committee on Climate Change

Chevron Corp.

BE IT RESOLVED: Shareholders request the Board of Directors charter a new Board Committee on Climate Change to evaluate Chevron's strategic vision and responses to climate change. The charter should require the committee to engage in formal review and oversight of corporate strategy, above and beyond matters of legal compliance, to assess the company's responses to climate related risks and opportunities, including the potential impacts of climate change on business, strategy, financial planning, and the environment.

Supporting Statement: The proponent believes an independent committee would better provide for focused fiduciary oversight of climate related risks and opportunities and should include board members with climate change expertise in areas such as climate policy, carbon pricing, renewable energy, climate change adaptation, and climate science.

WHEREAS: Major oil companies face unprecedented disruption to their business driven by global imperatives to limit global warming to well below 2 degrees Celsius as well as competition from non- carbon-emitting technologies and energy sources. The Intergovernmental Panel on Climate Change projects dramatic shifts in emissions are necessary with "CO2 emissions from industry in pathways limiting global warming to 1.5°C... projected to be about 65–90%... lower in 2050 relative to 2010, [or] 50–80% for global warming of 2°C."

Board oversight of climate change strategy and planning is essential to address the existential threat of climate change to the fossil fuel industry and our Company. 84 percent of companies in the energy sector have adopted some level of board oversight of climate change, but only 6 percent provide board incentives (monetary and non-monetary) for managing this critical threat, the lowest percentage of all industries.

Effective governance related to the issue of climate change risk, opportunity, adaptation and transition is essential to the long-term success of Chevron. Investors believe a commitment to good climate change governance should be formalized.

As fiduciaries, our Board of Directors is responsible for the stewardship of Chevron's strategy and business planning process and management's implementation of them, as well as reviewing more specific risk factors like geopolitical/legislative topics and overseeing sustainability. Yet while the Public Policy Committee lists environmental and public policy among its approximately 15 other duties listed, climate change specifically is absent as an area of board oversight. Most critically, there is no committee to help the Board carry out its responsibility for Climate Change oversight like there is for the Audit, Board Nominating and Governance, Management Compensation, and Public Policy Committees, despite the existential nature of climate change for our Company.

A failure to plan for a low carbon transition, including climate change policy, competition from renewables, peak oil demand, and unburnable fossil fuel reserves, may place investor capital at substantial risk. It vital that our Company adopt board level oversight of climate change strategy to remain successful in an increasingly decarbonizing economy.

Link GHG Emissions to Executive Compensation

Pinnacle West Capital Corporation

BE IT RESOLVED: Shareholders request that Pinnacle West Capital’s Human Resources Committee prepare a report assessing the feasibility of linking executive compensation metrics to the accomplishment of Paris-aligned greenhouse gas emission reduction objectives. The report should be prepared at reasonable cost and omit proprietary information.

WHEREAS: The 2015 Paris Climate Agreement states a goal to limit the increase in global temperatures to substantially below 2 degrees Celsius. Successfully mitigating the devastating impacts of climate change on humanity, ecosystems, and the global economy requires every corporation to reduce climate emissions related to its actions. Investors are concerned not only about climate risk to the individual companies they hold, but also the economy-wide risk of climate impacts and the associated harm to investors’ portfolios.

The Intergovernmental Panel on Climate Change “Special Report on Global Warming of 1.5 C” details that to avoid the worst impacts of climate change, we must limit warming to 1.5 degrees Celsius. To achieve this goal, 70-85 percent of electricity demand must be met by renewables by mid-century, with net zero carbon emissions achieved globally.

The long-term interests of Pinnacle West shareholders are best served by encouraging a focus on greenhouse gas emissions reductions. The power sector has an urgent role to play in decarbonization. Companies unprepared for technological disruptions from the energy transition are at risk of losing their largest customers, their social license, lagging peers as renewable energy and storage costs drop, and increasing the risk of stranded assets.

Pinnacle West has issued a carbon intensity target, but this target does not prevent absolute growth in the Company’s greenhouse gas emissions. Pinnacle West’s available disclosures demonstrate conflicting action and policies including a concerning proclivity for fossil fuel natural gas infrastructure development, artificial caps on renewables in its Request for Proposals, and continued spending to block renewable energy policy in Arizona. These discrepancies leave investors unable to assess whether Pinnacle West is sufficiently mitigating climate risk.

Executive compensation is an effective way to incentivize achievement of performance targets. Pinnacle West should set relevant metrics in its executive compensation policy to assure investors that management is effectively setting and implementing policies aligned with achieving Paris Goals. While determining specific metrics for executive compensation rests within the discretion of the Board and its compensation committee, a senior executive compensation policy incorporating consistent progress on carbon emission reductions will align and position the company to thrive in a future impacted by climate change. Utility company peers such as NiSource have adopted similar policies in which a portion of long-term equity incentives are tied to progress on publicly disclosed emission reduction targets for the CEO, executive officers, and approximately 70 individuals. Xcel Energy has also demonstrated progress through instituting a link between carbon reduction and compensation. Investors believe that a similar policy would provide assurance that our company is adequately addressing climate change business risks.

Sustainability Reporting - GHG Emphasis

Acuity Brands, Inc.

RESOLVED: Shareholders request Acuity Brands, Inc. (Acuity) issue an annually updated sustainability report describing the company's environmental, social, and governance (ESG) management strategies, quantitative performance, and improvement targets, including a discussion of climate change impacts and greenhouse gas (GHG) emissions. This report should be prepared at reasonable cost and omit proprietary information.

Supporting Statement: Proponents believe tracking and reporting on ESG strategies and performance strengthens a company's ability to compete and adapt in today's global business environment characterized by changing legislation and heightened public expectations for corporate accountability.

Acuity has not disclosed the strategies it uses to manage its ESG impacts or to capitalize on related market opportunities; quantitative metrics conveying the Company's operational ESG performance; or goals to improve ESG performance.

A Sustainability Policy does not provide the level of information shareholders seek - last year this proposal received a vote of 49.8%.

In contrast, Assa Abloy, Cabot Corporation, Minerals Technologies, Cytex Solvay Group, Osram, Cree, Rockwell Automation, Lennox International, USG Corporation, and Lincoln Electric are examples of the numerous small- to mid- sized industrial companies publishing sustainability metrics alongside qualitative supporting details. Acuity compares itself to several of these companies for compensation purposes; proponents believe it should for reporting purposes as well.

Support for the practice of sustainability reporting continues to grow:

- The Governance & Accountability Institute reports 85% of Acuity's peers in the S&P 500 published corporate sustainability reports in 2017.
- In 2017, KPMG found 75% of 4,900 global companies had ESG reports and 67% of the world's largest 250 companies had GHG emissions reduction targets.
- CDP, representing over 650 institutional investors globally with approximately \$87 trillion in assets, calls for company disclosure on climate change management programs. Seventy percent of the S&P 500 reported to CDP in 2015.

Transparent, 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. Importantly, the link between strong sustainability management and value creation has become clear. A 2012 Deutsche Bank review of 100 academic studies, 56 research papers, two literature reviews, and four meta-studies on sustainable investing found 89% of the studies demonstrated that companies with high ESG ratings showed market-based outperformance. Similarly, 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.

Proponents believe Acuity should review the resources and recommendations made by the Global Reporting Initiative, CDP, Sustainability Accounting Standards Board, and the Taskforce on Climate-related Financial Disclosures in identifying topics to be discussed in this report. These widely accepted platforms suggest disclosure on topics such as operational environmental impacts (including energy and water use and air emissions), product safety, hazardous materials waste management, business ethics, labor management (including health & safety), and supply chain management.

Sustainability Reporting - GHG Emphasis

Charter Communications, Inc.

RESOLVED: Shareholders request that Charter Communications (Charter) issue an annual sustainability report describing the company's policies, performance, and improvement targets related to material environmental, social, and governance (ESG) risks and opportunities including greenhouse gas (GHG) reduction targets and goals. The report should be available to shareholders within a reasonable timeframe, prepared at reasonable cost, omitting proprietary information.

Supporting Statement: Company performance on material ESG issues can influence long-term shareholder value. Strong management of material ESG risks has a positive effect on long-term shareholder value and value creation. Failure to adequately manage and disclose performance on material ESG factors can pose significant regulatory, legal, reputational, and financial risk to the company and its shareholders.

The Sustainable Accounting Standards Board (SASB)'s standards provide a framework for identifying material ESG issues and uniformly disclosing sustainability-related information to shareholders in cost-effective manner. The Global Reporting Initiative's Sustainability Reporting Standards may also provide useful assistance.

SASB identifies Charter's material ESG issues as energy consumed by infrastructure; 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 pricing of GHG. 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: 1,900 signatories that represent \$81.7 trillion in assets who commit to: "seek appropriate disclosure on ESG issues by the entities in which [they] invest."
- SASB Investor Advisory Group: 32 global asset owners and asset managers (including Blackrock, Vanguard, and State Street Global Advisors) with \$26 trillion in assets that seek consistent, comparable, and reliable disclosure of material, decision-useful sustainability-related information from corporate issuers.
- CDP, representing 827 institutional investors globally with approximately \$100 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 climaterelated risks and disclose related strategies.

In 2017, KPMG found that 75% of 4,900 global companies had ESG reports. By not reporting, Charter is falling behind its peers, including Sky PLC and Liberty Global, who provide comprehensive ESG reports that include GHG reduction goals.

We recommend that the report include a company-wide review of policies, practices and metrics related to ESG performance.

Sustainability Reporting - GHG Emphasis

Middleby Corporation

RESOLVED: Shareholders request The Middleby Corporation (Middleby) issue a report describing the company's environmental, social, and governance (ESG) policies, quantitative performance metrics, and improvement targets, including a discussion of greenhouse gas (GHG) emissions management strategies and metrics. This report should be updated annually, be prepared at reasonable cost, and omit proprietary information.

Supporting Statement: Middleby should consider the resources and recommendations made by the widely utilized Global Reporting Initiative, CDP, Sustainability Accounting Standards Board, and the Financial Stability Board's Taskforce on Climate-related Financial Disclosures (TCFD) when identifying ESG topics to be included in this report. Proponents believe significant ESG issue areas for Middleby include operational environmental impacts (air emissions, energy use, and water use); product safety and quality; employee health and safety; workforce development; hazardous materials waste management; and manufacturing and supply chain management.

WHEREAS: Tracking and reporting on ESG practices strengthens a company's ability to compete and adapt in today's global business environment, which is characterized by heightened public expectations for corporate accountability. Transparent, substantive reporting allows companies to better integrate and capture value from existing sustainability efforts, identify gaps and opportunities in policies and practices, strengthen risk management programs, stimulate innovation, enhance company-wide communications, and recruit and retain employees.

Last year, this proposal received a vote of 57.2% - a majority level of support that management should not continue to ignore.

Since Middleby last published a sustainability report in 2010, the company has more than tripled its net sales and added a Residential Kitchen Segment that now accounts for more than 25% of net sales. Investors cannot rely on such outdated and inaccurate information as they seek to evaluate whether Middleby is adequately prepared to adapt and respond to key ESG risks and opportunities.

The Governance & Accountability Institute reports 85% of the S&P 500 published corporate sustainability reports in 2017; Middleby is clearly an outlier. Furthermore, Assa Abloy, Barnes Group, Donaldson Company, Masco Corporation, Flowserve Corporation, Lennox International, and Lincoln Electric are examples of the numerous small industrial companies regularly publishing sustainability metrics alongside qualitative supporting details.

Corporate sustainability reporting has become the norm that investors expect. The 1,500 signatories of the Principles for Responsible Investment, representing over \$60 trillion in assets, have pledged to seek "appropriate disclosure on ESG issues." The TCFD, whose members include JPMorgan Chase, UBS Asset Management, Generation Investment Management, and BlackRock, recommends companies disclose their governance structures, strategies, risk management processes and metrics and targets for managing climate related risks and opportunities.

The link between strong sustainability management and value creation is increasingly evident. The University of Oxford and Arabesque Partners recently reviewed 200 studies on sustainability and corporate performance and concluded 90 percent of studies show "sound sustainability standards lower the cost of capital of companies" and 80 percent show "stock price performance of companies is positively influenced by good sustainability practices."

Sustainability Reporting - GHG Emphasis

Quanta Services, Inc.

RESOLVED: Shareholders request Quanta Services, Inc. (Quanta) issue a report describing the company's environmental, social, and governance (ESG) policies, quantitative performance metrics, and improvement targets, including a discussion of greenhouse gas (GHG) emissions management strategies and metrics. This report should be updated annually, be prepared at reasonable cost, and omit proprietary information.

Supporting Statement: Quanta should consider the resources and recommendations made by the widely accepted Global Reporting Initiative, CDP, Sustainability Accounting Standards Board (SASB), and the Financial Stability Board's Taskforce on Climate-related Financial Disclosures (TCFD) when identifying ESG topics to be included in this report. Proponents believe significant ESG issue areas for Quanta include operational environmental impacts (air emissions, energy use, water use); environmental impacts of project development; employee health and safety; workforce development; and hazardous materials waste management.

WHEREAS: Tracking and reporting on ESG practices strengthens a company's ability to compete and adapt in today's global business environment, which is characterized by heightened public expectations for corporate accountability. Transparent, substantive reporting allows companies to better integrate and capture value from existing sustainability efforts, identify gaps and opportunities in policies and practices, strengthen risk management programs, stimulate innovation, enhance company-wide communications, and recruit and retain employees.

Quanta has provided some basic disclosures around safety and corporate governance practices but has not provided comprehensive information on other environmental or social policies, practices, performance metrics, or goals. In contrast, 10 out of the 13 peer companies identified in Quanta's 2018 Proxy statement have published comprehensive sustainability reports. The Governance & Accountability Institute reports 85% of the S&P 500 published corporate sustainability reports in 2017.

Investors are increasingly calling for improved corporate disclosure around ESG issues.

The 1,900 signatories of the Principles for Responsible Investment that represent \$81.7 trillion in assets, commit to "seek appropriate disclosure on ESG issues by the entities in which [they] invest."

The SASB Investor Advisory Group consists of 32 global asset owners and asset managers, including Blackrock, Vanguard, and State Street Global Advisors, with \$26 trillion in assets, seeks consistent, comparable, and reliable disclosure of material, decision-useful sustainability-related information from corporate issuers.

One of the recommendations of the TCFD, whose members include representatives from BlackRock, JPMorgan Chase, and UBS Asset Management is: "Describe the targets used by the organization to manage climate-related risks and opportunities and performance against these targets."

The link between company performance on material ESG issues and long-term shareholder value is increasingly evident. The University of Oxford and Arabesque Partners recently reviewed 200 studies on sustainability and corporate performance and concluded 90 percent of studies show "sound sustainability standards lower the cost of capital of companies" and 80 percent show "stock price performance of companies is positively influenced by good sustainability practices."

Furthermore, a study by the Society for Human Resource Management found employee morale was 55% better, loyalty 38% better, and workforce productivity 21% better in firms with strong sustainability programs.

Sustainability Reporting - GHG Emphasis

MAA Apartment Communities

RESOLVED Shareholders request MAA Apartment Communities (“MAA”) issue a report describing the company’s environmental, social, and governance (ESG) policies, performance, and improvement targets, including a discussion of greenhouse gas (GHG) emissions management strategies and quantitative metrics. This report should be updated annually, 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 compete and adapt in today’s global business environment, which is characterized by finite natural resources, changing legislation, and heightened public expectations for corporate accountability. Transparent, 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 the practice of sustainability reporting continues to gain momentum:

In 2015, KPMG found that of 4,500 global companies 73% had ESG reports.

The Governance & Accountability Institute reports 85% of MAA’s peers in the S&P 500 published corporate sustainability reports in 2017.

One of the United Nations’ Principles for Responsible Investment (PRI) is to seek “appropriate disclosure on ESG issues”; the PRI has more than 1,961 signatories with over \$81 trillion in assets under management.

The link between strong sustainability management and value creation is increasingly evident. A 2012 Deutsche Bank review of 100 academic studies, 56 research papers, two literature reviews, and four meta-studies on sustainable investing found 89% of the studies demonstrated that companies with high ESG ratings showed market-based outperformance. Similarly, 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.

MAA has not disclosed 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. In contrast, AvalonBay Communities, Boston Properties, Equity Residential, Host Hotels, Kimco Realty, and Macerich are examples of companies identified in MAA’s peer group that publish sustainability metrics and improvement targets, alongside qualitative supporting details.

As shareholders, we believe it is prudent for MAA to disclose how it is managing its ESG impacts, which can pose significant reputational, legal, regulatory, and financial risk to the company and its shareholders. Without appropriate disclosure, investors and other stakeholders cannot adequately assess how MAA is managing its material ESG risks and opportunities.

Proponents believe MAA should review the resources and recommendations made by the Global Reporting Initiative, CDP, and the Sustainability Accounting Standards Board in identifying topics to be discussed in this report. These widely accepted platforms suggest topics such as operational environmental impacts (including energy and water use and air emissions), water use, hazardous materials waste management, business ethics, labor management (including health & safety), and supply chain management.

Sustainability Reporting - Climate Change & Water Emph.

Essex Property Trust

WHEREAS: The link between climate change, loss of life and property in the drought-stricken West, and water management is a significant policy issue;

Our company derives 84% of its net operating income from California;¹

A high proportion of its properties are located in areas of high baseline water stress;²

Proper management of sustainability issues, including water, is likely to increase the value of real estate assets, regardless of contractual agreements that determine the share of water costs borne between asset owners and tenants. Real estate owners may be exposed to water-related regulations even when water costs are the responsibility of occupants;

In a recent survey of U.S. property owners and investment managers, 76 percent of respondents stated that there is a value difference between a sustainable and non-sustainable property. Moreover, respondents ranked water conservation second, behind only energy efficiency, in a list of 14 sustainability factors that have an impact on the perceived value of an asset;³

The Sustainability Accounting Standards Board (SASB) has established industry-specific standards that assist companies in disclosing financially material, decision-useful sustainability information to investors. SASB's Real Estate Industry Standards include water management disclosure, such as:

Percentage of total property square footage for which water withdrawal data are available, including regions with high or extremely high baseline water stress.

Any water management targets, and an analysis of performance against those targets.

Description of short-term and long-term strategy or plans to mitigate water management risks;

Our company recognizes climate change as a risk factor in annual filings, stating, "'green' building codes may seek to reduce emissions through the imposition of standards for design, construction materials, water and energy usage and efficiency and waste management. The imposition of such requirements in the future could increase the costs of maintaining or improving our existing properties or developing properties...resulting in adverse impacts to our operating results." (emphasis added);

Our company on its website recognizes that water conservation increases shareholder value, stating, "We aim to improve the efficiency of our properties...and focus our efforts on energy conservation, water conservation, and waste management programs. These initiatives help to lower operating costs, improve resident experiences, and increase value for shareholders while decreasing our impact on the environment...To conserve water, Essex has upgraded landscaping to drought tolerant and native species in conjunction with installing rain sensors, matched precipitation nozzles, and drip irrigation. We have also installed low flow showers and toilets."

Yet, Essex discloses no metrics regarding water usage in its properties. Thus, shareholders cannot properly determine the risks that water poses to our company's sustainable growth.

BE IT RESOLVED: Shareholders request that the Board of Directors issue a sustainability report to shareholders in consideration of the SASB Real Estate standard by 180 days after the 2019 Annual Meeting, at reasonable expense and excluding confidential information, summarizing the company's strategies and practices to mitigate risks, stemming from climate change, to the availability of adequate water resources.

1 Essex Property Trust 2017 Annual Report

2 <https://water.globalforestwatch.org/map/>

3 <http://www.cushmanwakefield.com/~media/globalreports/Sustainability-Survey-Results-Nov2013.pdf>

Corporate Governance

Sound corporate governance structures strengthen long-term financial performance, creating value for all stakeholders. Some of the central tenants of good corporate governance ICCR members support include executive compensation packages tied to long-term, sustainable performance goals, separation of the roles of CEO and Chairman for improved accountability, proxy access, the importance of maintaining in-person annual general meetings, and vote counting methods.

Our members filed 22 corporate governance resolutions in 2019, slightly fewer than last year. A significant number of resolutions emphasized the importance of an independent Board Chair.

In addition, many of this year’s health-focused resolutions strongly emphasized corporate governance, including incorporating drug pricing risk into senior executive incentives, executive incentive pay clawback, and board oversight of risks related to the opioid crisis. These proposals are discussed in detail in the Health section. (See page 138.)



Corporate Governance 22

Proposal Topic	Quantity
Independent Board Chair	9
Executive Incentives and Stock Buybacks	2
One Vote Per Share	2
Adopt Proxy Access Bylaw	1
Corporate Tax Savings Allocation Disclosure NEW	1
Establish a Societal Risk Oversight Committee	1
Exclude Share Repurchase Impacts in Executive Incentives	1
Majority Vote	1
Senior Executive Equity Retention	1
Shareowners Right to Call Special Meeting	1
Study Strategic Alternatives Including Sale of Assets NEW	1
Study Strategic Alternatives Including Sale of Subsidiaries NEW	1

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, rather than a consolidated Chair and CEO role.

This year ICCR members filed resolutions calling for the separation of CEO and Chair positions at 9 companies including AbbVie, Chevron, Emerson, ExxonMobil, Facebook and Pfizer. Facebook shareholders cited CEO Mark Zuckerberg’s dual-class shareholdings which give him control of approximately 60 percent of Facebook’s voting shares, leaving the company’s board with only a limited ability to check Mr. Zuckerberg’s power. The Amazon resolution highlighted the increasing criticism the company has faced over its relationships with its employees and the communities in which it operates.

Shareholders withdrew their resolution at Emerson after the company agreed to productive engagement.



“Tech giants Alphabet (Google) and Facebook have grown tremendously since their founding, through acquiring competitors as well as organic growth. Each company’s founders exercise voting control out of proportion with their economic interest through multi-class

share structures. Both Facebook and Google have faced heightened regulatory scrutiny regarding their monopolistic market power as well as their violations of customer privacy and other reputational risks. In the face of controversy, firm management has appeared out of touch with developments across its businesses, giving the impression that the companies may be too large to manage effectively.

Rather than waiting for the firms to be broken up by regulators, shareholders would be better served by asking the board of directors to hire experts to evaluate the alternatives available to maximize shareholder value. These alternatives may include asset sales, unification of multi-class structures, or other steps to improve shareholder value.”

Lisa Lindsley, Capital Markets Advisor — SumOfUs

Establish a Societal Risk Oversight Committee

Amazon’s products and services have quickly become embedded in everyday life, by streamlining logistics, increasing efficiency for consumers, businesses and governments, and transforming cloud computing. Consumer and human rights advocates argue that some applications of these technologies have the potential to cause serious, unintended social harm, including violations of civil liberties and breaches of privacy.

Arguing it is necessary in order to rebuild and maintain public trust, shareholders this year asked Amazon to form a Societal Risk Oversight Committee comprised of independent directors to review company policies and procedures to assess the potential societal consequences of Amazon’s products and services.

Study Strategic Alternatives Including Sale of Subsidiaries/Assets

Alphabet customers have experienced privacy violations, data leaks, and illegal location tracking. The company has also been criticized for incomplete responses in reports prepared for the Senate Judiciary Committee on Russian interference in the 2016 U.S. elections. Meanwhile, since 2007, Facebook customers have experienced privacy violations, data theft, news manipulation, and safety breaches that have severely damaged the company’s reputation. During these crises, Facebook management has at times given the impression that they are uninformed or working at cross purposes with one another. Facebook also failed to prevent its platform from being used to incite offline violence against the Rohingya minority in Myanmar.

Arguing that both companies may be too large and complex to be managed effectively, shareholders called on Alphabet and Facebook to begin orderly processes of retaining advisors to study strategic alternatives and empower committees of independent directors to evaluate those alternatives in exercise of their fiduciary responsibilities to maximize shareholder value.



Corporate Tax Savings Allocation Disclosure

The passage of the Trump administration’s Tax Cuts and Jobs Act (TCJA) permanently reduced the corporate tax rate from 35 percent to 21 percent and eliminated provisions requiring companies to pay taxes on money earned abroad. As a result, it is estimated that America’s largest corporations will receive a windfall of \$150 billion. During a time when wage growth remains stagnant and income inequality has widened, concern over what companies do with their tax benefits is growing.

Arguing that it is unclear whether Gilead’s intended use of its new tax windfall aligns with the TCJA’s stated goal of boosting economic growth and long-term investment in the American economy, investors asked Gilead to report on how it plans to allocate its new tax savings.

One Vote Per Share

By allowing certain stock more voting power, companies may deny shareholders an equal voice in corporate governance. In Alphabet’s multi-class voting structure, each share of Class A common stock has one vote and each share of Class B common stock has 10 votes. As a result, Mr. Page and Mr. Brin currently control over 51 percent of the company’s total voting power, while owning less than 13 percent of stock. This raises concerns that the interests of public shareholders may be subordinated to those of Alphabet’s co-founders. Likewise, Facebook founder Mark Zuckerberg controls over 51 percent of voting stock, while only owning 13 percent of the economic value of the firm.

Shareholders asked Alphabet and Facebook to adopt recapitalization plans for all outstanding stock to have one vote per share.



Study Strategic Alternatives Including Sale of Assets

Alphabet, Inc.

RESOLVED: Shareholders of Alphabet, Inc. ("Alphabet") request that the board of directors begin an orderly process of retaining advisors to study strategic alternatives and empower a committee of independent directors to evaluate those alternatives in exercise of their fiduciary responsibilities to maximize shareholder value.

Supporting Statement: Our company's revenues and market value have grown since its founding through organic growth and the acquisition of over 200 businesses such as YouTube, Android, DoubleClick and Waze. As Alphabet's market power and influence have increased, so have calls for the company to be broken up.¹

Since 2011, elected officials and regulators have raised concerns regarding possible anti-competitive practices by Alphabet and its subsidiary and predecessor Google.² While Alphabet has paid millions of dollars in fines under US antitrust law, the European Union levied a record \$2.7 billion fine on Alphabet in 2017.³

Customers have experienced privacy violations, data leaks, and illegal location tracking from Alphabet.⁴ Our company's reputation has been damaged by allegations that it collaborated with the Chinese government to censor searches in China and expand China's cyber-surveillance of its citizens.⁵ In December 2018, the Federal Trade Commission was asked to investigate violations of the privacy of children by Alphabet.⁶ In the same month, Alphabet was criticized for incomplete responses in reports prepared for the Senate Judiciary Committee on Russian interference in the 2016 US elections.⁷ A month earlier, thousands of Alphabet employees walked off their jobs to protest harassment in the workplace.⁸

It appears that Alphabet may be too large and complex to be managed effectively. Officials in the US & EU continue to be concerned about Alphabet's market power in view of restrictions on monopolies.⁹ We believe that shareholders could receive greater value from a voluntary strategic reduction in the size of the company than from asset sales compelled by regulators.

Alphabet continues to be controlled by two of its founders, despite their ownership of no Class A shares, which account for 86% of outstanding shares as of March 29, 2018.¹⁰ Academic studies have demonstrated that the benefits of a dual-class capital structure like Alphabet's decline in the years following an initial public offering.¹¹

We believe that it would be consistent with their fiduciary duties for the board of directors to evaluate, with the help of third-party specialists, the strategic options with the goal of maximizing shareholder value.

Some of the options to be evaluated by the board might include:

- Unification of Class A and B shares; and
- The sale, encumbrance or disposition of all or substantially all of Alphabet's assets.

We urge shareholders to support this proposal.

1 <https://www.reuters.com/article/us-technology-www/father-of-web-says-techgiants-may-have-to-be-split-up-idUSKCN1N63MV>; and <https://www.nytimes.com/2017/04/22/opinion/sunday/is-it-time-to-break-upgoogle.html>

2 https://www.ftc.gov/system/files/documents/foia_requests/130131google_a_0.pdf

3 <https://www.broadcastingcable.com/news/european-commission-fines-google-27-billion-166819>

4 <http://fortune.com/2016/06/30/elizabeth-warren-apple-google/>; <https://www.bbc.com/news/technology-46356999>; and <https://www.ftc.gov/news-events/press-releases/2012/08/google-will-pay-225-million-settle-ftc-charges-it-misrepresented>

5 <https://theintercept.com/2018/09/14/google-china-prototype-links-searches-to-phone-numbers/>; and <https://www.theverge.com/2018/8/1/17638480/google-china-search-engine-censored-report>

6 https://www.upi.com/amp/Top_News/US/2018/12/19/Consumer-groups-file-complaint-with-FTC-over-Googles-childapps/8981545217400/

7 <https://www.vox.com/technology/2018/12/17/18144946/senate-report-russia-facebook-twitter-google>

8 <https://www.theguardian.com/technology/2018/nov/01/google-walkout-global-protests-employees-sexual-harassment-scandals>

9 https://www.washingtonpost.com/world/europe/europes-antitrust-cop-margrethe-vestager-has-facebook-and-google-in-hercrosshairs/2018/05/10/519eb1a0-47cd-11e8-8082-105a446d19b8_story.html; and <https://www.cnet.com/news/google-andfacebook-could-be-in-ftc-crosshairs-over-anti-trust-concerns/>

10 <https://www.sec.gov/Archives/edgar/data/1652044/000130817918000222/lgoog2018-def14a.htm#toc>, p. 30

11 https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3145209; and https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2954630

Study Strategic Alternatives Including Sale of Subsidiaries

Facebook Inc.

RESOLVED: Shareholders of Facebook, Inc. (“Facebook”) request that the board of directors begin an orderly process of retaining advisors to study strategic alternatives and empower a committee of independent directors to evaluate those alternatives in exercise of their fiduciary responsibilities to maximize shareholder value.

Supporting Statement: Our company’s revenues and market value have grown since its founding through organic growth and the acquisition of competitors such as Instagram, WhatsApp, and Oculus VR. As Facebook’s market power and influence have increased, so have calls for the company to be broken up.¹

Since 2007, Facebook customers have experienced privacy violations, data theft, news manipulation, and safety breaches that have severely damaged our company’s reputation. During these crises, Facebook management has at times given the impression that they are uninformed or working at cross purposes with one another. Facebook’s problems have gone² beyond customers and shareholders; an independent report commissioned by Facebook found that Facebook had failed to prevent its platform from being used to “incite offline violence” against the Rohingya minority in Myanmar.³

It appears that Facebook may be too large and complex to be managed effectively. Officials in the US and EU are concerned about Facebook’s market power in view of restrictions on monopolies. Writing about the internal Facebook documents released by the UK Parliament in⁴ December 2018, Bloomberg calls scrutiny around whether Facebook is a monopoly “one of Facebook’s biggest current political risks.” We believe that shareholders could receive greater⁵ value from a voluntary strategic reduction in the size of the company than from asset sales compelled by regulators.

As of December 3, 2018, the price of Facebook’s common stock had declined by 23.6% in 2018, compared to an appreciation of 5.32% for the NASDAQ composite index. Consumer trust in Facebook dropped by 66%, according to one poll, following coverage of the Cambridge Analytica scandal.⁶

Facebook continues to be controlled by one of its founders, Mark Zuckerberg, despite his ownership of only 0.3% of outstanding A shares. Academic studies have demonstrated that the⁷ benefits of a dual-class capital structure like Facebook’s decline in the years following an initial public offering.⁸

We believe that it would be consistent with their fiduciary duties for the board of directors to evaluate, with the help of third-party specialists, the strategic options with the goal of maximizing shareholder value.

Some of the options to be evaluated by the board might include:

- The acquisition and cancellation of Class B shares; and
- The sale of one or more subsidiaries.

We urge shareholders to support this proposal.

1 <https://www.reuters.com/article/ustechnology- www/father-of-web-says-tech-giants-may-have-to-be-splitup-idUSKCN1N63MV>; <https://www.thedailybeast.com/facebook-cant-be-fixed-it-needs-to-be-broken-up>

2 <https://www.nytimes.com/2018/11/14/technology/facebook-data-russia-election-racism.html>

3 <https://www.bbc.com/news/worldasia-46105934>

4 https://www.washingtonpost.com/world/europe/europes-antitrust-cop-margrethe-vestager-has-facebookandgoogle- in-her-crosshairs/2018/05/10/519eb1a0-47cd-11e8-8082-105a446d19b8_story.html; <https://www.cnet.com/news/googleand- facebook-could-be-in-ftc-crosshairs-over-anti-trust-concerns/>

5 <https://www.bloomberg.com/news/articles/2018-12-05/seizedfacebook- internal-emails-published-by-u-k-lawmakers>

6 <https://www.nbcnews.com/business/consumer/trust-facebook-hasdropped- 51-percent-cambridge-analytica-scandal-n867011>

7 <https://www.cnbc.com/2018/03/20/shareholders-wont-forcezuckerbergs- hand-in-facebook-management.html>; and

8 https://www.sec.gov/Archives/edgar/data/1326801/000132680118000022/facebook2018definitivex.htm#s80FA7602578E5_1019563736D01527616

8 https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3145209; and https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2954630

Corporate Tax Savings Allocation Disclosure

Gilead Sciences, Inc.

WHEREAS: The passage of the Tax Cuts and Jobs Act (TCJA) permanently reduced the corporate tax rate from 35 percent to 21 percent and eliminated provisions requiring companies pay taxes on money earned abroad. With these changes it is estimated that America's largest corporations by market capitalization will receive a windfall of \$150 billion.¹ One of the overarching goals of the legislation is to boost economic growth and companies' long-term investment in the American economy, however without more detailed information it is unclear whether a company's intended use of the assets aligns with this goal.

To date, Gilead has not provided adequate information indicating how the company plans to use tax savings gained as a result of the TCJA.

We believe investors should have ample information regarding how changes to the tax law will impact a company's long-term strategy. Larry Fink, CEO of BlackRock 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."

The tax cuts present Gilead with an opportunity to strengthen the bottom line, invest in workers, benefits, jobs, communities, capital investments, R&D, and make acquisitions. Without any specificity or discussion of these investments, investors cannot understand how the tax law will impact a company's long-term strategy.

Motivated by the tax changes, industry peer Amgen announced plans to open a biologics plant adding 300 new jobs.² Dozens of companies have also shared how they will spend the tax savings. Boeing will use the funds on workforce development, infrastructure enhancement, and corporate giving.³ Target plans to use 100 percent of its tax savings on workers.

The focus on what companies do with tax benefits is growing during a time when wage growth remains stagnant and income inequality has widened.

In a poll, when Americans were asked what percentage of corporate tax savings should be allocated to seven categories, responses indicated that fifty-two percent thought tax savings should go towards worker pay and/or benefits, creating new jobs, and giving back to communities. Passing savings onto shareholders was the lowest priority at just 10 percent.

Earlier this year Illinois Treasurer Frerichs and JUST Capital issued a survey to S&P 100 companies with a series of questions regarding planned allocation of corporate tax savings. Gilead declined to complete the survey.

RESOLVED: Shareholders request the board of directors to issue a report describing how the company plans to allocate tax savings as a result of the TCJA. This report should be prepared at reasonable cost, in a reasonable time, and omit proprietary information.

1 [https://illinoistreasurer.gov/TWOCMS/media/doc/Report%20--%20Tax%20Savings%20Plans%20Among%20U.S.%20Companies%20\(October%202018\).pdf](https://illinoistreasurer.gov/TWOCMS/media/doc/Report%20--%20Tax%20Savings%20Plans%20Among%20U.S.%20Companies%20(October%202018).pdf)

2 <https://www.amgen.com/media/news-releases/2018/04/amgen-announces-rhode-island-will-be-location-of-first-usnext-generation-biomanufacturing-plant/>

3 <https://boeing.mediaroom.com/2017-12-20-Boeing-CEO-Muilenburg- Applauds-Tax-Law-Announces-300-Million-in-Employee-Related-and-Charitable-Investments-to-Spur-Innovationand-Growth>

Adopt Proxy Access Bylaw

Sturm Ruger & Co.

RESOLVED: Shareholders of Sturm, Ruger & Co., Inc. (“Ruger”) ask the board of directors (the “Board”) to adopt a “proxy access” bylaw. Such a bylaw shall require Ruger to include in proxy materials for a shareholder meeting at which directors are to be elected the name, Disclosure and Statement (as defined herein) of any person nominated for election to the board by a shareholder or group (the “Nominator”) that meets the criteria established below. Ruger shall allow shareholders to vote on such nominee on the Company’s proxy card.

The number of shareholder-nominated candidates appearing in proxy materials shall not exceed one quarter of the number of directors then serving. This bylaw, which shall supplement existing rights under Ruger’s bylaws, should provide that a Nominator must:

- a) have beneficially owned 3% or more of Ruger’s outstanding common stock continuously for at least three years before the nomination is submitted;
- b) give Ruger written notice within the time period identified in its bylaws of the information required by the bylaws and any rules of the Securities and Exchange Commission about (i) the nominee, including consent to being named in the proxy materials and to serving as a director if elected; and (ii) the Nominator, including proof it owns the required shares (the “Disclosure”); and
- c) certify that (i) it will assume liability stemming from any legal or regulatory violation arising out of the Nominator’s communications with Ruger’s shareholders, including the Disclosure and Statement; (ii) it will comply with all applicable laws and regulations if it uses soliciting material other than Ruger’s proxy materials; and (iii) to the best of its knowledge, the required shares were acquired in the ordinary course of business and not to change or influence control at Ruger.

The Nominator may submit with the Disclosure a statement not exceeding 500 words in support of the nominee (the “Statement”). The Board shall adopt procedures for promptly resolving disputes over whether notice of a nomination was timely, whether the Disclosure and Statement satisfy the bylaw and any applicable federal regulations, and the priority to be given to multiple nominations exceeding the one-quarter limit.

Supporting Statement

We believe proxy access makes directors more accountable and enhances shareholder value. A 2014 CFA Institute study concluded that proxy access could raise overall US market capitalization by up to \$140.3 billion if adopted market-wide, “with little cost or disruption.” (<http://www.cfapubs.org/doi/pdf/10.2469/ccb.v2014.n9.1>) As of June 30, 2018, over 500 U.S. public companies, and two-thirds of S&P 500 companies, have adopted proxy access bylaws. (<https://corpgov.law.harvard.edu/2018/10/19/proxy-access-proposals-2/>)

Robust board oversight takes on even greater importance for Ruger, a gun manufacturer that faces significant financial and reputational risks associated with its business. Strong oversight can help Ruger manage and mitigate those risks most effectively.

We urge shareholders to vote FOR this proposal.

Independent Board Chair

AbbVie

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.

This policy would be phased in for the next CEO transition.

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.

Opioid abuse is unquestionably a public health crisis across North America. Investors are concerned that opioid manufacturers' unsustainable business practices may have a significant impact on not only public health and safety, but the overall economy.

Investors are concerned that the recent allegations related to sales practices at AbbVie may be indicative of a culture of noncompliance at the company, which could translate to questionable sales and marketing practices related to other products.

We believe that reputational costs of adverse litigation, regulatory findings, and investigations, may impact opioid manufacturers, like AbbVie, in ways that could harm the company's long-term performance and stifle company growth over the long-term. A separation of the Chair and CEO could more effectively address the challenges faced by our Company.

In response to these and other concerns, we believe that AbbVie's Board must 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 April 2018, 59% of the S&P 1500 have separated the role of Chair and CEO.

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

Independent Board Chair

Exxon Mobil Corporation

Similar resolutions were submitted to Emerson, 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 be her/his own overseer as Chair while managing the business.

Exxon Mobil's CEO Darren Woods serves both as CEO and Chair of the Company's Board of Directors. We believe the combination of these two roles in a single person weakens a corporation's governance structure.

Chairing and overseeing the Board is a time intensive responsibility. A separate independent Chair also frees the CEO to manage the company and build effective business strategies.

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 a separate 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 combined CEO | Chair creates a potential conflict of interest, resulting in excessive management influence on the Board and weaker oversight of management.

Numerous institutional investors recommend separation of these two roles. For example, California's Public Employee Retirement System's Principles & Guidelines encourage separation, even with a lead director in place.

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.

With the unprecedented challenges facing global energy companies regarding climate change, as they make important transitions to a low carbon economy, it is an important time to ensure our company's governance is the best it can be.

This shareholder resolution to Exxon Mobil received 38.7% vote in 2018.

To simplify the transition, this new policy, if enacted, would be phased in when a next CEO is chosen.

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 60% of Facebook's voting shares, 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.

The Council of Institutional Investors argues: Having an independent chair helps the board carry out its primary duty – to monitor the management of the company on behalf of its shareowners. A CEO who also serves as chair can exert excessive influence on the board and its agenda, weakening the board's oversight of management. Separating the chair and CEO positions reduces this conflict, and an independent chair provides the clearest separation of power between the CEO and the rest of the board.

Facebook has resisted recent shareholder requests to separate these roles. In 2017, according to our calculations, a similar proposal received the support of 51% 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 noninsider shareholders.

Google, Microsoft, Apple, Oracle, and Twitter have separate CEO and chairperson roles. More broadly, 59% of the S&P 1500 separated these roles as of April 2018.

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. Examples from past years include:

- Russian meddling in U.S. elections
- Sharing personal data of 87 million users with Cambridge Analytica
- Data sharing with device manufacturers, including Huawei that is flagged by U.S. Intelligence as a national security threat
- Proliferating fake news
- Propagating violence in Myanmar, India, and South Sudan
- Depression and other mental health issues, including stress and addiction
- Allowing advertisers to exclude black, Hispanic, and other "ethnic affinities" from seeing ads.

In apologies, Mr. Zuckerberg has stated, "We didn't take a broad enough view of our responsibility." This broader view is what an independent Board Chair would provide, which we believe would benefit the company, its shareholders, and its global community of users.

Independent Board Chair

Amazon.com, Inc

A similar resolution was submitted to PepsiCo, Inc.

RESOLVED: Shareholders of Amazon.com Inc. (“Amazon”) 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: Amazon’s Chief Executive Officer (CEO) Jeff Bezos also serves as Board Chairman. We believe the combination of these two roles in a single person weakens a corporation’s governance, which can harm shareholder value. As Intel’s former Chair Andrew Grove 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, shareholder value is enhanced by an independent Board Chair who can provide a balance of power between the CEO and the Board and support strong Board oversight. Proxy advisor Glass Lewis opined in a 2016 report that “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.” (www.glasslewis.com/wp-content/uploads/2016/03/2016-In-Depth-Report-INDEPENDENTBOARD-CHAIRMAN.pdf)

An independent Board Chair has been found in academic studies to improve the performance of public companies, although evidence overall is inconclusive. While separating the roles of Chair and CEO is the norm in Europe, 48% of S&P 500 company Boards have also implemented this best practice. (www.spencerstuart.com/~media/pdf%20files/research%20and%20insight%20pdfs/spencer-stuart-usboard-index-2016.pdf)

We believe that independent Board leadership would be particularly useful at Amazon in providing more robust oversight regarding sustainability issues. Amazon touts the success of its long-term approach to investment; we agree with the recent observations by State Street Global Advisors’ CEO that “a long-term horizon requires a focus on sustainability” and that boards “are often better-equipped than the day-to-day management to see these issues over longer time horizons.” (www.ssga.com/investment-topics/environmental-social-governance/2017/long-term-value-begins-at-theboard-eu.pdf)

Amazon has faced increasing criticism over its relationships with key constituencies such as employees (e.g., www.nypost.com/2017/04/20/these-amazon-warehouse-workers-may-nevercall-in-sick/) and communities in which it operates (e.g., www.fastcompany.com/40472790/memo-tomayors-courting-amazons-hq2-nows-the-time-to-be-stingy-and-smart). Independent Board leadership would, we think, more likely result in improved policies and practices to mitigate these business risks.

We urge shareholders to vote for this proposal.

Independent Board Chair

Chevron Corp.

RESOLVED: Shareholders request that the Board adopt as policy, and amend the bylaws as necessary, to require the Chair of the Board, 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, within a reasonable amount of time the Board shall select a new Chair who satisfies the requirements of the policy. Compliance with this policy is waived if no independent director is available and willing to serve as Chair.

Supporting Statement: We believe that inadequate Board oversight has led management to mishandle a number of issues, increasing both risk and costs to shareholders.

First: Chevron has mishandled risk related to the ongoing legal effort by communities in Ecuador to enforce a \$9.5 billion judgment against our Company 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.

An attempt to collect on the judgment from Chevron in Canada is ongoing. That effort is now before the Supreme Court of Canada on the issue of whether assets held by Chevron's Canadian subsidiary can be used to satisfy the Ecuadorian judgment.

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

Second: Investors are concerned that Chevron has not adequately addressed climate change – a significant risk that has already manifested and is set to intensify in the long run via regulation, energy price swings, and growing uncertainty around fossil fuel investments. Chevron has published a climate risk scenario report and attempted to reduce capital spending; however, investor concerns remain:

- Climate-related tort claims and similar litigation against Chevron are mounting.
- Chevron's 2017 climate risk report downplays important factors, like potential competition from low-carbon energy technologies.
- Chevron supports lobbying and trade associations that spread disinformation on climate science/policy, such as the American Legislative Exchange Council and American Petroleum Institute.

Third: Inadequate Board attention could intensify risks and controversies throughout Chevron's global operations. Examples include: renewed attacks on Chevron's Nigeria assets, 2016; controversial operations in Myanmar during ethnic cleansing of the Rohingya, 2017; and a landmark 2017 enforcement against Chevron for alleged tax evasion in Australia.

In 2017, 38.7% of shareholders voted FOR this proposal.

An independent Chair would improve oversight as well as bring attention to long-range risks such as those noted above.

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

Senior Executive Equity Retention

Patterson-UTI Energy, Inc.

RESOLVED: The shareholders of Uti-Patterson urge the Compensation Committee of the Board of Directors (the “Committee”) 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).

Supporting Statement: Among other issues to be considered by the Committee at its discretion concerning this issue, Shareholders request that the Compensation Committee consider the benefits of adopting a two year holding period. In addition, shareholders suggest that the policy address the permissibility of transactions such as hedging transactions which are not sales but reduce the risk of loss to the executive.

WHEREAS: Requiring senior executives to hold a significant portion of shares obtained through compensation plans after the termination of employment helps focus their attention on Uti-Patterson’s long term success and better aligns their interests with those of Uti-Patterson shareholders. One reason boards provide incentives with stock is to create such long-term alignment. Awards that fail to include such requirements instead allow executives to cash out options near the top of the market.

In 2017, the company significantly increased the CEO’s base salary and annual incentive targets, resulting in considerably higher cash compensation than in 2016. At the 2018 annual meeting, 75.5% of shareholders cast a vote against the company’s advisory vote on compensation, largely due to a failure to adequately link pay and performance.

Shareholders believe it is important for the company to promote long-term and sustainable value creation that can withstand predictable long-term risks. This requires a comprehensive understanding and evaluation of longer term risks by executive management. As an example, environmental risks, including elements of resource availability and climate risk, as well as potential regulatory and market response to these risks must be considered. To succeed over the long term, Uti- Patterson will need to acknowledge, evaluate, and manage long-term risks and opportunities. If executive compensation plans are focused on shorter term stock price fluctuations, management may not be incentivized to take such long-range actions.

Uti-Patterson currently has a very limited retention requirement that is only effective until its modest ownership guidelines have been met. We view a more rigorous retention requirement as superior to the current stock ownership guidelines.

We urge shareholders to vote for this proposal.

Executive Incentives and Stock Buybacks

Abbott Laboratories

A similar resolution was submitted to Merck & Co., Inc.

RESOLVED that shareholders of Abbott Laboratories (“Abbott”) urge the Board of Directors to adopt a policy that the Compensation Committee (the “Committee”) must approve a proposed sale of Compensation Shares by a senior executive during a Buyback and, for each such approval granted, explain in writing, for inclusion in Abbott’s proxy statement for the relevant period, why the Committee concluded that approving the sale was in Abbott’s long-term best interest.

For purposes of this Proposal, “Compensation Shares” are shares of Abbott common stock obtained pursuant to a compensation award, grant or other similar arrangement, including shares obtained upon the exercise of stock options, vesting of restricted stock or settlement of a long-term incentive plan award. A Buyback occurs when Abbott has announced it will be repurchasing shares of common stock.

Supporting Statement: We support senior executive compensation arrangements that promote ethical behavior, encourage investment in innovation and the workforce, and align the interests of senior executives and long-term shareholders. We believe that equity compensation, appropriately managed, can be consistent with those objectives.

We are concerned, however, that allowing senior executives to cash out during a Buyback defeats the long-term orientation which equity compensation is meant to foster. Buybacks have reached record levels in 2018 as a result of the 2017 Tax Cuts and Jobs Act. This runs counter to the claims that the savings provided to corporations by the tax cut would be reinvested.¹ Even before the recent surge, research found that Abbott’s spending on research and development - at 9% of revenues - lagged behind the 12% of revenues the company spent on share buybacks and dividends from 2006 through 2015.²

A 2018 study by Commissioner Robert Jackson’s staff found that sales of company stock by insiders increased significantly following buyback announcements: The number of companies with at least one insider selling in the eight days after an announcement was double the number absent a buyback, and the average daily trade size was five times larger. Insiders benefited from a stock price bump following the announcement, which averaged over 2.5%. Commissioner Jackson concluded that Buybacks “give executives an opportunity to take significant cash off the table, breaking the pay-performance link.”³

We agree with Commissioner Jackson that “corporate boards and their counsel should pay closer attention to the implications of a buyback for the link between pay and performance.” To that end, he urged that compensation committees should be required to approve sales of shares acquired through equity compensation programs and, if approval is granted, disclose to shareholders why the sale is in the company’s long-term best interests. Our proposal urges Abbott to adopt that suggestion for sales by senior executives of Compensation Shares during Buybacks.⁴ In our view, limiting incentives to cash out will help keep senior executives’ focus on the long term, where it belongs.

We urge shareholders to vote for this Proposal.

1 E.g., <https://www.nbcnews.com/politics/politics-news/trump-signs-tax-cut-bill-first-big-legislative-win-n832141>; <http://nymag.com/daily/intelligencer/2018/07/corporations-are-investing-in-stock-buybacks-that-dont-pay.html>

2 See <https://www.oxfamamerica.org/explore/research-publications/prescription-for-poverty/>

3 See <https://www.sec.gov/news/speech/speech-jackson-061118>

4 See <https://www.sec.gov/news/speech/speech-jackson-061118>

Exclude Share Repurchase Impacts in Executive Incentives

Mondelez International, Inc.

RESOLVED: Shareholders of Mondelez International, Inc. (the “Company”) urge the Human Resources and Compensation Committee of the Board of Directors to adopt a policy that financial performance metrics shall be adjusted, to the extent practicable, to exclude the impact of share repurchases when determining the amount or vesting of any senior executive incentive compensation grant or award. The policy should be implemented in a way that does not violate existing contractual obligations or the terms of any plan.

Supporting Statement: Stock buybacks affect many of the financial ratios used as performance metrics for incentive pay of senior executives, such as earnings per share, return on assets, and return on equity. While stock buybacks may also boost stock prices in the short term, we are concerned that they can deprive companies of capital necessary for creating long-term growth.

The Company uses earnings per share as a metric for its short-term bonus plans, a financial ratio that is impacted by share repurchases. In our view, senior executives are responsible for improving our Company’s operational performance, whereas the Board of Directors is responsible for determining when stock buybacks are appropriate. For this reason, we believe that senior executives should not receive larger pay packages simply because the number of shares outstanding is reduced. Executive pay should be aligned with operational results, not financial engineering. We note, too, that shareholders voted against the advisory vote on executive compensation in 2018.

For these reasons, we urge you to vote FOR this proposal.

Majority Vote

Amazon.com, Inc

WHEREAS: Many American corporations employ a poor governance practice that gives boards unwarranted power to disregard investor concerns. This practice – known as “Formula Swapping” – has caused more than 100 shareholder proposals that earned a winning 50%-or-greater Simple Majority vote to instead be regarded as “failing”. The key is how ABSTAIN votes are treated.

For example: a Plum Creek Timber proposal on political spending garnered a Simple Majority vote of 56.2 percent. However, the company’s use of Formula Swapping dropped the vote by 22 percent, and changed the outcome to a “failing” 34.2 percent.

Using Formula Swapping, Amazon packs ABSTAIN votes into the formula against shareholder proposals. Ignoring voter intent, Formula Swapping mathematically converts every abstention into an AGAINST vote, reducing the percentage cast in favor. These distorted figures are then reported by the press, and often become enshrined in company SEC filings.

Amazon engages in this kind of Formula Swapping, using a favorable Simple Majority vote-counting formula for board elections, but a more repressive formula to count votes on shareholder proposals. The inconsistent treatment of these management proposals versus shareholder proposals disproportionately benefits management’s board vote while depressing the tally on shareholder items. This constitutes poor governance – Formula Swapping puts stockholders at a disadvantage, and reflects the faulty logic that a Company can judge voter intent.

How did this come to be? Under Rule 14a-8, the SEC mandates use of a fair Simple Majority standard (FOR divided by FOR + AGAINST) to determine a proposal’s resubmission eligibility – abstentions are barred from this SEC formula. Other than this, State law typically governs and the SEC cannot direct how companies count votes.

Historically, competition for corporate registrations resulted in a “race to the bottom” in which states permitted companies to adopt confusing, inconsistent, and discriminatory voting practices – practices that continue to disadvantage shareholders to this day.

Policy 3.7 of the Council of Institutional Investors (CII, “The Voice of Corporate Governance”) declares that “abstentions should be counted only for purposes of a quorum” (emphasis added).

Accordingly, please vote FOR this common sense proposal that counters the systemic disadvantaging of stockholders – and instead seeks a level playing field where Amazon does not count its board proposal more leniently than shareholder proposals.

RESOLVED: Shareholders ask the Board of Amazon.com, Inc. to take steps to amend Company governing documents to provide that all non-binding matters presented by shareholders shall be decided by a simple majority of the votes cast FOR and AGAINST an item. This policy would apply to all such matters unless shareholders have approved higher thresholds, or applicable laws or stock exchange regulations dictate otherwise.

One Vote Per Share

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, 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: Since July 2018, Facebook value dropped as much as 40% due to management and Board decisions that have not protected shareholder value. By allowing certain stock more voting power, our company takes public shareholder money but does not provide us an equal voice in our company's governance. Founder Mark Zuckerberg controls over 51% of the vote, though he owns only 13% of the economic value of the firm.

Without equal voting rights, shareholders cannot hold management accountable. This was also apparent in the 2016 vote to approve a non-voting class of stock, described as a move to ensure Mr. Zuckerberg retained control of our Company. Almost 1.5 billion shares of stock voted AGAINST the creation of the non-voting class in 2016, Mr. Zuckerberg's voting power alone was all that was needed to create the class. In fact, 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.

Our company's own 10-K describes the risk of the current share system: "Mark Zuckerberg . . . is able to exercise voting rights with respect to a majority of the voting power of our outstanding capital stock and therefore has the ability to control the outcome of matters submitted to our stockholders for approval. . . . In addition, Mr. Zuckerberg has the ability to control the management and major strategic investments of our company as a result of his position as our CEO and his ability to control the election or replacement of our directors . . . 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. We urge shareholders to vote FOR a recapitalization plan for all outstanding stock to have one vote per share.

One Vote Per Share

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, each share of Class A common stock has one vote and each share of Class B common stock has 10 votes. 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. This raises concerns that the interests of public shareholders may be subordinated to those of our co-founders.

When certain stock have more voting power than other stock, our company takes our public shareholder money but does not let us have an equal voice in our company's management. Without a voice, shareholders cannot hold management accountable. For example, despite the fact that more than 85% of outsiders (average shareholders) voted AGAINST the creation of a third class of stock (class C) in 2012, the weight of the insiders' 10 votes per share allowed the passage of this proposal.

On July 31, 2017, the S&P Dow Jones Indices announced that the S&P Composite 1500 and its component indices will no longer add companies with multiple share class structures. This change reflects a toughening stance by index firms and the investors they represent who increasingly emphasize the importance of corporate governance rights.

In reaction to the change at the S&P, the executive director of the Council of Institutional Investors (CII) stated: "Multi-class structures...rob shareholders of the power to press for change when something goes wrong, which happens sooner or later at most if not all companies...Shareholders at such companies have no say in electing the directors who are supposed to oversee management."

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."

Independent analysts appear to agree with our concerns. As of November 1, 2018, Institutional Shareholder Services (ISS), which rates companies on governance risk, gave our company a 10, its highest risk category, for the Governance QualityScore. ISS rates our shareholder rights and compensation a 10, and our board is rated a 9, also indicating relatively higher risk according to ISS.

Shareowners Right to Call Special Meeting

Chevron Corp.

RESOLVED: Shareowners request that the Board of Chevron Corporation (“Chevron” or “Company”) take the steps necessary to amend Company bylaws and appropriate governing documents to give holders of 10% of outstanding common stock the power to call a special shareowners meeting. To the fullest extent permitted by law, such bylaw text in regard to calling a special meeting shall not contain exceptions or excluding conditions that apply only to shareowners but not to management or the Board.

Supporting Statement: This Proposal grants shareowners the ability to consider important matters which may arise between annual meetings, and augments the Board’s power to itself call a special meeting. This Proposal earned the support of 34% of shares voted in 2018, representing over \$54 billion in shareholder value.

We believe management has mishandled a variety of issues in ways that significantly increase both risk and costs to shareholders. The most pressing of these issues is the ongoing legal effort by communities in Ecuador to enforce a \$9.5 billion judgment against Chevron 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. For two decades the affected communities brought suit against Texaco (and subsequently Chevron). The case reached its conclusion in 2018 when Ecuador’s Constitutional Court, in an 8-0 decision, confirmed a \$9.5 billion judgment against Chevron.

Instead of negotiating an expedient, fair, and comprehensive settlement with the affected communities in Ecuador, Chevron pursued a costly legal strategy that lasted for more than two decades. In the course of these proceedings, Chevron’s management made significant missteps, including moving the case from New York to Ecuador. In an unprecedented move, Chevron harassed and subpoenaed stockholders who questioned the advisability of the Company’s legal strategy.

An attempt to collect on the judgment from Chevron in Canada is ongoing. That effort is now before the Supreme Court of Canada on the issue of whether assets held by Chevron’s Canadian subsidiary can be used to satisfy the Ecuadorian judgment.

Chevron has acknowledged the serious risk enforcement of the \$9.5 billion judgment represents. Under oath, Deputy Controller Rex Mitchell testified that such seizure of Company assets: “would cause significant, irreparable damage to Chevron’s business reputation and business relationships.”

However, Chevron has yet to fully report these risks in either public filings or statements to shareholders. As a result, investors have requested that the U.S. Securities and Exchange Commission investigate whether Chevron violated securities laws by misrepresenting or materially omitting information in regard to the multi-billion Ecuadorian judgment.

Shareholders urgently need a reasonable 10% threshold to call special meetings.

THEREFORE: Vote FOR this common-sense governance enhancement that would improve shareholder communication and protect shareholder value.

Diversity and Inclusiveness

In a complex global marketplace, the ability to draw on a wide range of viewpoints, backgrounds, skills, and experiences can be critical to a company’s success. Likewise, a diverse board of directors which includes women and people of color increases the likelihood a company will make the right strategic and operational decisions, and catalyzes efforts to recruit, retain, and promote the best people. Research has found that for every 10 percent increase in racial and ethnic diversity on a company’s senior-executive team, earnings before interest and taxes rise 0.8 percent.

Improving workforce diversity and inclusion requires proactive policies and programs. Publishing workforce composition data is a good first step, and helps companies and investors track progress as companies seek to reduce unconscious bias in hiring and mentorship.

ICCR members challenge corporations to increase the number of women and people of color on their boards of directors and in senior management roles. Investors also ask corporations to eliminate gender pay gaps, and enhance workplace, board and senior leadership diversity. Member filings on inclusiveness are the fourth most popular category of resolutions this year, with 37.



Diversity & Inclusiveness 37

Proposal Topic	Quantity
Board Diversity	16
Workplace Diversity	7
Gender and Racial Pay Gap	6
Executive Leadership Team Diversity	4
Executive Pay - Incorporate Diversity & Sustainability Metrics	2
Sexual Orientation & Gender Identify/Expression	1
Use of NDAs/Mandatory Arbitration in Sexual Harassment Cases NEW	1

Gender and Race Pay Gap

In the wake of the Harvey Weinstein scandal and subsequent #MeToo movement, there is increased attention being paid to workplace gender issues, including the pay gap that exists between men and women in nearly all industries in the U.S. The gender pay gap is defined as the difference between male and female median earnings expressed as a percentage of male earnings. The median income for women working full time in the U.S. is currently 80 percent of that of their male counterparts. This disparity can equal nearly half a million dollars over a career. The gap for African American and Latina women is even larger, at 60 percent and 55 percent respectively. At the current rate, women will not reach pay parity until 2059.

This year, ICCR members filed resolutions addressing the gender pay gap at 6 companies. Analog Devices, Cigna, Citizens Financial, and Pfizer were asked to report on whether a pay gap exists among their employees and outline any steps being taken to reduce the gap.

Alphabet was asked to report on its global median gender pay gap, including associated reputational and competitive risks. TJX was asked to report on its goals for reducing inequities in compensation due to gender, race or ethnicity.



“Diversity in the boardroom has improved in recent years, and asset owners, and investors including ICCR members are playing an important role in this

success through company dialogues and the proxy. Expanding diversity, specifically gender diversity, in the C-Suite has not seen similar success. In 2018, the number of woman CEOs declined 25% to 24. The social and business cases for diversity are well known, but barriers to opportunity persist. Only nine percent of top executive roles in the Russell 3000 are held by women. In addition, rather than holding executive roles that are stepping stones to the CEO position, women are more likely to be found in Human Resources Officer, General Counsel, or Chief Administrative Officer roles. The absence of clear strategies to reach gender parity is also slowing progress. U.S. companies lag behind issuers in 18 developed European markets and Canada, according to ISS, in disclosing gender diversity policy for senior management positions.

To address this growing concern, Trillium filed executive leadership proposals at BorgWarner (co-filed with Impax Asset Management) Carter’s, BNY Mellon and Newell Brands. We asked for an assessment of diversity in its senior leadership ranks and plans to expand diversity, inclusive of gender, race, and ethnicity. Citigroup, Symantec, and BP are among leaders setting goals to increase women in leadership. It is time more companies set goals, and hold executives accountable to creating inclusive workplaces, reducing inequality and improving performance on inclusion and diversity in senior roles.”

Susan Baker, Vice President
– **Trillium Asset Management**

Board Diversity

Because women and people of color remain significantly underrepresented on U.S. corporate boards, (comprising approximately 18 percent and 10 percent of all S&P 1500 directorships, respectively), investors are encouraging corporations to implement policies and programs to foster inclusion across their businesses.

Investors asked 16 companies including Atrion and Skechers to report on the steps they are taking to foster greater diversity on their boards, including strengthening nominating and corporate governance policies and reporting on progress achieved and challenges experienced.

CBS and Discovery were asked to adopt formalized nominating committee procedures for identifying new board candidates, including adding policies to address board diversity.

BorgWarner was asked to assess the diversity of its Strategy Board and to disclose its plans to expand diversity in its ranks.

Safety Insurance was asked to develop a diversity policy in which the board commits to ensuring that women and minority candidates are routinely sought as part of each board search.

Shareholders were able to withdraw their Atrion resolution after the company made a public commitment to fill its next director seat with a woman.



“Harassment and discrimination are widespread and pervasive across the American workforce. Recent high-profile revelations of sexual harassment have highlighted the role that certain employment clauses, particularly mandatory arbitration and confidentiality clauses, play in masking a culture that permits harassment. Sixteen states have introduced bills to address the use of non-disclosure agreements related to sexual harassment, and laws have passed in seven states.

While several companies including Alphabet, Facebook, Microsoft and Uber have ended forced arbitration related to sexual harassment, many companies continue to utilize these practices. A new suite of shareholder proposals emerged in 2019 that take aim at this issue:

- Clean Yield has filed a proposal with McDonald’s asking the company to issue a report on the potential impact on the company of emerging state and federal policies to prevent harassment and discrimination by restricting nondisclosure and compulsory arbitration agreements.
- New York City Funds filed proposals with CBS and Alphabet calling on the companies to end the mandatory arbitration of employment-related claims, non-compete agreements with employees, agreements with other companies not to recruit each other’s employees, and involuntary non-disclosure agreements.

This new slate of proposals coupled with emerging changes in state law make this issue an important one for companies and their shareholders in the coming year.”

Molly Betournay, Director of Social Research & Advocacy
— Clean Yield Asset Management

Workplace Diversity

Allegations of workplace discrimination damage a company’s reputation and present costly legal and financial risks that impact shareholder value. Companies that foster diversity and inclusion across their businesses and in senior roles mitigate these risks and benefit from greater workforce stability.

Investors called on 7 companies including Home Depot and Travelers to issue diversity reports identifying their employees according to gender and race in the major EEOC-defined job categories, listing numbers or percentages in each category, along with a description of policies/programs focused on increasing gender and racial diversity in their workplaces.

Fastenal and O’Reilly Automotive were also asked to disclose the amounts of legal/regulatory fines and settlements that they have paid associated with diversity issues.

Executive Pay: Incorporate Diversity & Sustainability Metrics

Lack of diversity in the tech sector remains a significant issue, particularly after Google’s high-profile 2017 anti-diversity memo scandal, and recent revelations of gender pay discrimination. Women hold 36 percent of entry level tech jobs, but just 19 percent of C-Suite positions, and the industry remains predominantly white and male. Setting clear, measurable diversity performance goals and tying parts of executive pay to such goals is one of the strongest incentives there is to build progress within a corporation.

Investors asked Alphabet (Google) and Amazon – leaders in the tech industry – to report on the feasibility of integrating sustainability metrics, including metrics regarding diversity among senior executives, into CEO performance measures under company compensation incentive plans.

Use of NDAs/Mandatory Arbitration in Sexual Harassment Cases

McDonald's Corp.

In February 2018, Attorney Generals from all 50 states signed a letter asking that Congress end mandatory arbitration in sexual harassment cases, stating, "...[C]oncerns arise from the secrecy requirements of arbitration clauses, which disserve the public interest by keeping both the harassment complaints and any settlements confidential ... Ending mandatory arbitration ... would help to put a stop to the culture of silence that protects perpetrators at the cost of their victims." (<https://tinyurl.com/yaxtb67s>)

Sixteen states have introduced bills to address the use of nondisclosure agreements related to sexual harassment, and laws have passed in seven states. Alphabet, Facebook, Microsoft and Uber, among others, have ended forced arbitration related to sexual harassment.

Recent media reports, corporate and political developments have focused public attention on this significant social policy issue and its attendant risks.

Tolerating harassment or discrimination invites great legal, brand, financial, and human capital risk:

Companies have incurred legal damages or paid settlements in the hundreds of millions of dollars and threat of lawsuits is increasing.

Companies may experience reduced morale, lost productivity, absenteeism, turnover, and challenges recruiting and retaining talent. McDonald's Corporation ("McDonald's") employees in 10 cities have publicly protested treatment of sexual harassment at our company.

Sexual harassment claims have been shown to cause significant damage to company reputations. (<https://tinyurl.com/yaqxqvp5>)

Companies that have lost leadership over discrimination and harassment allegations include: CBS, Nike, Papa Johns, Texas Instruments, Uber, Walt Disney, and Wynn Resorts. Leadership turnover puts shareholder value at risk.

Harassment and discrimination are widespread and pervasive across the American workforce. Forty-eight percent of African-Americans and thirty-six percent of Hispanics state they have experienced race-based workplace discrimination (<https://tinyurl.com/y8wkrp5u>). Fifty-five percent of senior-level women say that they have been sexually harassed during their careers (<https://tinyurl.com/y8wraedj>). Sixty-four percent of Americans believe that sexual harassment and racism are major problems in America (<https://tinyurl.com/y8qzsbxx>). Sexual harassment is particularly widespread in the fast-food industry, where 80% of women and 70% of men report being sexually harassed by co-workers (<https://tinyurl.com/y9cxnsrk>).

Shareholders seek proactive assurance that McDonald's is not masking patterns of harassment or discrimination that may harm future share value.

RESOLVED: Shareholders request that McDonald's senior management, with oversight from the Board of Directors, issue a report on the potential impact on the company of emerging state and federal policies described in this proposal to prevent harassment and discrimination against any EEO-protected classes of employees by restricting nondisclosure and compulsory arbitration agreements. The report should be developed at reasonable cost and omit proprietary information.

Supporting Statement: The report should assess the company's current approach to nondisclosure and compulsory arbitration agreements as they affect EEO-protected classes of employees, the potential impact that the company's policies regarding those agreements may have on perpetuating patterns of harassment and discrimination, and any material financial or human resources impact on the company associated with the proposed changes to public policy.

Gender and Racial Pay Gap

TJX Companies, Inc.

WHEREAS: The median income for women working full time in the U.S. is reportedly approximately 81 percent of that of their male counterparts. According to Economic Policy Institute, average hourly wages for black men are 78 percent of those of similarly situated white men. Wages for black women are 66 percent of those of comparable white men and 88 percent of those received by white women.

Women hold just over one half of retail industry positions, but women are underrepresented in higher paying retail management positions and overrepresented in low paying front line jobs. According to Demos, “retail employers pay Black and Latino full-time retail salespersons just 75 percent of the wages of their white peers.”

Stubborn pay gaps have attracted attention from national media and policymakers. The Paycheck Fairness Act, introduced 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. United Kingdom rules require large companies to publish average gender pay gaps.

Proper attention to inclusion and equity promotes effective human capital management. According to McKinsey, companies in the top quartiles for gender and racial/ethnic diversity were more likely to have financial returns above the industry median (“Why diversity matters,” McKinsey, 2015). In a 2013 Catalyst report, racial and gender diversity were positively associated with more customers, increased sales revenue, and greater relative profits.

Leading companies are addressing diversity and inclusion via pay equity. In 2014, Gap Inc released data showing wage parity between male and female workers. Amazon, Apple, Costco, Intel, and Starbucks have committed to report on gender pay gaps. Intel and Microsoft have published pay gap data covering gender and race.

TJX reports that people of color account for 56 percent of its U.S. workforce but only 32 percent of its managers. TJX has taken steps to promote diversity; however, there is no reporting on gender, race, or ethnic pay gaps.

Investors seek clarity on how TJX manages risks and opportunities related to pay equity.

RESOLVED: Shareholders request that TJX prepare a report (at reasonable cost, in a reasonable timeframe, and omitting proprietary and confidential information) on the Company’s policies and goals to identify and reduce inequities in compensation due to gender, race, or ethnicity within its workforce. Gender-, race-, or ethnicity-based inequities are defined as the difference, expressed as a percentage, between the earnings of each demographic group in comparable roles.

Supporting Statement: A report adequate for investors to assess strategy and performance would include: (1) an aggregated, anonymized chart of EEO-1 data identifying employees according to gender and race in the major EEOC-defined job categories, listing numbers or percentages in each category; (2) the percentage pay gap between groups (using a similar chart or square matrix); (3) discussion of policies addressing any gaps and quantitative reduction targets; and (4) the methodology used to identify pay inequities, omitting proprietary information.

Gender and Racial Pay Gap

Alphabet

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 of that of their male counterparts. This disparity can equal nearly half a million dollars over a career. The gap for African American and Latina women is 60 percent and 55 percent. At the current rate, women will not reach pay parity until 2059.

United States companies have begun reporting statistically adjusted equal pay for equal work numbers, assessing the pay of men and women performing similar jobs, but mostly ignore median pay gaps. Regulation in the United Kingdom now mandates disclosure of median gender pay gaps. And while Google reported a 16 percent median hourly pay gap and 27 percent median bonus pay gap for its United Kingdom operations, it has not published median information for its global operations.

Google reports that for 89 percent of Googlers there are 0 statistically significant pay differences between men and women. Yet, that 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.

Women account for 30.9 percent of Google's global workforce and 25.5 percent of senior leadership roles. 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 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."

Public policy risk is of concern, not only in the United Kingdom, but in the United States as well. The Paycheck Fairness Act pends before Senate. California, Massachusetts, New York, and Maryland have strengthened equal 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 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 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

Similar resolutions were submitted to Analog Devices, and Pfizer

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, introduced 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.

In 2018 the United Kingdom required large businesses to provide annual gender pay gap reports. Cigna U.K. reported a 17 percent median pay gap and 38 percent median bonus pay gap between male and female employees. Women comprised 60.9 percent of the lower quartile of its employees but only 39 percent of the upper quartile.

Cigna does not report on the gender pay gap for its U.S. employees yet Payscale shows Cigna’s U.S. male employee’s median pay is \$14,906 more than its female employees - a nearly 20 percent difference. Cigna male employee median bonus is \$2442 more than its female employees – a 33 percent difference.

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.

With evidence linking pay equity to greater diversity and strong links between management diversity, 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 that our company prepare a report (at reasonable cost, omitting proprietary and confidential information), identifying whether a gender pay gap exists among its employees, and if so, outline the steps being taken to reduce the gap. The Organization for Economic Cooperation and Development has defined the gender pay gap as the difference between male and female earnings expressed as a percentage of male earnings.

Supporting Statement: A report adequate for investors to assess our company’s strategy and performance would include the percentage pay gap between male and female employees (including base, bonus and equity compensation), a discussion of policies to address any gaps and quantitative reduction targets, and the methodology used to identify pay disparities.

Gender and Racial Pay Gap

Citizens Financial Group

WHEREAS: The median income for women working full time in the U.S. is reported to be 80% of that of their male counterparts. A study by Glassdoor revealed that the adjusted gender pay gap for women in the finance industry in the U.S. is 6.4%, among the highest of the industries examined in the study.

The business case for gender diversity is well-established, with research linking greater board and managerial diversity with better company financial performance. Studies also show that greater gender diversity brings increased innovation, better problem solving, stimulated group performance and enhanced company reputation.

Research also shows a link between pay equity and greater gender diversity. Mercer notes that actively managing pay equity “is associated with higher current female representation at the professional through executive levels and a faster trajectory to improved representation.” Best practices outlined by McKinsey to achieve greater gender equality in the workplace include “tracking and eliminating gender pay gaps.”

Regulatory risks associated with pay equity exist. California, Massachusetts, New York and Maryland have adopted strong equal pay laws. Cities are also taking steps to address the gender pay gap, including San Francisco and New York.

Pay inequity and advancement opportunities are concerns for the financial services industry. Mercer reports that female hiring, promotion and retention rates are moving the industry in the wrong direction. Female executives are 20% to 30% more likely to leave their employers at midcareer in financial services than in other industries. According to McKinsey, women account for over half of the entry-level workforce in financial services in North America but represent fewer than one in five positions in the C-suite.

Citizens Financial has taken steps to promote diversity; however, there is no public reporting on gender pay equity.

S&P 500 peers KeyCorp, MetLife, and Discover Financial, among others, have published information on their gender pay equity practices and committed to closing any pay disparities.

RESOLVED: Shareholders request Citizens Financial prepare a report by November 2019 (at reasonable cost, omitting proprietary and confidential information), identifying whether a gender pay gap exists among its employees, and if so, the measures being taken to reduce the gap. The Organization for Economic Cooperation and Development has defined the gender pay gap as the difference between male and female earnings expressed as a percentage of male earnings.

Supporting Statement: A report adequate for investors to assess the Company’s strategy and performance would include the percentage pay gap between male and female employees (including base, bonus and equity compensation), the methodology used to identify pay disparities, and a discussion of policies and programs to eliminate any disparities and to facilitate an environment that promotes advancement opportunities for women.

With evidence linking pay equity to greater diversity and strong links between management diversity, 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.

Workplace Diversity

Analog Devices, 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

Further, the lack of diversity among high tech workers is a central public policy concern according to the U.S. Equal Employment Opportunity Commission. In 2014, the Commission reported that the high-tech sector employed a larger share of whites, Asian Americans, and men, and a smaller share of African-Americans, Hispanics and women than the “overall private industry”.

Analog Devices states that it has “become the world leader in high performance signal processing solutions by ensuring that we not only have the best products in the industry, but the best people”. Yet, no information is provided describing how its business strategy of delivering the best product is aligned with a strategy to attract and retain top talent to serve its diverse, global customer base.

Sector peers including Cisco, Palo Alto Network and Adobe Systems publish EEO-1 data and disclosure inclusion and diversity strategies. Intel set targets for raising the percentage of women and underrepresented minorities in their workforce. Symantec created a subgoal of increasing its 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.

Global 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 Analog Devices 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

Workplace Diversity

F5 Networks, 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

F5 Networks states that it “recognize[s] that diversity and inclusion are critical for our success; that an individual’s background, experience, and perspective lead to new ideas and insights enriching F5’s performance”. However, F5 Networks does not disclose comprehensive workforce data or share results of diversity and inclusion initiatives.

Lack of diversity among high tech workers is a central public policy concern according to the U.S. Equal Employment Opportunity Commission. In 2014, the Commission reported that the hightech sector employed a larger share of whites, Asian Americans, and men, and a smaller share of African-Americans, Hispanics and women than the “overall private industry”.

Sector peers including Cisco, Palo Alto Network and Adobe Systems publish EEO-1 data and disclosure inclusion and diversity strategies. Intel set targets for raising the percentage of women and underrepresented minorities in their workforce. Symantec created a sub-goal of increasing its percentage of women in leadership (Directorlevel 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.

Global 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 F5 Networks 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

Workplace Diversity

SEI Investments Company

RESOLVED: Shareholders request that SEI Investments Company provide a report to shareholders, by year-end 2019, at reasonable cost and omitting confidential information, including:

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

Supporting Statement: The financial services sector, which includes SEI Investments, is characterized by persistent and pervasive underrepresentation of women and people of color in middle and senior positions. According to 2015 aggregate EEO-1 data for finance and insurance companies (the most recent available), women account for 30 percent of executive and senior level officials and managers despite representing 58 percent of total employees. Similarly, people of color comprise 12 percent of these management positions versus 31 percent of total employees.

Despite federal and state laws forbidding employment discrimination on the basis of gender and race, allegations of discrimination persist. In recent years, companies have agreed to pay millions of dollars to settle allegations of racial and gender discrimination. Recent examples in the financial sector include:

- Met Life's \$32.5 million class action settlement for alleged race discrimination against African-American employees (July 2017)
- Bank of America's \$160 million settlement of a race discrimination suit and \$39 million settlement of a gender bias case (August-September 2013)

Companies with inclusive workplaces are better positioned to recruit the most talented employees from the broadest possible labor pool and to resolve complaints internally to avoid costly litigation or reputational damage. Numerous studies have found that employee diversity also provides a competitive advantage by generating varied, valuable perspectives, creativity and innovation, and increased productivity and morale.

We are pleased that SEI Investments understands the business benefits of a diverse workforce as expressed in its 2017 publication "Doing the Math: SEI Bets on a Diverse Fund Management Team." In the report, SEI notes its relatively strong representation of women mutual fund managers and quotes research that demonstrates "mixed-gender fund management teams produce better investment results than single-gender teams."

We believe that transparency and public accountability are essential components of leadership on diversity and inclusion. Many financial services companies report EEO-1 data such as American Express, Citigroup, Comerica, JPMorgan Chase, MetLife, Morningstar, Northern Trust, State Street, and U.S. Bancorp.

Federal law already requires SEI Investments 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.

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

Workplace Diversity

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 cashiers 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 2018, 48.3% 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 2019, 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.

Workplace Diversity

Travelers Companies, Inc.

WHEREAS: Travelers Companies states that “At Travelers, diversity is not just good business, it’s a business imperative” and “Diversity, and the ideas it brings, is essential for our success as an insurance company. Travelers values the unique abilities and talents each individual has to offer.”

However, Travelers Companies does not disclose workforce data, or disclose results of diversity initiatives. As a result, shareholders have insufficient information to determine if Travelers Companies has a diverse workforce or has been successful in expanding diversity into senior and executive 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 (EEOC). 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. For every 10 percent increase in racial and ethnic diversity on the seniorexecutive team, earnings before interest and taxes rise 0.8 percent. Without detailed workforce diversity information investors cannot accurately evaluate Travelers’ commitment to diversity and progress over time.

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. The best performing companies on gender diversity have implemented gender neutral policies that improve the workplace for both men and women, according to McKinsey. These policies are also important to samesex and adoptive parents.

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: 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.

Workplace Diversity

Fastenal Co.

WHEREAS: Our company's business success depends upon a customer-facing sales force, comprising 74% of our roughly 20,000 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;

Our company'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 our company's disclosures do not provide metrics enabling shareholders or other stakeholders to assess progress in meeting these values.

BE IT RESOLVED: Shareholders request that the Board of Directors issue a report to shareholders by 180 days after the 2019 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:

- 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);
- the amounts of any legal or regulatory fines and settlements associated with diversity issues; and
- a description of our policies and programs for fostering diversity of employees across our global operations.



Proxy Resolutions: Diversity and Inclusiveness

Workplace Diversity

O'Reilly Automotive, Inc.

WHEREAS: our company's business success depends upon a customer-facing sales force;

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;

Retailers 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;

Our company's financial filings highlight the importance of in-store personnel, stating that, "Our highly-motivated, technically-proficient Professional Parts People provide us with a significant competitive advantage"... "we consider our relations with our Team Members to be excellent."

Yet our company's disclosures do not provide metrics enabling shareholders or other stakeholders to assess progress in meeting these values.

BE IT RESOLVED: Shareholders request that the Board of Directors issue a report to shareholders by 180 days after the 2019 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:

- 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);
- the amounts of any legal or regulatory fines and settlements associated with diversity issues; and
- a description of our policies and programs for fostering diversity of employees across our global operations.

Proxy Resolutions: Diversity and Inclusiveness

Board Diversity

Cambrex Corp

Similar resolutions were submitted to Digital Realty, IQVIA Holdings, Inc., Ligand Pharmaceuticals

WHEREAS: Cambrex has only one woman on its Board of Directors, and the racial and ethnic diversity of the Board is unclear.

Its peers, Catalent, Codexis, Thermo Fisher, Pacific Biosciences, and Lonza Group AG each have two or more women 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, state: "Diverse backgrounds and experiences on corporate boards, including those of directors who represent the broad range of society, strengthen board performance and promote the creation of long-term shareholder value. 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."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.

Numerous institutional investors believe that diversity on boards, as well as, in senior management, is an indicator of good corporate governance. BlackRock, the world's largest asset manager, published updated proxy voting guidelines earlier this year that stated, "we would normally expect to see at least two women directors on every board."² The third largest, State Street Global Advisors, reported in March 2018 that it voted against director nominees on the proxy statements of more than 500 companies over the previous year due to inadequate board diversity.³ State pension plans from Massachusetts, New York, and Rhode Island have adopted proxy voting policies with minimum board diversity thresholds, resulting in votes against directors at more than one thousand companies. In another sign of investor interest, Proxy Insight reported that 60 percent of U.S. proxy policy changes in 2018 related to board diversity.

MSCI ESG Research LLC, a leading environmental, social and governance research provider notes in its 2018 Governance Metrics report that gender diversity on the Cambrex Board is less than 30 percent. The report goes on to state "[s]everal recent studies have shown that companies with too few female directors tend to be less effective and even underperform those whose boards are more diverse."

RESOLVED: Shareholders request that the Board of Directors prepare a report by September 2019, at reasonable expense and omitting proprietary information, on steps Cambrex is taking to enhance board diversity beyond current levels, such as:

1. Strengthening Nominating and Corporate Governance policies by embedding a commitment to diversity inclusive of gender, race, ethnicity;
2. Commit publicly to include women and people of color in each candidate pool from which director nominees are chosen;
3. Report on its process to identify qualified women and people of color for the board.

We believe this request will help build Board accountability on this issue.

¹ <https://corpgov.law.harvard.edu/2016/09/08/principles-of-corporate-governance/>

² <https://www.blackrock.com/corporate/literature/fact-sheet/blk-responsible-investmentguidelines-us.pdf>

³ <https://mms.businesswire.com/media/20180307005657/en/644749/5/fearless-girl-infographic-PR-FINAL2.jpg?download=1>

Board Diversity

Atrion Corporation

WHEREAS: Atrion Corporation does not have any women 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: “Diverse backgrounds and experiences on corporate boards, including those of directors who represent the broad range of society, strengthen board performance and promote the creation of long-term shareholder value. 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.”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.

Numerous prominent institutional investors believe 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.”² The third largest, State Street Global Advisors, reported in March 2018 that it voted against director nominees on the proxy statements of more than 500 companies over the previous year due to inadequate board diversity.³ Moreover, state pension plans from Massachusetts, New York, and Rhode Island have adopted proxy voting policies with minimum board diversity thresholds, resulting in votes against directors at more than one thousand companies. In another signal of growing investor interest, Proxy Insight, a leading information source on global voting practices, reported that 60 percent of U.S. proxy policy changes in 2018 related to board diversity.

Women and people of color remain significantly underrepresented on U.S. corporate boards. We are encouraged by signs of progress, particularly for women, who filled nearly one-third of new director openings in 2017. Yet, overall, women and people of color account for approximately 20 percent and 10.6 percent of S&P 1500 directorships, respectively.⁴

RESOLVED: Shareholders request that the Board of Directors provide a report by December 2019, at reasonable expense and omitting proprietary information, on steps Atrion Corporation is taking to enhance board diversity beyond current levels, such as:

1. Strengthening Nominating and Corporate Governance policies by embedding a commitment to diversity inclusive of gender, race, ethnicity;
2. Commit publicly to include women and people of color in each candidate pool from which director nominees are chosen;
3. Report on its process to identify qualified women and people of color for the board.

We believe this request for a status report will help build Board accountability on this issue.

1 <https://corpgov.law.harvard.edu/2016/09/08/principles-of-corporate-governance/>

2 <https://www.blackrock.com/corporate/literature/fact-sheet/blk-responsible-investment-guidelines-us.pdf>

3 <https://mms.businesswire.com/media/20180307005657/en/644749/5/fearless-girl-infographic-PRFINAL2.jpg?download=1>

4 ISS U.S. Board Study, Board Diversity Review, April 11, 2018.

Board Diversity

BorgWarner Inc.

WHEREAS: We believe that diversity, inclusive of gender and race, are critical attributes of a wellfunctioning executive team and necessary to meaningfully drive diversity throughout an organization.

Currently, Borg Warner's Strategy Board¹ has one woman and an undeterminable number of people of color in leadership roles.

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.² ISS Analytics examined companies where CEOs had a tenure of at least three years, and found those 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)

The number of women and people of color in leadership roles at public companies remains remarkably low. Only nine percent of top executive roles in the Russell 3000 are held by women.³

Many companies across industry sectors are setting goals and targets 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 30 percent by 2020. BP says it wants women in at least 25% of its group leadership roles by 2020. Citigroup, in August 2018, announced plans to reverse "falling diversity" by setting public quantitative goals and holding senior leaders accountable for meeting them.

Borg Warner has made progress expanding board diversity. It is time, in our view, to extend the same focus and accountability to building diversity in its leadership ranks.

To address the lack of diversity in senior roles we believe the Board and senior leadership must set clear policies to attract, retain and promote women, including establishing and reporting on gender pay equity, formalizing mentor and sponsorship programs, and establishing gender-neutral 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 management 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 an assessment of the diversity of its Strategy Board and plans to expand diversity inclusive of gender, race, and ethnicity in its Strategy Board ranks.

Supporting Statement: A report adequate for investors to assess strategy and performance could include disclosures, such as directives to search firms concerning the composition of the candidate slate, and a review of appropriate time-bound benchmarks for judging current and future progress.

1 <https://www.borgwarner.com/company/leadership>

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-csuite- the-next-frontier-in-gender-diversity>

Board Diversity

CBS Corporation

RESOLVED: Shareholders request that the Board of Directors of CBS Corporation (CBS) adopt formalized nominating committee procedures for identifying new board candidates. We request that this include a policy to address board diversity which requires that the initial list of candidates from which new management supported director nominees are chosen include (but need not be limited to) minority and female candidates and that any third-party consultant assisting in the identification of potential nominees be asked to include such candidates.

Supporting Statement: In the fall of 2018, CBS selected a number of new board members. The company did not share its process for identifying new board nominees and appears not to have a formal process for identifying new directors.

According to PwC's 2017 Annual Corporate Directors Survey, over 92% of directors say that gender/racial diversity has brought unique perspectives to the board room. Over 79% say that it has enhanced board performance, and more than half believe it has enhanced company performance. (<https://tinyurl.com/y9vnq24s>)

Empirical research indicates a significant relationship between racial diversity and innovation, reputation and firm performance (<http://ssrn.com/abstract=1410337>). In addition, a January 2018 McKinsey study found that companies with the most culturally/ethnically diverse boards were 43% more likely to experience higher profits. (<https://tinyurl.com/yawsj78f>)

In its 2016 Principles of Corporate Governance, the Business Roundtable called on boards to "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." (<https://tinyurl.com/y8mw7fzl>)

Time's Up, an anti-sexual harassment initiative, has stated about the process to select CBS' new board members, "Women of color and other underrepresented candidates were not added to the board in ways that are reflective of CBS's vast audiences." (<https://tinyurl.com/yclwxzeq>)

With people of color comprising nearly 40 percent of the US population, it is important that our company be able to speak to diverse audiences. Broadcast TV advertising spending to Black audiences increased 255 percent in the four-year period between 2011 and 2015. (Young, Connected and Black, 2016, nielsen) In addition, box office and television ratings, on average, are highest for TV shows with diverse casts. In 2016, return-on-investment was highest for films with casts composed of between 41 to 50 percent people of color. (Hollywood Diversity Report 2018, UCLA College Social Sciences)

Policies like the one advanced in this proposal have been adopted by other media and communications companies, such as Naspers and SKY PLC, as well as other leading companies, including Allergen, Amazon, Costco, Gentex, Home Depot, Microsoft and Stryker. While corporate boards may face differing circumstances, it is difficult to ignore the positive impact of diversity.

We urge the Board to join other leading companies and adopt this important governance reform.

Proxy Resolutions: Diversity and Inclusiveness

Board Diversity

Discovery, Inc.

RESOLVED: Shareholders request that the Board of Directors of Discovery, Inc. adopt formalized nominating committee procedures for identifying new board candidates. We request that this include a policy to address board diversity which requires that the initial list of candidates from which new management supported director nominees are chosen include (but need not be limited to) qualified women and minority candidates and that any third-party consultant assisting in the identification of potential nominees be asked to include such candidates.

Supporting Statement: As investors, we are concerned that our company has not shared its process to identify new board nominees and has not formalized a process for identifying new directors, including those that represent diverse views and experiences. This is particularly worrying given that our current board members do not reflect diverse backgrounds and appear to have a tangled dependency, both familial and professional.

As of August 2018, Discovery did not appear to have any people of color on its board. With one female board member, representing 8.3% of the board, Discovery is below the average of its peers. PwC research released in February 2017 found that the average Entertainment and Media Board is 22% female (<https://www.pwc.com/us/boardcomp>).

According to PwC's 2017 Annual Corporate Directors Survey, over 92% of directors say that gender/racial diversity has brought unique perspectives to the board room. Over 79% say that it has enhanced board performance. More than half believe it has enhanced company performance. (<https://www.pwc.com/us/en/governance-insights-center/annualcorporate-directors-survey/assets/pwc-2017-annual-corporate--directors--survey.pdf>)

Empirical research indicates a significant positive correlation between gender and racial diversity on boards and both return on assets and return on investment (<http://ssrn.com/abstract=416337>) as well as a positive and significant relationship between racial diversity and innovation, reputation and firm performance (<http://ssrn.com/abstract=1410337>). In addition, a January 2018 McKinsey study found that companies in the top quartile for gender diversity were 21% more likely to outperform on profitability and 27% more likely to have superior value creation. Companies with the most culturally/ethnically diverse boards were 43% more likely to experience higher profits. (https://www.mckinsey.com/~media/mckinsey/business%20functions/organization/our%20insights/delivering%20through%20diversity/delivering?through?diversity_full?report.ashx)

In its 2016 Principles of Corporate Governance, the Business Roundtable called on boards to "develop a framework for identifying appropriately diverse candidates that allows the nominating/corporate governance committee to consider women, people of color and others with diverse backgrounds as candidates for each open board seat." (<https://businessroundtable.org/sites/default/files/Principles-of-Corporate-Governance-2016.pdf>) A 2012 report by the National Association of Corporate Directors recommended that no less than one-third of candidates for new board seats should match the board's definition of diverse. ([https://www.nacdonline.org/files/PDF/NACD_BRC_BoardDiversity%20\(Watermark\).pdf](https://www.nacdonline.org/files/PDF/NACD_BRC_BoardDiversity%20(Watermark).pdf))

Policies like the one advanced in this proposal have been adopted by other media and communications companies, such as Naspers and SKY PLC, as well as companies like Amazon, Costco, Home Depot and Microsoft. While corporate boards may face differing circumstances, it is difficult to ignore the positive impact of diversity.

We urge the Board to join other leading companies and adopt this important governance reform.

Proxy Resolutions: Diversity and Inclusiveness

Board Diversity

Skechers U.S.A.

Similar resolutions were submitted to Caesars Entertainment Corporation, Eastman Kodak Company, New Media Investment Group

WHEREAS: Skechers has no women on its Board of Directors.

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 state:

Diverse backgrounds and experiences on corporate boards, including those of directors who represent the broad range of society, strengthen board performance and promote the creation of long-term shareholder value. 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.

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.

Prominent institutional investors support diversity on boards as an indicator of good corporate governance. BlackRock, the world's largest asset manager, published updated proxy voting guidelines in 2018 stating: "we would normally expect to see at least two women directors on every board."² State Street Global Advisors reported in March 2018 that it voted against director nominees of more than 500 companies over the previous year due to inadequate board diversity.³

State pension plans from Massachusetts, New York, and Rhode Island have proxy voting policies with minimum board diversity thresholds, resulting in votes against directors at more than one thousand companies. Proxy Insight, a leading information source on global voting practices, reported that 60 percent of U.S. proxy policy changes in 2018 related to board diversity.

Women and people of color remain significantly underrepresented on U.S. corporate boards. We are encouraged by signs of progress, particularly for women, who filled nearly one-third of new director openings in 2017. Yet, overall, women and people of color account for only 20 percent and 10.6 percent of S&P 1500 directorships, respectively.⁴

RESOLVED: Shareholders request the Board of Directors provide an annual report, at reasonable expense and omitting proprietary information, on steps Skechers is taking to enhance board diversity beyond current levels, such as:

1. Adopt a formal commitment to diversify the Board with respect to such characteristics as gender, race, ethnicity and sexual orientation;
2. Commit publicly to include candidates who are diverse with respect to these characteristics in the pool from which director nominees are chosen;
3. Report on its process for identifying candidates for the board who are diverse with respect to these characteristics.

We believe this request for a status report will help build Board accountability on this issue.

1. <https://corpgov.law.harvard.edu/2016/09/08/principles-of-corporate-governance/>

2. <https://www.blackrock.com/corporate/literature/fact-sheet/blk-responsible-investment-guidelines-us.pdf>

3. <https://mms.businesswire.com/media/20180307005657/en/644749/5/fearless-girl-infographic-PRFINAL2.jpg?download=1>

4. ISS U.S. Board Study, Board Diversity Review, April 11, 2018.

Proxy Resolutions: Diversity and Inclusiveness

Board Diversity

Wisdom Tree Investments, Inc.

WHEREAS: Wisdom Tree Investments has no women on its Board of Directors and no women in its Executive Officer ranks.

Its peers, Blackrock, T. Rowe Price, Invesco and E*Trade Financial each has two or more women directors.

Numerous institutional investors believe that diversity on boards, as well as in senior management, is an indicator of good corporate governance. BlackRock, the world's largest asset manager, published updated proxy voting guidelines earlier this year that stated, "we would normally expect to see at least two women directors on every board." State Street Global Advisors reported in March 2018 that it voted against director nominees on the proxy statements of more than 500 companies over the course of the previous year due to inadequate board diversity. State pension plans from Massachusetts, New York, and Rhode Island have adopted proxy voting policies with minimum board diversity thresholds, resulting in votes against directors at more than one thousand companies cumulatively. Proxy Insight, a leading source on global voting practices, reported that 60 percent of U.S. institutional investor proxy voting policy changes in 2018 related to board diversity.

We are encouraged by signs of progress with women filling nearly one-third of new director openings in 2017. Yet overall, women and people of color account for approximately 20 percent and 10.6 percent of S&P 1500 directorships, respectively.

We believe that diversity, inclusive of sex, race, ethnicity, age, gender identity, gender expression, and sexual orientation, 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, state: "Diverse backgrounds and experiences on corporate boards, including those of directors who represent the broad range of society, strengthen board performance and promote the creation of long-term shareholder value. 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." 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.

RESOLVED: Shareholders request that the Board of Directors prepare a report by September 2019, at reasonable expense and omitting proprietary information, on steps Wisdom Tree Investments is taking to enhance board diversity beyond current levels, such as:

1. Strengthening Nominating and Corporate Governance policies by embedding a commitment to diversity inclusive of sex, race, ethnicity, age, gender identity, gender expression, and sexual orientation;
2. Committing publicly to include women and people of color in each candidate pool from which director nominees are chosen; and
3. Reporting on its process to identify qualified women and people of color for the board.

We believe this request will help build Board accountability on this issue.

Board Diversity

Mohawk Industries, Inc.

WHEREAS: Mohawk Industries, 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.

RESOLVED: Shareholders request that the Board of Directors prepare a report by September 2019, at reasonable expense and omitting proprietary information, on steps Mohawk Industries is taking to enhance board diversity beyond current levels, such as:

1. Strengthening Nominating and Corporate Governance policies by embedding a commitment to diversity inclusive of gender, race, ethnicity;
2. Commit publicly to include women and people of color in each candidate pool from which director nominees are chosen;
3. Report on its process to identify qualified women and people of color for the board.

Supporting Statement: 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: "Diverse backgrounds and experiences on corporate boards, including those of directors who represent the broad range of society, strengthen board performance and promote the creation of longterm shareholder value. 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."² 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.

Numerous prominent institutional investors believe 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 earlier this year that stated, "we would normally expect to see at least two women directors on every board."³ The third largest, State Street Global Advisors, reported in March 2018 that it voted against director nominees on the proxy statements of more than 500 companies over the previous year due to inadequate board diversity.⁴ Moreover, state pension plans from Massachusetts, New York, and Rhode Island have adopted proxy voting policies with minimum board diversity thresholds, resulting in votes against directors at more than one thousand companies. In another signal of growing investor interest, Proxy Insight, a leading information source on global voting practices, reported that 60 percent of U.S. proxy policy changes in 2018 related to board diversity.

1 JULIE, Missing footnote 1

2 <https://corpgov.law.harvard.edu/2016/09/08/principles-of-corporate-governance/>

3 <https://www.blackrock.com/cororate/literature/fact-sheet/blk-responsible-investment-guidelines-us.pdf>

4 <https://mms.businesswire.com/media/20180307005657/en/644749/5/fearless-girl-infographic-PRFINAL2.jpg?download=1>

Board Diversity

Safety Insurance

WHEREAS: Safety Insurance has no meaningful policy on diversity for the Board of Directors;

The U.S. population is currently almost 40% people of color and over 50% female; however, it appears that our board has only 1 woman and 0 members of racial or ethnic diversity;

As a company with an increasingly diverse customer base, shareholders believe that the Company's Board of Directors must reflect the diversity of its customers, product end-users, and employees in order to protect shareholder value;

One academic report has stated that "a diverse board signals that women's and minorities' perspectives are important to the organization, and that the organization is committed to inclusion not only in principle but also in practice. Further, corporations with a commitment to diversity have access to a wider pool of talent and a broader mix of leadership skills than corporations that lack such a commitment";

Women and minorities seeking board seats face greater hurdles. A Harvard Business Review article found that when a single woman is included in a board search, s/he has a nearly zero chance of election, but "the odds of hiring a woman were 79.14 times greater if there were at least two women in the finalist pool." Similar results were found for minority candidates;

Shareholders believe that an internal policy committing the company to diversity on the board and in board candidate recruitment is needed to ensure that Safety Insurance's board continues to increase its diversity.

RESOLVED: Shareholders recommend that the Board of Directors, consistent with their fiduciary duties, adopt a diversity policy in which the Board publicly commits to:

- Ensuring that women and minority candidates are routinely sought as part of each Board search;
- Expanding director searches to include nominees beyond the executive suite, from non-traditional environments such as government, academia, and non-profit organizations; and
- Reviewing Board composition to ensure that the Board reflects the knowledge, experience, skills, and diversity required for the Board to fulfill its duties.

Supporting Statement: We believe that in an increasingly complex global marketplace, the ability to draw on a wide range of viewpoints, backgrounds, skills, and experience is critical to a company's success. Further, director and nominee diversity helps to ensure that different perspectives are brought to bear on issues, while enhancing the likelihood that proposed solutions will be nuanced and comprehensive.

We believe our company's lack of board diversity policies and disclosures limits the company's definition and understanding of diversity, and does not sufficiently address the growing investor demand and interest in this critical corporate governance matter.

In our view, companies combining competitive financial performance with high standards of corporate governance, including board diversity, are better positioned to generate long-term value for their shareholders. As such, we urge the Board to broaden its pool of candidates and publicly commit to taking steps to establish a fully inclusive board.

Board Diversity

Beacon Roofing Supply

WHEREAS: Beacon Roofing Supply has no women on its Board of Directors or among its executives.

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.

In 2016, the Business Roundtable updated its Principles of Corporate Governance, stating: "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 finalist pools 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 for years, many other investors, including BlackRock, State Street, and numerous state and city pension funds, are now doing so as well.

Women and people of color remain significantly underrepresented on U.S. corporate boards, accounting for approximately 18 percent and 10 percent of all S&P 1500 directorships, respectively (2017 ISS Board Practices Study).

Beacon Roofing Supply lags this already low national bar with respect to the representation of women on its Board. A majority of S&P 1500 companies have two or more women directors (2017 ISS Board Practices Study). Moreover, peer companies Wesco International and MRC Global each have at least two women on their boards.

RESOLVED: Shareholders request that the Board of Directors prepare a report by September 2019, at reasonable expense and omitting proprietary information, on steps Beacon Roofing Supply is taking to foster greater diversity on the Board including, but not limited to, the following:

1. Committing to include qualified women and minority candidates in every pool from which new management-supported director nominees are chosen;
2. Instructing any third-party search firm retained to identify director candidates to consider diversity inclusive of gender, race and ethnicity;
3. Expanding director searches to include nominees from both corporate positions beyond the executive suite and non-traditional environments such as government, academia, and non-profit organizations; and
4. An annual assessment of progress and challenges experienced fostering greater diversity.

Supporting Statement: We believe that the ability to draw on a wide range of viewpoints, backgrounds, skills, and experience is critical to a company's success as it increases its likelihood of making the right strategic and operational decisions. In our view, companies combining competitive financial performance with high standards of corporate governance, including board diversity, are better positioned to generate long-term value for their shareholders.

Executive Leadership Team Diversity

Marathon Petroleum

WHEREAS: “We focus on building a diverse workforce by recruiting, hiring and promoting the most qualified candidates” – Marathon Petroleum

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 and to support strong community and employee relations.

Currently, Marathon Petroleum has limited racial/ethnic diversity present on the executive team.

Despite the strong business case for cultivating a diverse workforce, white males continue to dominate executive roles at Fortune 500 companies. MPC has made progress in acknowledging the value of diversity and inclusion, but the Company has failed to deploy this strategy among senior leadership. The limited workforce diversity data the company discloses makes it difficult for investors to discern whether the Company is expanding racial and ethnic diversity across multiple ranks at the company. As reported by Marathon Petroleum, almost a third of the 43,800 employees identify as non-white while the representation of non-white persons on the executive team is undeterminable.

Marathon Petroleum has made progress expanding board diversity. It is time, in our view, to extend the same focus and accountability to building diversity in its leadership ranks.

A growing body of empirical research indicates a significant positive relationship between firm value and the percentage of women and minorities people of color in senior leadership roles. Diversity of gender, but also of race and ethnicity are critical to a well-composed leadership team. 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. 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 (EBIT) rise 0.8 percent¹. Without a truly diverse executive team we are concerned Marathon Petroleum may be leaving money and value on the table.

It is commendable that Company has a stated its commitment to promoting equal opportunity practices within the firm and has employed a strategy including employee resource groups, mentoring programs, diversity teams, and cultural awareness programs. However, this approach does not appear to be sufficient as diversity is still lacking at the highest ranks at the Company and amongst the most influential decision makers at the Company.

We believe that linking diversity performance metrics to senior executive compensation packages can sharpen management’s ability to manage human capital management 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 executive leadership team diversity and its plan to make the company’s executive leadership team more diverse in terms of race, ethnicity, and gender.

¹ <https://www.mckinsey.com/business-functions/organization/ourinsights/why-diversity-matters>



Proxy Resolutions: Diversity and Inclusiveness

Executive Leadership Team Diversity

Carter's, Inc.

A similar resolution was submitted to Newell Brands.

WHEREAS: We believe that diversity, inclusive of gender and race, are critical attributes of a wellfunctioning executive team and necessary to meaningfully drive diversity throughout an organization.

Currently, Carter's has limited racial/ethnic diversity on the executive team.

Despite the strong business case for cultivating a diverse workforce, white males continue to dominate executive roles at Fortune 500 companies. Carter's does not disclose comprehensive workforce data, or disclose results of diversity initiatives. As a result, shareholders have insufficient information to determine if Carter's has been successful in expanding diversity into senior roles over time. The lack of racial/ethnic diversity at the executive level may suggest slow progress in building racial and ethnic diversity within other ranks at the company. Without comprehensive quantitative information we believe the company cannot persuasively demonstrate whether its diversity initiatives are successfully advancing people of color into varying ranks within the company. Therefore, investors cannot accurately determine if the company is capturing the potential business value associated with a highly diverse workforce.

A growing body of research indicates a positive relationship between firm value and the percentage of women and minorities in senior leadership roles. Diversity of gender, but also of race and ethnicity are critical to a well-composed leadership team. 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. For every 10 percent increase in racial and ethnic diversity on the executive team, earnings before interest and taxes rise 0.8 percent¹. Without a truly diverse executive team we are concerned Carter's may be leaving money and value on the table.

Industry peers like Gap and TJX Companies disclose workforce diversity policies, initiatives and metrics. Efforts of a diversity and inclusion strategy may include employee resource groups, mentoring, inclusion policies and practices, key performance indicators, and education outreach. We are concerned Carter's is lagging behind industry peers who disclose and utilize workforce diversity plans to strategically advance diversity within their companies.

Companies that are publicly accountable to diversity goals are most likely to make rapid progress toward achieving their goals. We believe now is the time to set goals, report progress and hold executives accountable to expanding diversity beyond current levels.

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 executive leadership team diversity and its plan to make the company's executive leadership team more diverse in terms of race, ethnicity, and gender.

¹ <https://www.mckinsey.com/business-functions/organization/our-insights/why-diversitymatters>



Proxy Resolutions: Diversity and Inclusiveness

Executive Leadership Team Diversity

Bank of New York Mellon Corporation

WHEREAS: “Our Diversity is our greatest strength” – Bank of New York Mellon, Global Diversity and Inclusion report

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, Bank of New York Mellon (BK) has limited racial/ethnic diversity on the executive team.

Despite the strong business case for cultivating a diverse workforce, white males continue to dominate executive roles at Fortune 500 companies. BK has made progress in acknowledging the value of diversity and inclusion, but the company has failed to deploy this strategy among senior leadership. BK’s transparency on workforce diversity is commendable, but the workforce data illustrates the company’s slow progress in building racial and ethnic diversity into the top ranks. As reported by the company, more than a third of employees identify as non-white, but 50% of these employees hold Administrative Support roles. Similarly only 21% of First/Mid Officials and Managers roles are non-white. The representation of non-white employees rapidly diminishes with rank with less than five percent of the executive team identifying as racially or ethnically diverse.

A growing body of empirical research indicates a significant positive relationship between firm value and the percentage of women and minorities people of color in senior leadership roles. Diversity of gender, but also of race and ethnicity are critical to a well-composed leadership team. 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. 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 (EBIT) rise 0.8 percent¹. Without a truly diverse executive team we are concerned BK may be leaving money and value on the table.

BK has gone to great lengths to define a diversity and inclusion strategy, however this approach has not succeeded at the highest ranks at the Company – arguably some of the most influential decision makers at the Company. Efforts of this strategy include employee resource groups, mentoring, inclusion policies and practices, key performance indicators, and education outreach. However, these efforts do not appear to be sufficient.

In its 2017 CSR report, BK implicitly acknowledges that it is not making significant progress towards its 2020 goal to “advance diverse representation in senior-level ranks”. We believe now is the time to set goals, track and report progress and hold executives accountable to expanding diversity beyond current levels.

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 executive leadership team diversity and its plan to make the company’s executive leadership team more diverse in terms of race, ethnicity, and gender.

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

Executive Pay-Incorporate Diversity & 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 longterm 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:

- In 2017, the Rev. Jesse Jackson observed that Amazon’s “board is still all white...It does not represent America’s talent and America’s opportunity.”
- 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. According to the above Bloomberg Businessweek report “[o]f the 10 people who report directly to Chief Executive Officer Jeff Bezos, all are white, and only one...is a woman.”

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.

Executive Pay-Incorporate Diversity & 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 longterm performance. Leading companies have integrated sustainability metrics into executive pay plans, among them Unilever and Walmart. The UN Principles for Responsible Investment (2012) states that considering ESG factors in compensation can help protect long-term shareholder value.

Diversity, inclusion, and equity are key elements of sustainability. McKinsey research shows that companies in the top quartiles for gender and racial diversity were more likely to have above average financial returns (“Diversity Matters,” McKinsey, 2015). 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).

The tech diversity crisis threatens worker safety, talent retention, product development, and customer service. These human capital risks are playing out as controversies at Alphabet. On November 1, 2018, more than 20,000 workers walked out protesting Alphabet’s mishandling of sexual misconduct cases. Workers report that Alphabet has not responded adequately to key demands: a credible commitment to pay and opportunity equity, a worker representative on the board, and ending forced arbitration in all circumstances with direct employees as well as temps, contractors, and vendors.

Alphabet has taken steps to address inclusion, but risks remain. Alphabet remains predominantly white, male, and occupationally segregated. Among Alphabet’s top 290 managers in 2017, just over one-quarter were women and only 17 managers were underrepresented people of color. In contrast, Silicon Valley’s lowerwage subcontracted workforce (e.g. janitors, cafeteria workers, shuttle drivers) is 58 percent Black or Latinx, earning on average \$19,900 (UC Santa Cruz, 2016) and often facing housing instability.

Inclusion and equity also impact the sustainability of communities on which Alphabet relies. Communities of color are impacted in places where Alphabet has acquired or developed real estate, such as San Jose and Mountain View, as housing costs, homelessness, and inequality have increased (“The Great Silicon Valley Land Grab,” Financial Times, August 2017). Gentrification and displacement create reputational and regulatory risks for Alphabet: 48 percent of survey respondents blame tech companies for the Bay Area housing crisis (San Jose Mercury News, April 2018).

Investors seek clarity regarding how Alphabet drives improvement and how strategy is supported by executive accountability. Clearly-disclosed, comprehensive links among sustainability, equity, and executive compensation would enhance Alphabet’s approach. Peers (e.g. Microsoft, Intel, IBM) have set diversity goals and begun tying parts of executive pay to such goals.

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.

Sexual Orientation & Gender Identity/Expression Non-Discrimination

CorVel Corporation

RESOLVED: Shareholders request that CorVel Corporation (“CorVel”) issue a public report detailing the potential risks associated with omitting “sexual orientation” and “gender identity” from its written equal employment opportunity (EEO) policy. The report should be available within a reasonable timeframe, prepared at a reasonable expense and omitting proprietary information.

Supporting Statement: CorVel does not explicitly prohibit discrimination based on sexual orientation and gender identity or expression in its written EEO policy.

CorVel’s lack of a corporate-wide best practice EEO policy sends mixed signals to company employees and prospective employees and calls into question the extent to which LGBT (lesbian, gay, bisexual, or transgender) individuals are protected due to inconsistent state policies, the absence of a federal law, and conflicting perspectives of federal entities.¹

CorVel has operations in 43 states and is therefore unable to avoid the patchwork of state laws regarding LGBT non-discrimination. Currently, 21 states, the District of Columbia and more than 225 cities prohibit discrimination in employment based on sexual orientation and gender identity. On the other hand, discrimination against LGBT people may be permissible in 21 states that have adopted Religious Freedom laws.

Companies with inclusive policies are better able to recruit the most talented employees from a broad labor pool, resolve complaints internally to avoid costly litigation or reputation damage, and lower employee turnover. Moreover, inclusive policies contribute to more efficient human capital management by eliminating the need to maintain different policies in different locations.

Nearly two-thirds of self-identified LGBT Americans report experiencing discrimination in their personal lives and forty-six percent of LGBT workers conceal their sexual orientation and/or gender identity at work (Human Rights Campaign, 2018) — a phenomenon which affects individual productivity and overall team cohesion.

Presently shareholders are unable to evaluate how CorVel prevents discrimination towards LGBT employees, mitigates employee concerns of potential discrimination, and ensures a respectful and supportive work atmosphere that bolsters employee performance and improves patient care.

Most companies have inclusive policies, including industry peers, such as, Aetna, Aon Pie, Brown & Brown, and Marsh & McLennan Companies. According to the Human Rights Campaign, 82% of the Fortune 500® companies had EEO policies that include sexual orientation and gender identity in 2017.

Without an inclusive EEO policy, CorVel may be sacrificing competitive advantages relative to peers while simultaneously increasing company and shareholder exposure to reputational and financial risks.

We recommend that the report evaluate risks including, but not limited to, negative effects on employee hiring and retention, and litigation risks from conflicting state and company antidiscrimination policies.

¹ In 2015, the Equal Employment Opportunity Commission (EEOC) advised that LGBT individuals were protected under “sex” by Title VII of the Civil Rights Act. However, in June 2017, the Justice Department contested the EEOC’s guidance in an Amicus Brief to a US Court of Appeals stating explicitly that “Title VII does not reach discrimination based on sexual orientation.”

Environmental Health and Sustainability Reporting

Performance on ESG factors is widely linked to positive financial performance. Managing and reporting on ESG factors such as operational environmental impacts and resource dependency helps companies compete in a business environment driven by finite natural resources, rapidly changing regulations, and increased public expectations for corporate accountability. A “sustainable” business is one that encourages long-term social and environmental sustainability, both in the communities where it operates and throughout its supply chain. Investors believe that transparent and substantive sustainability reporting can help companies better identify and respond to emerging risks and opportunities. Shareholders have increasingly turned their attention to wasteful “to go” disposable cup/container culture, as plastic pollution has become an increasingly urgent environmental issue.

Environmental health and sustainability resolutions typically deal with plastic pollution, recycling, sustainability reporting, pollution/toxins, e-waste, and the environmental impacts of hydraulic fracturing.

Environmental Impact of Non-Recyclable Packaging

Food service and product package manufacturing is a major consumer of natural resources and energy, yet historically, only 14 percent of plastic packaging has been collected for recycling. In January, major brands including Nestle, Unilever, Procter & Gamble and PepsiCo announced the launch of a program that will provide products in reusable containers that can be returned by customers for refunds, significantly increasing competitive pressure for enhanced packaging takeback and recycling.

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Investors asked PepsiCo to report on actions taken and lesson learned in its quest to achieve its 50 percent beverage container recycling goal. Restaurant Brands – owner of the Tim Hortons chain – was asked to report on its policies and metrics for recycled content and container recovery goals, and its plans for eliminating non-recyclables such as plastic straws and polystyrene foam. Starbucks was asked to report on how it might increase the scale and pace of its sustainable packaging initiatives, including by reporting on its progress towards recycling cups in its operations worldwide, including quantifying the portion of collected cups that are recycled. Yum was asked to report on its efforts to achieve a comprehensive policy on sustainable packaging, including addressing plastic straws, polystyrene food and beverage containers, and front-of-house recycling.



Report on Plastic Pollution

Plastic pollution is fast becoming a global environmental crisis. Most plastic products originate in the form of plastic pellets (“nurdles”), manufactured in polymer production plants. Through either spills or poor handling, billions of plastic pellets are swept into waterways annually. Petrochemical producers such as Chevron and Exxon operate facilities that produce plastic pellets.

Shareholders asked Chevron, DowDuPont, ExxonMobil and Phillips 66 to report on their plastic pollution including trends in amount of pellets, powder or granules released into the environment as well as a summary of the companies’ actions to reduce the volume of plastic pollution.



Public Health Risks of Coal Pollution

Coal burning for energy generation results in coal waste — called coal ash — which is laced with toxic heavy metals such as arsenic, mercury and lead that can leech into ground and surface water. Arsenic has been shown to raise the risk of cancer with long-term exposure. In 2017 PNM’s San Juan Generation Station produced 1,360,871 tons of coal ash. 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.

Investors asked PNM Resources to publish a report on the company’s efforts above & beyond compliance to reduce the environmental and health hazards associated with its past, present and future handling of coal combustion residuals.

Sustainability Reporting

Corporate sustainability reporting is now a very common business practice, undertaken by 85 percent of the S&P 500. For investors, the value of integrating sustainability reporting with financial reporting is that companies are more able to effectively identify, target, and manage their material ESG risks, which yields stronger financial performance over the long term. The Sustainability Accounting Standards Board (SASB) was created in 2011, with the idea that financial reporting must account for material ESG issues that are not addressed or disclosed by companies under existing SEC rules and guidance. Beginning in 2018, shareholder resolutions began calling for company-specific sustainability reporting disclosure according to SASB standards.

Shareholders filed resolutions calling for sustainability reports in line with SASB standards at 5 companies this year, including Advance Auto Parts and Dollar Tree. Tesla was asked to issue a sustainability report following GRI, CDP and Taskforce on Climate Related Financial Disclosures guidelines.



Proxy Resolutions: Environmental Health and Sustainability

Report on Plastic Pollution

Chevron Corp.

Similar resolutions were submitted to DowDuPont, Exxon Mobil Corporation, Phillips 66

WHEREAS: Plastic pollution is a global environmental crisis. Chevron Phillips Chemical Co., owned jointly by Chevron and Phillips 66, is one of the world's top producers of olefins and polyolefins, used in the production of plastics such as polypropylene and polyethylene. As a major petrochemical producer, it operates facilities that produce plastic pellets.

Most plastic products originate from plastic pellets, also known as pre-production pellets, or nurdles, manufactured in polymer production plants. 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 are 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 Nairobi last December. The United Nations Undersecretary-General has called this issue "an ocean Armageddon." The U.S. Microbead-Free Waters Act of 2015 banned one form of microplastic pollution—microbeads used in cosmetic products.

Plastic pellets are estimated to be the second largest direct source of microplastic 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 may be spilled from one major industry production complex in Sweden.

Chevron Phillips Chemical is listed as a member of Operation Clean Sweep, an industry program that encourages use of best practices for pellet management and containment to reduce pellet loss, but this initiative provides no public reporting.

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.

BE IT RESOLVED: Shareholders request that the Board of Directors of Chevron 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.

Environmental Impacts of Non-Recyclable Packaging

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. UN Undersecretary-General Erik Solheim calls 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 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 actually fell from 1.6% in 2015 to 1.4% in 2016. The company did not report a figure in 2017 for reusable cup usage or the number of stores recycling 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 its operations, worldwide,
- Assessing the environmental impacts of business expansion in markets lacking recycling and waste management capacity,
- Quantifying the portion of cups collected that are recycled,
- Progress towards a significantly increased reusable container goal, and
- Quantifying the extent to which it is using recycled content in plastic cups.

Environmental Impacts of Non-Recyclable Packaging

PepsiCo, Inc.

WHEREAS: PepsiCo emphasizes its commitment to environmental leadership, yet most Pepsi beverage containers in the U.S. continue to be landfilled, incinerated or littered, contributing to depletion of natural resources, environmental pollution, and reducing the supply of plastic, glass, and aluminum feedstocks available for recycling.

As You Sow and Walden Asset Management withdrew a shareholder proposal at Pepsi in 2010 after the company provided a written pledge to work with peers to increase the beverage container recycling rate for plastic and glass bottles and aluminum cans to 50% by 2018. As we approach the end of 2018, the current recycling rate for beverage containers is 36%, according to the American Beverage Association, which is 2% lower than it was in 2010. Clearly the company's efforts have failed.

In subsequent years, plastic pollution has emerged as a looming environmental crisis. Only 14% of plastic packaging is collected for recycling. Plastic water and soda bottles are the fifth most frequently found form of plastic waste in beach cleanups. Billions of plastic bottles, representing significant amounts of embedded value, are swept onto land and then into storm drains, rivers, and oceans. Pepsi used 1.8 million tons of plastic last year in its operations. Plastic packaging breaks down into small indigestible particles swirling in ocean gyres that birds and fish mistake for food, sometimes resulting in impairment and death. Plastic does an estimated \$13 billion in damage to marine ecosystems annually. Eight million tons of plastics leak into the ocean annually. If no action is taken, oceans are expected to contain more plastic than fish by 2050. Plastics also absorb toxics 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.

The company has not provided basic public reporting to stakeholders on progress toward the 50% container recycling goal. It has reported publicly only once in the eight year duration of this commitment on progress toward the goal, briefly mentioning it in a report in 2013. There is no mention of the goal on the company's web site. As You Sow urged the company in recent dialogue to utilize lessons learned over the past eight years to develop a more transparent and comprehensive revised plan for how to reach a 50% recycling rate. Such a plan has not been forthcoming. Company actions to date don't deal with key issues like long-term funding and developing domestic markets that hinder efforts to increase recycling, or present a coherent blueprint for scalable solutions.

BE IT RESOLVED Shareholders request that the Board of Directors of PepsiCo issue a report, at reasonable cost and omitting proprietary information, on reducing the company's environmental impact by describing actions taken and lessons learned to date in quest of the 50% beverage container recycling goal, and progress in developing revised plans for meeting its commitment to leadership actions to help increase U.S. container recycling rates.

Environmental Impacts of Non-Recyclable Packaging

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 entanglement, suffocation, and drowning. More than 250 species have been impacted. Plastic does \$13 billion in damage to marine ecosystems annually.

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. Polystyrene 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.

Environmental Impacts of Non-Recyclable Packaging

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 brands Burger King and Tim Hortons 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 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. 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. 550 million plastic straws are used by Americans and Canadians daily, which are not recycled and can harm marine mammals and fish. Tim Hortons was cited as the second largest plastic polluter in Canada in an October 2018 Greenpeace Canada beach cleanup brand audit.

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. Further, a Canadian media investigation found that significant numbers of Tim Hortons cups collected to be recycled still ended up in the trash. Competitor Starbucks has a specific goal to promote reusable coffee containers, to recycle all plastic and paper cups left in its stores, and has set a deadline for phase out of plastic straws. It also uses 10% recycled paper cup fiber. Competitor McDonald’s has committed to recycle packaging in all locations globally by 2025. Our brands lack any of these commitments.

Burger King has locations in China, Indonesia, and the Philippines, countries with the highest levels of plastics deposition into waterways. 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 recovery goals and metrics, ensuring that cups collected are actually recycled, eliminating nonrecyclables such as plastic straws and polystyrene foam, and plans to recycle or compost packaging waste at the company’s restaurants. We believe the requested report is in the best interest of the company and its shareholders.

Disclose Metrics for Reducing Synthetic Chemical Pesticides

PepsiCo, Inc.

WHEREAS: PepsiCo's Quaker Oats brand has been in the media spotlight recently in connection with the controversial pesticide ingredient Glyphosate.¹ Glyphosate is classified as a probable human carcinogen by the World Health Organization ("WHO") and a known carcinogen by California.² Research links glyphosate-based herbicides to chronic toxic effects – such as kidney damage and endocrine disruption – even at low levels. Evidence is also mounting for indirect consequences from glyphosate use including reduced effectiveness of antibiotic treatments³ and increased mortality among honey bees.⁴ Use of glyphosate as a desiccant has become especially commonplace for cereal grains like oats, which leads to higher levels of glyphosate residue on final consumer products.

PepsiCo's reliance on glyphosate-based weed-killers and other toxic chemicals creates legal, reputational, and regulatory risks for the company. A recent jury verdict finding that glyphosate-based Roundup caused one man's terminal cancer has led to thousands of lawsuits,⁵ and a recent report suggested a ban on the use of organophosphates, an entire class of commonly used agricultural pesticides.⁶

Regulatory attention on glyphosate, specifically, is growing.⁷ Jurisdictions in 25 countries have adopted policies to ban or restrict glyphosate use or are considering such action.⁸ A group of major U.S. non-governmental organizations and food companies petitioned the Environmental Protection Agency to sharply reduce the federal allowable amount of residual glyphosate on oats and to expressly prohibit the use of glyphosate as a pre-harvest drying agent.⁹

PepsiCo does not currently disclose information allowing investors to understand whether the Company's suppliers use controversial pesticides on their farms. The Company asserts it is "document[ing] continuous improvement" of environmental impacts from its supply chain through a Sustainable Farming Program. PepsiCo however does not measurably track or report the use of toxic pesticides to shareholders.

Other food companies have committed to tracking and reducing pesticide use:

1. Unilever phased out WHO Class 1 pesticides for tea production and intends to phase out Class 2 pesticides by 2020.
2. Sysco's Integrated Pest Management Program reports on the quantity of pesticides avoided.
3. Ben and Jerry's ice cream brand has committed to prohibit pre-harvest glyphosate use in its entire supply chain by 2020.

To demonstrate to shareholders that the company is adequately addressing the risks associated with the use of chemical pesticides on supplier farms, it is vital that PepsiCo increase its disclosures to shareholders.

BE IT RESOLVED: Shareholders request that PepsiCo disclose, at reasonable expense and omitting proprietary information, quantitative metrics demonstrating measurable progress toward the reduction of synthetic chemical pesticide use in the Company's supply chain.

Supporting Statement: We recommend the report include:

- An assessment of the operational and reputational risks posed to the company by the current use of pesticides in its supply chain.
- Metrics tracking the portion of supply chain crops treated with synthetic chemical pesticides.
- Metrics demonstrating success in increasing the portion of supply chain crops grown with integrated pest management practices

1 <https://www.nytimes.com/2018/08/15/health/herbicide-glyphosate-cereal-oatmeal-children.html>

2 <https://oehha.ca.gov/proposition-65/cnr/glyphosate-listed-effective-july-7-2017-known-state-california-cause-cancer>

3 <https://www.newsweek.com/antibiotic-resistance-occurs-100000-faster-herbicides-1168034>

4 <https://www.nrdc.org/sites/default/files/bees.pdf>

5 <https://www.npr.org/2018/08/10/637722786/jury-awards-terminally-ill-man-289-million-in-lawsuit-against-monsanto>

6 <https://www.theguardian.com/environment/2018/oct/24/entire-pesticide-class-should-be-banned-for-effect-on-childrens-health>

7 <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5484035/pdf/jech-2016-208463.pdf>

8 <https://www.baumhedlundlaw.com/toxic-tort-law/monsanto-roundup-lawsuit/where-is-glyphosate-banned/>

9 https://cdn3.ewg.org/sites/default/files/Glyphosate%20Petition%20Final%20.pdf?_ga=2.149341110.1808919085.1539882425-1374321464.1536083250

Report on Efforts to Reduce Hazards of Coal Residuals

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 Waste (CCW, or coal ash). In 2017 alone the SJGS produced 1,360,871 tons of coal ash. 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 preserved in a vitrified state when dry, when wet the coal ash begins to "devitrify" and to 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.

Currently CCW regulations are in limbo, but other attempts are being made to hold utilities accountable for CCW pollution. In Illinois, for example, due to groundwater pollution from CCW at numerous coal plants, environmental groups have urged the new governor to require coal plant operators to cease polluting and to pay to clean up the existing dumps of coal ash.

Further, PNM closed two units of SJGS at the end of 2017, and plans to close the next two by 2022. PNM will therefore file a SJGS abandonment case at the New Mexico Public Regulation Commission (PRC), which will determine under what conditions it will be allowed to leave the accumulated CCW.

In its SEC filing of September 2018, PNM states that it does not expect that federal regulations will "have a material impact on operations, financial position, or cash flows," and that "PNM would seek recovery from its ratepayers of all CCB [CCW] costs that are ultimately incurred" at San Juan.

There is, however, a risk of financial consequence to the company and to shareholders related to PNM's storage of CCW, and no guarantee that the PRC will allow the company to pass on these costs to ratepayers.

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, 2020, be prepared at reasonable cost, and omit confidential information such as proprietary data or legal strategy.

Financial Impact Analysis of Nuclear Assets

PNM Resources

BE IT RESOLVED: Shareholders request that PNM Resources (“PNM”) prepare a public report of the financial impacts to shareholders if purchasing the currently leased assets in the Palo Verde Nuclear Generating Station (“PVNGS”) is disallowed by the New Mexico Supreme Court and the New Mexico Public Regulation Commission (“PRC”). The report should be prepared within one year of the 2019 annual meeting at reasonable cost and omitting proprietary information.

Supporting Statement: PNM has a 10.2% interest in each of the three units at the PVNGS. In 1985, the PRC authorized PNM to sell and lease back substantially all of its 10.2% ownership interest in Palo Verde (“PV”) Unit 1 to third party investors, who simultaneously leased the assets back to PNM. In 1986, the PRC authorized PNM to sell its 10.2% ownership interest in PV Unit 2 and the remainder of its PV Unit 1 interests to third party investors, who simultaneously leased these assets back to PNM. The PRC excluded all of PNM’s 10.2% ownership interest in PV Unit 3 from the rate base until 2015, when it approved inclusion of the 10.2% interest in PV Unit 3 back into the rate base.

In return for the lease payments, PNM received the right to power generated by PVNGS. For roughly the past 30 years, the costs of the PVNGS leases have been recovered in base rates. PNM has repurchased portions of these assets from various lessors, and when it has done so PNM has substantially reduced the risks to shareholders associated with nuclear plant decommissioning and capital costs. This is because when PNM leases or owns PVNGS assets for ratepayers then ratepayers, not shareholders, bear responsibility for decommissioning and capital costs in proportion to the amount of time the plant is used for retail purposes.

However, there are risks that 64.1 MW of PVNGS Unit 2 (after a finding by the PRC that PNM’s procurement of the 64.1 MW was “imprudent”; the appeal is pending in the New Mexico Supreme Court) and 104 MW of PVNGS Unit 1 (lease expiration in 2023) and 10 MW of PVNGS Unit 2 (lease expiration in 2024) may be disallowed into rate base. If purchase of PVNGS leases are disallowed then PNM shareholders, not ratepayers, will be responsible for decommissioning expenses and any capital project costs for projects pending at the date of the lease expiration. In testimony PNM conceded that there was a risk that shareholders, not ratepayers, would bear the cost of non-depreciated capital improvements and decommissioning expenses if PNM did not buy the leases. PNM has argued that disallowance of purchase of the PV leases for ratepayers would cause “serious harm” to the company and therefore its shareholders.

Sustainability Reporting

Tesla Inc.

WHEREAS: Managing and reporting on environmental, social, and governance (ESG) topics, such as worker health and safety, resource usage, operational environmental impacts, and corporate governance policies helps companies compete in a business environment characterized by finite natural resources, changing legislation, and heightened public expectations for corporate accountability. Transparent, substantive reporting allows companies to gain strategic value from existing sustainability efforts and identify emerging risks and opportunities.

Tesla has faced various criticisms for its health and safety performance in recent years, to which the Company has responded via sporadic blog posts. Proponents believe many of these damaging criticisms could have been avoided if Tesla provided comprehensive disclosures that paint a clear picture of the company's H&S record over time.

Tesla does not substantively report on its policies, programs, or performance on other ESG issues, including energy or water usage, greenhouse gas emissions, supply chain responsibility, raw materials sourcing, the life cycle benefits of its products, and/or workforce diversity. This leaves investors unable to adequately evaluate how the company is managing related risks and opportunities.

Corporate sustainability reporting is a very common business practice, undertaken by 85% of the S&P 500 in 2017 according to the Governance and Accountability Institute. Globally, 75% of 4,900 companies surveyed by KPMG in 2017 publish corporate responsibility reports. These figures include many of Tesla's peers: Ford, GM, Daimler, Toyota, Volkswagen, BMW, Honda, Samsung, Siemens, AES Corporation, and SunPower.

Performance on ESG factors is widely linked to financial outperformance. Oxford University and Arabesque Partners reviewed 200 studies on sustainability and corporate performance and found 90 percent of studies show high ESG standards reduced companies' cost of capital, and 80 percent show a positive correlation between stock price performance and good sustainability practices.

Investors have demonstrated strong interest in corporate reporting on sustainability policies, practices, data, and improvement targets. The 1,800 signatories of the Principles for Responsible Investment, representing approximately \$70 trillion in assets under management, have pledged to seek "appropriate disclosure on ESG issues." The Task Force on Climate Related Financial Disclosures (TCFD), whose members include JPMorgan Chase, UBS Asset Management, Generation Investment Management, and BlackRock, recommends that companies disclose targets to measure and manage climate risks and performance against these targets.

RESOLVED: Shareholders request Tesla, Inc. issue an annual corporate sustainability report describing the Company's Environmental, Social, and Governance (ESG) policies, management strategies, quantitative performance metrics, and improvement targets. This report should be prepared at reasonable cost and omit proprietary information.

Supporting Statement: Tesla should consider the resources and recommendations made by the widely accepted Global Reporting Initiative, CDP, Sustainability Accounting Standards Board, and the TCFD when identifying ESG topics to be included in this report. The report should address relevant policies, practices, metrics, and goals on topics such as: supply chain management, greenhouse gas emissions, waste minimization, energy efficiency, workforce health & safety, product quality and safety, and other relevant impacts.

Proxy Resolutions: Environmental Health and Sustainability

Sustainability Reporting

PACCAR, Inc.

Similar resolutions were submitted to Advance Auto Parts, Inc., CarMax, Dollar Tree Stores

WHEREAS: The Sustainability Accounting Standards Board (SASB) has established industry-specific standards that assist companies in disclosing financially material, decision-useful sustainability information to investors;

SASB standards are designed to identify a minimum set of sustainability issues most likely to impact the operating performance or financial condition of the typical company in an industry, regardless of location;

Businesses can use the SASB standards to better identify, manage, and communicate to investors sustainability information that is financially material. Use of the standards can benefit businesses by improving transparency, risk management, and performance. SASB standards can help investors by encouraging reporting that is comparable, consistent, and financially material, thereby enabling better investment and voting decisions;

Failure to adequately manage and disclose performance on material sustainability factors can pose significant regulatory, legal, reputational, and financial risk to a company and its shareholders;

Investors support disclosure in accordance with SASB standards: The SASB Investor Advisory Group, 32 global asset owners and asset managers (including six of the world's ten largest investment advisers) "[b]elieve SASB's approach— which is industry-specific and materiality-focused—will help provide investors with relevant and decision-useful information," and "[b]elieve that SASB standards can inform integration of sustainability factors into investment and/or stewardship processes, such as corporate engagement and proxy voting."¹ 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 among others pension funds of six states;²

SASB identifies the Industrial Machinery & Goods industry's material sustainability issues as Energy Management; Employee Health & Safety; Fuel Economy & Emissions in Use-phase; Materials Sourcing; and Remanufacturing Design & Services. Presently, our company provides insufficient disclosure on these issues. For instance, our company does not disclose how it manages critical materials sourcing risks. Industrial goods companies are exposed to supply chain risks through the use of critical materials and conflict minerals in electronic components. These materials are characterized by availability that could be affected by geopolitical considerations, concentration of deposits in few countries, and low substitution ratios. By limiting use of critical and conflict materials and securing their supply, our company can mitigate the risk of supply disruptions and volatile input prices. The absence of this information 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 on sustainability to shareholders by 180 days after the 2019 Annual Meeting, at reasonable expense and excluding confidential information, prepared in consideration of the SASB Industrial Machinery and Goods standard, describing the company's policies, performance, and improvement targets related to material sustainability risks and opportunities.

Supporting Statement: The reporting should include discussion of the company's strategic approach to managing risks associated with geopolitical conflict that may affect the availability of critical materials for its products.

¹ <https://www.sasb.org/investor-use/supporters/>

² <https://www.sasb.org/alliance-membership/organizationalmembers/>

Financial Practices and Risk

For nearly five decades, ICCR members have engaged the financial services sector with the goal of bringing greater equity and stability to global financial systems. ICCR’s financial practices resolutions seek to build more ethical practices at the nation’s top banks, with a focus on risk management and responsible lending. One bank this year was also the recipient of a resolution on fiduciary oversight on matters affecting indigenous rights, which is discussed in the Human Rights section, on page 156.



Financial Practices and Risk	2
Proposal Topic	Quantity
Evaluate Impact of Overdraft Practices on Customers NEW	2

Evaluate Impact of Overdraft Practices on Customers

The largest U.S. banks collected \$11.45 billion in overdraft fees in 2017. Typically, bank customers often pay more in overdraft fees than their overage amounts. Additionally, research indicates that many consumers who opted into fee-based overdraft coverage for debit card transactions after the 2010 change to the Federal Reserve’s Regulation E did so as a result of aggressive or deceptive marketing.

Arguing that both banks’ overdraft fee amounts do not appear to bear any relationship to the actual cost or risk involved in covering an overdraft, investors expressed doubt about Bank of America and J.P. Morgan Chase’s reasons for imposing overdraft fees and argue that doing so raises reputational risks. Investors sent both a resolution asking them to issue reports evaluating the impact their overdraft policies and practices have on their customers.

Evaluate Impact of Overdraft Practices on Customers

J.P. Morgan Chase & Co.

A similar resolution was submitted to Bank of America Corp.

WHEREAS: JPMorgan Chase charges a \$34 fee when it pays a customer's checks, debit card point-of-sale (POS) transactions, or certain other electronic transactions, even though the customer's account lacks sufficient funds to cover the charges (if the customer opts-in). In 2017, this resulted in the company collecting over \$1.8 billion in overdraft/NSF fees. This represented 2% of its total income and 39% of its service charge income.

According to a 2018 Center for Responsible Lending report, FDIC data shows the largest American banks collected \$11.45 billion in overdraft/NSF fees in 2017. Their studies found:

- account holders incurring large numbers of overdraft fees are more often low-income, single, non-white, and renters;
- customers often pay more in overdraft fees than the overage amount;
- banks collect a high volume of overdraft fees each year from college-age customers and older Americans who rely heavily on Social Security Income; and
- many consumers who opted into fee-based overdraft coverage for debit card transactions after the 2010 change to the Federal Reserve's Regulation E did so as a result of aggressive or deceptive marketing.

The CFPB found the majority of customers that frequently overdraft are more financially vulnerable than those who are not. And Pew research has shown approximate 70% of heavy overdrafters earn less than \$50,000/year.

JPMC's flat \$34 overdraft/NSF fee does not appear to bear any relationship to the cost or risk of covering an overdraft, which casts doubt on its reasons for imposing the fee and raises reputational risks. This also means that almost regardless of the size of the overdraft, the fee is the same – e.g. the cost to the customer is the same whether she is \$5 over her balance or \$500 over her balance. This is concerning since a 2014 CFPB study found customers were paying a median overdraft fee of \$34 for debit card payments of \$24 or less. The Washington Post has reported that this is the equivalent of a loan with a 17,000 percent annual rate.

Citibank does not charge overdraft fees for point of sale or ATM withdrawals.

In response to the potential and actual harm to vulnerable customers, U.S. Senator Cory Booker has introduced the Stop Overdraft Profiteering Act, which would prohibit banks from imposing overdraft fees on debit card or ATM transactions. Furthermore, it would limit the number of overdraft fees that could be levied on check-based transactions.

RESOLVED: Shareholders request the Board complete a report to shareholders (prepared at reasonable cost, omitting proprietary and confidential information, and within a reasonable time) evaluating overdraft policies and practices and the impacts they have on customers.

Food

ICCR’s members are engaging some of the world’s largest agriculture, meat and food companies to address their externalities – their impacts on their workers, communities and the planet.

Modern agriculture in particular is failing to manage critical business risks which negatively impact the public, workers, and local communities. Risks include antibiotic resistance from the overuse of antibiotics in concentrated animal feeding operations (CAFOs) which has accelerated the development of antibiotic-resistant bacteria; deforestation stemming from land cleared to make space for agricultural commodities like soy, palm oil, and cattle which accelerates global warming; human rights impacts on farm workers and communities; and pesticide toxicity from the herbicides and insecticides used in agriculture which impose a heavy health burden on farmworkers, adjacent communities, and the environment.

ICCR members’ resolutions on food typically address deforestation stemming from the production of agricultural commodities, the overuse of medically important antibiotics in animal agriculture, and efforts to reduce food waste.



Food	10
Proposal Topic	Quantity
Sustainable Forests	5
Phase Out Medically Important Antibiotics in Supply Chain	3
Report on Impacts of Food Waste from Company Operations	1
Set Targets for Meat Raised Without Routine Antibiotics	1

Antibiotics in the Supply Chain

Antibiotic resistance is a global public health crisis contributing to the rise of “superbugs” that are responsible for 23,000 deaths in the U.S. each year. Reduced antibiotic effectiveness is due in part to their routine use in meat production to prevent contagion among large numbers of animals raised in close, unsanitary conditions. ICCR members encourage meat suppliers and fast food restaurants, which purchase large quantities of meat, to use their leverage to help address this serious public health risk.

ICCR members asked Costco to adopt an enterprise-wide policy phasing out the use of medically important antibiotics in its store brand meat and poultry supply chain, with the exception of treatment and control of diagnosed illness. McDonald’s was asked to adopt a similar policy for its beef and pork supply chains. Sanderson Farms was asked to adopt a similar policy for its meat and poultry supply chain.

Domino’s Pizza was asked to adopt a policy setting national sourcing targets with timelines for pork and beef.



“Agriculture drives more than 80 percent of global deforestation, much of it tropical forests in Brazil, Indonesia and Malaysia. Cattle, soybeans, palm oil and timber products are the primary

commodities driving these destructive trends. Deforestation contributes to biodiversity loss, soil erosion, disrupted rainfall patterns, community land conflicts and forced labor. Deforestation adds more carbon dioxide to the atmosphere than the total of all the cars and trucks on the world’s roads. Nearly half of deforestation is illegal, resulting in burning down an area of tropical forest the size of Maine every year.

Companies that directly or indirectly cause deforestation by producing or consuming unsustainable forest-risk commodities are faced with risks, including a reduction or disruption of supply, increased costs, damage to reputation, and tightening regulations.

Investors have been engaging companies in the food, retail, and commodity sectors for more than a decade asking them to eliminate deforestation from their agricultural supply chains. Investors have a direct financial stake in how companies manage these risks and can play an important role in influencing their behavior. ICCR members are engaging over 30 corporations this season in dialogue and submitted 5 proposals asking for a comprehensive, cross-commodity policy to eliminate deforestation and related human rights issues from the company’s supply chain. For companies with policies, we’re asking for a time-bound, quantifiable implementation plan. Whereas investor action has contributed to significant corporate commitments in palm oil and timber, there have been too few commitments towards cattle and soy.”

Frank Sherman, Executive Director — Seventh Generation Interfaith Coalition for Responsible Investment

Sustainable Forests

Deforestation accounts for over 10 percent of global greenhouse gas emissions. In addition, it contributes to biodiversity loss, soil erosion, disrupted rainfall patterns, community land conflicts, and forced labor. The commodities palm oil, soy, beef, and pulp/paper are among the leading drivers of deforestation globally. Companies that do not adequately address and mitigate deforestation risk in their supply chains are vulnerable to supply chain disruption, as enforcement against illegal practices increases.

Investors asked Aramark, Kroger, Restaurant Brands International and Yum! Brands to report on how they are integrating quantitative metrics on their supply chain impacts on deforestation, including their progress towards achieving time-bound goals for reducing these impacts. Mondelez was asked to report on how it is curtailing its impact on climate change caused by deforestation in its cocoa supply chain.

Reduce Food Waste

Forty percent of food produced in the U.S. is thrown away. Producing this wasted food also consumes an estimated 25 percent of U.S. freshwater, 19 percent of fertilizer, and 18 percent of cropland. Amazon has captured 30 percent of U.S. online grocery spending with its acquisition of Whole Foods, and as a result, has increased its exposure to products with greater rates of food waste and spoilage. Peers such as Kroger, Walmart, and Wegmans already disclose or have committed to quantitative disclosure of food waste levels, and set targets for food waste reduction. Amazon has yet to report any company-wide food waste management strategy.

Shareholders asked Amazon to report on the environmental and social impacts of food waste generated by its operations.

Sustainable Forests

Aramark

WHEREAS: Aramark utilizes palm oil, soy, beef, and pulp/paper in its business. These commodities are among the leading drivers of deforestation globally. Aramark lacks action on deforestation, exposing the company to business risks including supply chain disruption, reputational damage, and failure to meet shifting consumer and market expectations.

Deforestation has attracted significant negative attention from civil society, business, and government. It accounts for over 10 percent of global greenhouse gas emissions. In addition, it contributes to biodiversity loss, soil erosion, disrupted rainfall patterns, community land conflicts, and forced labor. Commercial agriculture drives two-thirds of tropical deforestation.

Strategies exist to combat deforestation. For instance, conserving forests by utilizing already cleared land and increasing agricultural productivity can stabilize climate and soils, regulate regional water flows, and provide habitat for pollinators and natural predators of agricultural pests.

Companies that do not adequately address and mitigate deforestation risk in their supply chains are vulnerable to supply chain disruption as enforcement against illegal practices increases. They also expose themselves to severe reputational damage as major media outlets, including The New York Times and Bloomberg, cover this topic.

In light of shifting market expectations for sustainable production, over 450 companies, including several industry peers, have committed to eliminating deforestation within their supply chains.

Food sector giants Sodexo and Compass Group have set time-bound commitments to reach zero net deforestation and forest degradation in their supply chains. Both companies respond to the CDP Forests questionnaire, a reporting framework supported by investors representing \$87 trillion in assets, earning scores ranging from B to A- across the four forest-risk commodity supply chains in 2017.

By contrast, Aramark has no public statements or commitments regarding deforestation. CDP Forests scored Aramark an F across all commodities in 2017, and SCRIPT, a platform used by financial institutions to analyze soft commodity risk exposure, flags Aramark as “highrisk,” scoring the company 8.75 out of 100.

Failure to keep pace with industry peers may pose risks to Aramark including restricted market access and loss of goodwill.

RESOLVED: Shareholders request that Aramark report to shareholders, at reasonable expense and excluding proprietary information, quantitative metrics on supply chain impacts on deforestation, including progress on any time-bound goals for reducing such impacts.

Supporting Statement: Proponents suggest that meaningful indicators in such reporting could include:

- For key commodities that Aramark sources such as palm oil, soy, beef, and pulp/paper, the percentage that can be traced back to its source, and the percentage verified via credible third parties as not contributing to physical expansion into peatlands, HCV or HCS forests;
- The tracking of these figures against an anticipated timeframe for 100 percent sourcing consistent with these criteria; and
- An assessment of any reputational and operational risks facing Aramark in relation to supply chain and operational impacts on deforestation, including from failure to know or monitor supply chain conditions.

Sustainable Forests

Kroger Co.

WHEREAS: The Kroger Co. (Kroger) utilizes beef, soy, palm oil, and pulp/paper in its business. These commodities are among the leading drivers of deforestation globally.

Deforestation accounts for over 10 percent of global greenhouse gas emissions, including from slash-and-burn agriculture, and contributes to the loss of global carbon storage capacity. Curbing deforestation is seen as one of the most cost-effective options for significantly reducing greenhouse gas emissions and the negative impacts of changing climates. Commercial agriculture drives two-thirds of tropical deforestation.

Companies that do not adequately address and mitigate exposure to deforestation in supply chains are vulnerable to reputational damage. In addition to climate impacts, deforestation contributes to biodiversity loss, soil erosion, disrupted rainfall patterns, community land conflicts, and forced labor. The issue of deforestation has attracted significant negative attention from civil society, business, government, and major media outlets, including The New York Times and Bloomberg.

In light of shifting market expectations for the sustainable production of commodities linked to deforestation, over 450 companies, including industry peers, have committed to eliminate deforestation within their supply chains. Walmart, Tesco, and Carrefour have 2020 zero net deforestation commitments that cover the four leading commodity drivers of deforestation. Target and Aldi have sustainable fiber-based packaging commitments time-bound to 2022 and 2020, respectively. Lidl continues to expand its Sustainable Soy Policy.

By contrast, Kroger's approach to managing deforestation risk is incomplete. The Company lacks adequate disclosure of progress, such as providing metrics on the full range of its forest-risk commodities, and an environmental compliance program for their suppliers. Kroger ranked higher risk than both Target and Ahold Delhaize by SCRIPT, a platform used by financial institutions to analyze soft commodity risk exposure. Kroger scored 2 out of 5 for its overall forest policy in the Forest 500 2017 company scorecard, compared to Walmart and Carrefour which each received 5. Unlike Tesco, Ahold Delhaize, and Walmart, Kroger has neither signed the New York Declaration on Forests nor supported the Cerrado Manifesto.

In failing to keep pace with industry peers, the proponent believes Kroger's limited efforts to manage deforestation risk expose the company to significant business risks including supply chain disruption, damage to its brand value, loss of goodwill, and failure to meet shifting consumer and market expectations.

RESOLVED: Shareholders request that Kroger issue a report to investors by December 31, 2019 and updated annually, at reasonable expense and excluding proprietary information, integrating quantitative metrics on its supply chain impacts on deforestation, including progress on any time-bound goals for reducing such impacts.

Supporting Statement: Proponents believe meaningful indicators in such reports could include, for instance:

- owned brand products;
- Identifying any sustainability certification standards the company is using for major forest risk commodities (including palm oil, soy, cattle, beef, and paper/pulp) and disclose the percentage of commodities and suppliers attaining those certifications;
- Strengthen supplier non-compliance protocols to include deforestation-related policy violations; and
- Any reporting conducted through CDP Forests or similar platforms.

Sustainable Forests

Mondelez International, Inc.

RESOLVED: Shareholders request that Mondelez International, Inc. (“Mondelez”) report annually (initially by May 2020), at reasonable cost and omitting proprietary information, on how the company is curtailing the impact on the Earth’s climate caused by deforestation in Mondelez’ cocoa supply chain.

Supporting Statement: Mondelez uses cocoa in a number of its brand products, and Mondelez subsidiary Cadbury is the second largest confectionery company in the world. Cocoa is a driver of climate change caused by deforestation in Africa, Asia and South America. Millions of acres of forest have been cut down for cocoa production. (http://www.mightyearth.org/wpcontent/uploads/2017/09/chocolates_dark_secret_english_web.pdf)

Deforestation has attracted significant attention from civil society, business and governments. It accounts for over 10% of global greenhouse gas emissions and contributes to biodiversity loss, soil erosion, disrupted rainfall patterns. According to the Intergovernmental Panel on Climate Change’s 2018 report, restoring landscapes and forests is one of the best, most cost-effective options available to combat the devastating impacts of changing climates. Additionally, supply chains that are illegally engaged in deforestation are vulnerable to disruption from new regulations and enforcement.

Companies that fail to mitigate the impacts of their supply chain on forests can suffer from bad publicity which, along with increased consumer awareness and concern about deforestation, poses a significant reputational risk. In recent years, major media outlets have reported on specific companies’ failure to adequately implement policies that address deforestation. (<https://www.theguardian.com/environment/2017/sep/13/chocolate-industry-drivesrainforest-disaster-in-ivory-coast>)

Companies with cocoa sourcing policies similar to Mondelez’ have suffered strong public criticism related to deforestation, human rights abuses and biodiversity concerns. Although Mondelez launched Cocoa Life in 2012 to sustainably source all cocoa by supporting cocoa farmers and their communities, the company lacks disclosure of time-bound goals and key indicators used to measure performance.

A growing number of peer companies such as Lindt & Sprungli and Hershey have pledged to develop transparent, traceable deforestation-free cocoa supply chains. These organizations have cocoa policies and public statements that are stronger than Mondelez’ and pledge to implement them by as soon as 2020, whereas Mondelez’ goal for implementation is unknown. This trend indicates that sourcing sustainable cocoa is feasible, and raises the bar for the entire food and beverage sector, heightening risks and opportunities to Mondelez.

Key indicators that stakeholders often use to publicly assess cocoa sourcing, which Mondelez may want to consider using, include:

- Percentage of cocoa that is traceable. Traceability means knowing the cocoa’s origin and being able to establish where, how and by whom it was grown. This includes ensuring that child labor is not used in the production process.
- Percentage of cocoa supply that is verified by third parties.
- Percentage of cocoa supply certified by global certification and labeling organizations.
- Percentage of shade-grown cocoa

We urge shareholders to support this proposal.

Sustainable Forests

Yum! Brands, Inc.

RESOLVED: Shareholders request that Yum! Brands, Inc. (YUM) issue annual reports 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 reports 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. These commodities are the leading drivers of deforestation globally. YUM's limited action on deforestation sets the company behind its peers and exposes the company to significant business and market risks that deforestation may pose, given the link between deforestation and climate change, including supply chain unreliability, damage to the company's brand value, and failure to meet shifting consumer and market expectations. The SCRIPT Soft Commodity Risk Platform scored YUM at 26 out of 100 due to lack of risk awareness, board oversight, overarching policies addressing deforestation risk, traceability, and timebound targets.

Deforestation has attracted significant attention from civil society, business and governments. It accounts for over 10% of global greenhouse gas emissions and contributes to climate change, biodiversity loss, soil erosion, disrupted rainfall patterns, community land conflicts and forced labor. Commercial agriculture accounted for over 70% of tropical deforestation, 49% of which was illegal, between 2000 and 2012. (<https://www.theguardian.com/global-development/2014/sep/11/tropical-forestsillegally-destroyed-commercial-agriculture>)

According to the 2018 report of the Intergovernmental Panel on Climate Change (IPCC), restoring landscapes and forests is one of the best, most cost-effective options available to combat impacts of climate change. (<http://www.ipcc.ch/report/sr15/>) Value chains that are illegally engaged in deforestation are vulnerable to interruption with new regulations and enforcement, to which companies must adapt.

Companies that have failed to mitigate the impacts of their supply chain may face reputational damage. In recent years, major media outlets have reported on specific companies' failure to adequately implement policies that address deforestation. This publicity, along with increased consumer awareness and concern about deforestation and climate change, poses a significant reputational risk.

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, and including the supply chain across all geographies; and
- 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, and grievance processes.

We urge shareholders to support this proposal.

Sustainable Forests

Restaurant Brands International

WHEREAS: Deforestation contributes over 10% of global greenhouse gas emissions and contributes to biodiversity loss, soil erosion, disrupted rainfall patterns, community land conflicts and forced labor. Commercial agriculture accounted for over 70% of tropical deforestation between 2000 and 2012, half of which was illegal. According to the Intergovernmental Panel on Climate Change's 2018 report, restoring landscapes and forests is one of the best, most cost-effective options available to combat the devastating impacts of changing climates.

Restaurant Brands International Inc. (RBI) utilizes commodities such as beef, soy, palm oil and fiber-based packaging that are the leading drivers of deforestation. The company's goal to eliminate deforestation from its supply chains by 2030 falls short of its peers' target of 2020. RBI's palm oil and fiber-based packaging policies do not include the Popeye's Brand and lack traceability, a non-compliance protocol, a grievance process, and adequate disclosure of progress. RBI has no responsible sourcing policy on soy and their policy on beef sustainability simply supports industry principles and frameworks while lacking time-bound and measurable commitment towards supply chain traceability and supplier assurance of zero deforestation. SCRIPT Soft Commodity Risk Platform scored the company at 37 out of 100 due to lack of risk awareness, board oversight, executive compensation, commodity specific policies, certification and traceability, and time-bound targets.

Peer companies including McDonald's, Danone, Unilever and Nestle? have set higher standards to sustainably source commodity drivers of deforestation. These companies signed The New York Declaration on Forests to eliminate deforestation from private-sector supply chains of beef, soy, palm oil, and paper products by no later than 2020. Many peers report their supply chain impacts via CDP's Forest survey and actively support the Brazilian Soy Moratorium and Cerrado Manifesto.

RBI's limited action on deforestation exposes them to significant business risks including unreliability of supply, damage to the company's brand value, and failure to meet shifting consumer and market expectations. Additionally, supply chains that are illegally engaging in deforestation are vulnerable to interruption from new regulations and enforcement.

RESOLVED: Shareholders request that RBI issue a report to investors by November 1, 2019 and updated annually, at reasonable expense and excluding proprietary information, providing quantitative targets and implementation plans for reducing supply chain impacts on deforestation.

Supporting statement:

Proponents believe a meaningful response could include:

- Commodity specific, time-bound goals for reducing or eliminating deforestation linked to RBI's operations and supply chain for soy and beef;
- Evidence of proactive implementation efforts, such as a time-bound plan, verification processes, non-compliance protocols and regular reporting on a public platform; and
- The percentage of each commodity sourced that is traced back to its origin and the percentage verified via credible third parties as not contributing to physical expansion into peatlands, High Conservation Value lands, or High Carbon Stock forests, or contributing to land and labor rights abuses.

Phase Out Medically Important Antibiotics in Supply Chain

Costco Wholesale Corp.

WHEREAS: Antibiotic resistance is one of the leading human health threats of our time.

“A postantibiotic era – in which common infections and minor injuries can kill – far from being an apocalyptic fantasy, is instead a very real possibility for the 21st Century.” –World Health Organization (WHO), 2014

Antibiotics are losing effectiveness due in significant part to irresponsible overuse in animal agriculture. The more frequently antibiotics are used, the faster antibiotic-resistant bacteria (superbugs) evolve.

Over 70% of medically important antibiotics in the U.S. are sold for livestock.¹ The vast majority are used on healthy animals to prevent disease in crowded and unsanitary conditions, rather than treating diagnosed illness.

In November 2017, WHO released guidelines stating that it “strongly recommends... complete restriction of these antibiotics for growth promotion and disease prevention without diagnosis.”²

Costco’s valuable brand is founded on strong corporate responsibility.³ The Kirkland Signature store brand, which accounts for a quarter of annual sales, is committed to being “respectful of the people or animals who produce them... [and] respectful of the environment in the way they are produced.”⁴

Kirkland Signature, however, lacks policies to address antibiotic use in meat and poultry production. This silence jeopardizes Costco’s valuable reputation.

As consumers grow increasingly concerned, companies that sell chicken are taking action. For instance, the majority of the top 25 restaurant chains in the U.S. have already enacted policies to reduce unnecessary antibiotic use in healthy livestock. Further, all store brand chicken sold by Costco competitor Whole Foods is raised without antibiotics.

Despite pledging in 2015 to prohibit the use of medically important antibiotics in its chicken, Costco has not provided a timeline for action or updated this commitment, nor has it announced antibiotics policies for beef and pork.⁵

Costco’s planned poultry operations in Nebraska, which will process 100 million chickens per year, pose similar reputational risk since Costco has no antibiotic policies for this operation. This plant has already resulted in negative national press⁶ and opposition from community groups⁷ and national advocacy groups.⁸

Mainstream consumers have increasingly higher expectations for health, sustainability, and overall social responsibility when purchasing food.⁹ If Costco does not take meaningful action to minimize the use of medically important antibiotics, the Costco and Kirkland brands are likely to suffer irreparable reputational damage and lose market share to competitors.

RESOLVED: Shareholders request that Costco adopt an enterprise-wide policy to phase out the use of medically important antibiotics in its store brand meat and poultry supply chain, with an exception for treatment and non-routine control of diagnosed illness.

1 <https://www.reuters.com/article/us-usa-livestock-antibiotics/antibiotics-sales-for-use-in-us-farm-animals-dropped-in-2016-fda-idUSKBN1E201D>

2 <http://www.who.int/news-room/detail/07-11-2017-stop-using-antibiotics-in-healthy-animals-to-prevent-the-spread-of-antibiotic-resistance>

3 <https://www.triplepundit.com/2012/08/costcogenuine-retail-csr-leader/>

4 <https://www.costco.com/sustainability-kirkland-signature.html>

5 <https://www.reuters.com/article/uscostco-antibiotics/exclusive-costco-working-to-end-use-of-human-antibiotics-in-chicken-idUSKBN0M201520150306>

6 <https://www.usnews.com/news/best-states/nebraska/articles/2017-08-09/residents-voice-air-quality-fears-for-nebraska-chicken-plant>

7 <http://www.ncunited.org/>

8 https://action.organicconsumers.org/o/50865/p/dia/action4/common/public/?action_KEY=21190

9 <https://pighealthtoday.com/eve-disruption-changes-retail-consumer-trends-might-affect-pork-consumption-production/>

Phase Out Medically Important Antibiotics in Supply Chain

McDonald's Corp.

RESOLVED: Shareholders request the Board adopt an enterprise-wide policy to phase out the use of medically important antibiotics for disease prevention purposes in its beef and pork supply chains.

Supporting Statement: The policy should include global sourcing targets with timelines, measures for implementing the policy and a third-party verification program.

WHEREAS: The World Health Organization (WHO)¹ and the U.S. Centers for Disease Control (U.S. CDC) and Prevention² report that antibiotic resistance is a global public health crisis that threatens to overturn many of the medical advances made over the last century.

According to the U.S. CDC, antibiotic use, both in food animals and human medicine, is the "single most important factor" driving this crisis.³ Over 70% of medically important antibiotics sold in the U.S. are intended for livestock use⁴ with around 80% of those livestock sales going to cattle and swine.⁵ McDonald's is the single largest purchaser of beef in the U.S. and a major buyer of pork.⁶

Cattle⁷ and swine⁸ producers often use antibiotics to prevent illness caused by unhealthy conditions on farms, rather than to treat diagnosed illness. In November 2017, WHO released guidelines⁹ recommending a reduction in medically important antibiotic use in livestock production and eliminating the use of antibiotics in animals for disease prevention. In October 2018, the European Parliament voted to prohibit the preventive use of antibiotics in livestock feed and water as an important step to combat the spread of antibiotic-resistant bacteria¹⁰.

McDonald's Global Vision for Antibiotic Stewardship in Food Animals (VAS) includes a goal to prohibit routine preventive use of antibiotics by meat suppliers and says the company "will develop species-specific policies outlining our requirements and implementation timelines for suppliers providing chicken, beef, dairy cows, pork and laying hens for use in McDonald's restaurants," but it has yet to do so.

Competitors Shake Shack, BurgerFi, Panera Bread, Chipotle Mexican Grill and Subway have substantial antibiotics policies and commitments for their meat supply. Consumer demand for meat raised with the responsible use of antibiotics is high -- a recent survey found that the majority of consumers are more likely to eat at restaurants that serve meat raised without antibiotics. U.S. producers, including Tyson, supply beef raised without antibiotics. Failure to offer meat raised with minimal antibiotics endangers McDonald's market share.

The Farm Animal Investment Risk and Return \$4.7 trillion investor network has called on McDonald's to minimize the use of medically important antibiotics across all livestock supply chains, warning that reckless antibiotic use jeopardizes global health, as well as McDonald's brand.

In 2017 proxy, 30.97% of McDonald's shareholders supported a similar proposal.

1 <http://www.who.int/newsroom/fact-sheets/detail/antimicrobial-resistance>

2 https://www.cdc.gov/drugresistance/biggest_threats.html

3 <https://www.cdc.gov/drugresistance/pdf/ar-threats-2013-508.pdf>

4 <https://amrreview.org/sites/default/files/Antimicrobials%20in%20agriculture%20and%20the%20environment%20-%20Reducing%20unnecessary%20use%20and%20waste.pdf>

5 <https://www.fda.gov/AnimalVeterinary/NewsEvents/CVMUpdates/ucm588086.htm>

6 <http://www.chicagotribune.com/business/ct-mcdonalds-antibiotics-0824-biz-20170823-story.html>

7 https://www.aphis.usda.gov/animal_health/nahms/feedlot/downloads/feedlot2011/Feed11_dr_PartIV.pdf

8 USDA. Swine 2012 "Part II: Reference of Swine Health and Health Management in the United States, 2012" USDA-APHIS-VS-CEAH, NAHMS. Fort Collins, CO #676.0216

9 <http://www.who.int/en/news-room/detail/07-11-2017-stop-using-antibiotics-in-healthy-animals-to-prevent-the-spread-of-antibiotic-resistance>

10 <http://www.europarl.europa.eu/news/en/press-room/20181018IPR16526/meps-back-plans-to-halt-spread-of-drug-resistance-from-animals-to-humans>

Phase Out Medically Important Antibiotics in Supply Chain

Sanderson Farms, Inc.

WHEREAS: The world's leading medical authorities, including the World Health Organization (WHO) and the U.S. Centers for Disease Control and Prevention (CDC), have reported that antibiotic resistance is a global public health crisis that threatens to overturn many of the medical advances made over the last century.

Antibiotics are losing their effectiveness due in significant part to irresponsible overuse in meat and poultry production. The more that antibiotics are used, the faster antibiotic-resistant bacteria evolve. If no action is taken, antibiotic resistance could cause 300 million premature deaths and up to \$100 trillion in global economic damage by 2050.¹

Over 70% of medically important antibiotics in the U.S. are sold for livestock use.² These drugs are often fed to animals in a routine manner to prevent disease caused by unhealthy conditions, rather than to treat diagnosed illness.

In November 2017, WHO recommended "[a] complete restriction of [medically important] antibiotics for growth promotion and disease prevention without diagnosis."³

Sanderson Farms has publicly stated that "there is not any credible science that leads us to believe we're causing antibiotic resistance in humans." This stance ignores the science recognized by every major medical authority. Sanderson Farms' position has led to substantial negative press.⁴

Research has shown that poultry processing workers are 32 times more likely to carry antibiotic-resistant *E. coli* bacteria⁵, meaning Sanderson Farms' use of antibiotics threatens the health and safety of many of its 11,000 employees.

Sanderson Farms' routine use of antibiotics does not enhance food safety. In fact, as of July 2018, 10 of Sanderson's 11 processing plants were listed as "Category 3" by USDA Food Safety and Inspection Service, meaning these plants exceeded the maximum allowable number of positive *Salmonella* samples during the preceding 3 months.⁶ Sanderson accounted for about one-third of Category 3 processing plants in the U.S.

A recent civil lawsuit alleges Sanderson's marketing misleads consumers to believe the company's chicken is "100% Natural" when USDA testing identified 49 instances in which Sanderson Farms' chicken contained residues of synthetic drugs, including ketamine and medically important antibiotics.⁷

To protect public health from antibiotic resistant infections and salvage the company's reputation, shareholders urge Sanderson to follow the World Health Organization recommendations.

Sanderson Farms risks losing market share to companies who have stronger antibiotics policies, such as Perdue Farms, which raises 95% of its chickens without antibiotics.

Mainstream consumers have increasingly higher expectations for health and sustainability when purchasing food;⁸ to meet this demand, all major restaurant chains now prohibit medically important antibiotics in their chicken supply chains (including McDonald's, Wendy's, Burger King, KFC, Taco Bell, Pizza Hut, Subway, Chick-Fil-A).

RESOLVED: Shareholders request that Sanderson Farms adopt an enterprise-wide policy to phase out the use of medically important antibiotics in its meat and poultry supply chain, with an exception for treatment and non-routine control of diagnosed illness.

1 <http://amr-review.org>

2 <https://www.reuters.com/article/us-usa-livestock-antibiotics/antibiotics-sales-for-use-in-u-s-farm-animals-dropped-in-2016-fda-idUSKBN1E201D>

3 <http://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.nytimes.com/2016/08/02/business/poultry-producer-sanderson-farms-stands-its-ground-its-proud-to-use-antibiotics.html>

5 <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2137113/>

6 <https://www.fsis.usda.gov>

7 <https://www.agweb.com/article/sanderson-farms-sued-by-consumer-groups-over-ketamine-chicken-blmg/>

8 <https://pighealthtoday.com/eve-disruption-changes-retail-consumer-trends-might-affect-pork-consumption-production/>

Set Targets for Meat Raised Without Routine Antibiotics

Domino's Pizza

WHEREAS: The World Health Organization (WHO) and the U.S. Centers for Disease Control and Prevention (CDC) report that antibiotic resistance is a global public health crisis, threatening to overturn many of the medical advances made in the last century.

A major contributor to antibiotic resistance is the overuse and misuse of antibiotics in livestock. Approximately 70 percent of medically important antibiotics in the U.S. are sold for use in livestock where they are often routinely used as a measure to prevent disease caused by unhealthy farm conditions rather than to treat illness.¹ Antibiotic-resistant infections cause 23,000 deaths annually in the U.S. If no action is taken, this number could increase to 300 million premature deaths and result in up to \$100 trillion in global economic damage by 2050.²

Recognizing these risks, Farm Animal Investment Risk and Return (FAIRR)'s \$4.9 trillion investor network has called on the restaurant industry to minimize the use of medically important antibiotics in global livestock supply chains.³

Domino's Pizza, Inc. seems to recognize the importance of this issue, stating in its 2018 Brand Stewardship Report, "We agree with the scientists and medical professionals that the reduction of the use of antibiotics in livestock will reduce antibiotic resistance in humans."⁴

Despite this acknowledgement, Domino's claims that a limited supply of pork and beef raised without the routine use of medically important antibiotics prohibits the company from making a commitment encompassing its entire meat supply chain. This assertion is inconsistent with the commitments of competitors such as Chipotle,⁵ Panera Bread,⁶ and Cheesecake Factory,⁷ which have supplier standards barring this practice from all sourced meats.

Acknowledging the human health threat implicated by its meat sourcing without a demonstrated attempt to avoid this practice may pose a significant reputational risk to Domino's. It is unclear whether Domino's is actively engaging with its current pork and beef suppliers to advocate for a reduction in the use of medically important antibiotics for disease prevention.

Furthermore, in direct contrast to Domino's Pizza, Inc., Domino's Pizza Group UK has a leading antibiotic policy that prohibits the use of antibiotics for any use other than disease treatment for all species.⁸

Antibiotic use in meat supply chains is rapidly becoming a mainstream concern for investors. In 2018 alone, shareholder resolutions regarding the use of medically important antibiotics for disease prevention purposes with Sanderson Farms and Darden Restaurants received 43 percent and 41 percent support, respectively.

Domino's lack of a clear policy with concrete metrics and targets regarding antibiotic use in its meat supply chain threatens the Company's public perception and may pose a competitive disadvantage.

RESOLVED: Shareholders request that Domino's Pizza, Inc. adopt a policy that sets national sourcing targets with timelines for pork and beef raised without the routine use of medically-important antibiotics for disease prevention purposes.

Supporting Statement: The policy should include sourcing targets with timelines, and measures for implementing the policy along with a thirdparty verification program.

1 <http://www.cidrap.umn.edu/news-perspective/2016/12/fda-antibiotic-use-foodanimals-continues-rise>

2 https://amr-review.org/sites/default/files/160525_Final%20paper_with%20cover.pdf

3 <http://www.fairr.org/wp-content/uploads/Antibiotics-Engagement-Final-August-2018.pdf>

4 <http://phx.corporateir.net/phoenix.zhtml?c=135383&p=irol-socialcommitment>

5 <https://www.chipotle.com/food-with-integrity#saying-noto-drugs>

6 <https://www.panerabread.com/en-us/our-beliefs/our-food-policy/raised-responsibly.html>

7 <https://www.thecheesecakefactory.com/corporate-social-responsibility/sustainable-sourcing>

8 https://corporate.dominos.co.uk/Media/Default/Corporate%20Responsibility/Food/AnimalWelfarePolicy_31July2018.pdf

Report on Impacts of Food Waste from Company Operations

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 Weis Markets 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

ICCR members advocate for the accessibility and affordability of health care services in the U.S. and around the globe. Viewing health care as a universal right, members engage pharmaceutical manufacturing and distribution companies, as well as medical device manufacturers, health insurers, and large employers in an attempt to create a more equitable global health care system. This year, ICCR’s members continued their campaign to curb skyrocketing drug prices, and filed a new group of resolutions related to the opioid crisis requesting improved oversight. They also filed three resolutions addressing the health risks of tobacco.

Board Oversight – Drug Pricing

The U.S. far outpaces the world in the cost of branded medications. Research shows that Americans paid \$310 billion for their medications in 2015, an 8.5 percent increase over 2014, when the Cost of Living Adjustment and the Consumer Price Index was just 1.7 percent for the same period. Shareholders argue that companies’ excessive dependence on drug price increases for profitability is both risky and unsustainable because the impact of price increases could provoke a backlash from insurers, prescribers and regulators.

ICCR members asked Abbvie and Pfizer to strengthen board oversight of prescription drug pricing risk by formalizing oversight responsibility, which could take the form of creating a new board committee or assigning responsibility to an existing committee.

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Review Corporate Adherence to Youth Marketing Principles	1



Senior Executive Incentives – Integrate Drug Pricing Risk

Proponents of this resolution believe that senior executive incentive compensation arrangements should reward the creation of sustainable long-term value and encourage responsible risk management, not price hikes.

Investors asked 9 companies, including Abbvie, Biogen, Bristol-Myers Squibb, and Eli Lilly, 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.



“Rising prescription drug costs increase health risks for millions of people in the United States. One out of four patients has difficulty in affording their medicines. A recent Kaiser Family Foundation poll found bipartisan support for government action to lower prescription drug costs.

Investment analysts’ reports that found that pharmaceutical companies have relied heavily on drug price increases for their revenue growth raise concerns about price increases as a long-term sustainable business model for drug makers. A model that relies on price increases to achieve revenue targets has implications for public health, and presents financial, legal and reputational risks to companies.

A shareholder proposal filed this year at nine pharmaceutical companies - AbbVie, Biogen, Bristol-Myers Squibb, Celgene, Eli Lilly, Johnson & Johnson, Merck, Pfizer and Vertex - asked whether and how executive incentive compensation arrangements take public concern over drug pricing into account. Celgene, Johnson & Johnson, Merck, Pfizer and Vertex are first-time filings. Investors withdrew the proposal at Eli Lilly after the company agreed to increase disclosure.

Shareholders seek assurances that executives are not incentivized to increase the price of drugs in order to achieve revenue targets. Rather, executive compensation arrangements should align with a company’s long-term mission. For a drug company, this means that financial rewards should encourage responsible pricing strategies that increase the accessibility of medicines for people.”

Cathy Rowan, Director of Socially Responsible Investments — Trinity Health

Anti-Competitive Practices

Drug companies that manufacture higher cost, branded drugs have recently come under public, legislative and regulatory scrutiny for engaging in practices that block the development of less expensive generic drugs. These practices extend branded drugs’ monopolies, perpetuate monopoly pricing and thwart innovation. One of the most common ways they do so is by preventing generic companies from obtaining branded drug samples.

Shareholders asked Johnson & Johnson to issue a report assessing the reputational and financial risks it faces from rising pressure to reduce high prescription drug prices by removing barriers to generic competition.

Johnson & Johnson has agreed to make new disclosures, and as a result, shareholders have withdrawn their resolution.





“In 2017, more than 70,000 Americans died from drug overdoses, the most ever in a single year. Of the 700,000 American deaths from drug overdoses since 1999, more than two-thirds have been from

opioids, with many involving prescription opioids. Since mid-2017, Investors for Opioid Accountability (IOA), a coalition of 53 investors with more than \$3.4 AUM founded by Mercy Investment Services and the UAW Retirees Medical Benefits Trust, has been a leading force in the fight against the opioid epidemic ravaging the United States.

To address this epidemic that is having a devastating effect on families and communities, and stressing our healthcare system, IOA has been leveraging its power as investors at pharmaceutical manufacturers, distributors and retailers whose business practices contribute to the accessibility of these drugs. Resolutions filed by IOA members have received significant votes, often exceeding 60 percent. IOA is currently engaging 13 companies on the various types of corporate governance reforms that may assure investors the company is monitoring its reputational and financial risks related to opioids. Four companies have publicly posted board oversight reports, and three companies are in process of approving their reports; the other companies are either engaging with shareholders and/or will have proposals on their 2019 proxies. IOA proposals filed for the 2019 proxy season address board oversight, executive compensation clawback, excluding legal costs from compensation metrics, and lobbying.”

**Donna Meyer, Director of Shareholder Advocacy —
Mercy Investment Services**

Board Oversight – Risks Related to the Opioid Crisis

Opioid abuse is an undeniable public health crisis with profound economic and social consequences. The CDC reported that in 2015, opioid abuse caused more than 33,000 deaths in the U.S., or 91 people per day. Opioid use and dependency is said to be a growing factor in why many men of prime working age in the U.S. are unable to find work. AmerisourceBergen, Cardinal Health, and McKesson are the largest prescription drug wholesalers in the nation. They supplied more than half of all pain pills provided to West Virginia residents between 2007 and 2012. Mallinckrodt, meanwhile, accounted for 43.8 million of the 236 million opioid prescriptions filled in 2016. For ICCR’s members, these companies are both profiting from and complicit in, America’s opioid crisis, having failed to be transparent about or address opioids’ addictive properties.

Investors asked Mallinckrodt and Amerisource Bergen to report on the measures they have taken to monitor and manage financial and reputational risks related to the opioid crisis, including whether they have assigned responsibility for such monitoring to the board or one or more board committees, revised senior executive compensation metrics or policies, adopted or changed mechanisms for obtaining input from stakeholders, or altered policies or processes regarding company political activities.

Executive Incentive Pay Clawback

Mallinckrodt is facing over 200 lawsuits related to opioid sales, and settled with the DEA in 2017 for \$35 million. Teva, meanwhile, has been named as a defendant in 1,000 lawsuits.

Shareholders asked the boards of Mallinckrodt Group and Teva to disclose annually whether they recouped in the previous fiscal year any incentive compensation from any senior executive or caused a senior executive to forfeit an incentive compensation award (each, a “clawback”) as a result of applying any of their incentive compensation clawback provisions.

Begin Reducing Nicotine to a Less Addictive Level

Just over fifteen percent (36.5 million) of U.S. adults are cigarette smokers. Of these, over 27 million smoke every day. Cigarette smoking causes about one of every five deaths annually, and life expectancy for smokers is on average 10 years shorter than for nonsmokers.

Shareholders asked the Altria board to take steps to preserve the health of its tobacco-using customers by making available to them information on the nicotine levels of each of its cigarette brands, and to begin reducing nicotine levels to a less addictive level.



Anti-Competitive Practices

Johnson & Johnson

RESOLVED, that shareholders of Johnson & Johnson urge the Board of Directors to issue a report to shareholders by December 31, 2019 assessing the reputational and financial risks to the Company from rising pressure to reduce high prescription drug prices in the United States by removing barriers to generic competition. The report should address, but need not be limited to, the Food and Drug Administration's ("FDA's") publication of a list of branded drugs about which the FDA has received inquiries from generic manufacturers unable to obtain branded drug samples, regulatory and legislative efforts to increase generic manufacturers' access to those samples and measures to allow generic manufacturers to create their own Risk Evaluation and Mitigation Strategy programs.

The report should be prepared at reasonable cost and should omit confidential and proprietary information.

Supporting Statement: Drug companies that manufacture higher cost, branded drugs have recently come under public, legislative and regulatory scrutiny for potentially engaging in practices that block the development of less expensive generic drugs. These practices extend branded drugs' monopolies, perpetuate monopoly pricing and thwart innovation. Studies have shown that without three or more generics on the market, market competition is difficult to achieve. Investors are concerned with mitigating business risks associated with reactions to anticompetitive practices and efforts to open up profitable generic and biosimilars markets which are expected to grow to \$11 billion in value by 2020. (<https://www.biosimilardevelopment.com/doc/biosimilars-market-worth-billion-usd-by-0001>).

The FDA's Commissioner recently released to the public a list of 50 branded drugs whose manufacturers have refused to provide samples to would-be generic manufacturers, despite having received FDA assurance that the generic company had adequate safety measures in place. (<https://www.fdanews.com/articles/186871-fda-reference-drug-list-flags-companies-that-hinder-generics>) A Kaiser Health Network analysis found that Medicare and Medicaid paid almost \$12 billion in 2016 for 47 of the drugs. Bi-partisan Congressional action resulted in the CREATES ACT, which recently passed the Senate and would provide generic companies with a private right of action to sue branded companies for denying access to drug samples.

Johnson & Johnson's unit, Actelion Pharmaceuticals, has the second-highest number of entries in that FDA list. Of the 26 inquiries to the FDA from generics manufacturers seeking access to Actelion products, 14 concerned Tracleer and 8 concerned Opsumit, both of which lack generic equivalents in the U.S. A Kaiser Health Network analysis reports that in 2016, Tracleer cost Medicare \$90,700 per patient, an increase since 2012. Negative press accounts have focused on the high cost of Tracleer and Opsumit and patients' struggles to pay for the drugs. (<https://www.bostonglobe.com/lifestyle/health-wellness/2014/07/20/specialty-drugs-save-transform-livesbut-cost/MY2hxd8gD4mnfjwkmZ1ZcP/story.html>; https://santamariatimes.com/opinion/editorial/our-viewwhere-s-to-our-true-health/article_ef0143f7-2dd2-5a76-ac7b-c42b31fc6eea.html)

Investors rely on pharmaceutical companies' boards to oversee key risks that affect shareholder value, including pursuing business strategies that could undermine long-term growth. Already, the broader investment community is raising concerns about potential losses due to the increased scrutiny over the practices described above. (<https://www.wsj.com/articles/investors-brace-yourselves-for-more-drug-price-drama-152546300>)

We urge shareholders to vote for this proposal.

Senior Executive Incentives - Integrate Drug Pricing Risk

Pfizer, Inc.

RESOLVED, that shareholders of Pfizer Inc. (“Pfizer”) urge the 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 Pfizer’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.

A key risk facing pharmaceutical companies is potential backlash against high drug prices. Pfizer has been criticized for repeated price increases, and in July 2018 President Trump called out “Pfizer & others” in a tweet, saying they “should be ashamed that they have raised drug prices for no reason”; Pfizer then postponed planned increases.

We are concerned that the incentive compensation arrangements applicable to Pfizer’s senior executives may discourage them from taking actions, like foregoing price increases, that result in lower short-term financial performance even when those actions may be in Pfizer’s best long-term interests.

Pfizer uses revenue and earnings per share (EPS) as metrics for the annual bonus and operating income as a metric for performance share awards. (2018 Proxy Statement, at 66, 68) A 2017 Credit Suisse analyst report identified Pfizer 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) In its 2018 report, Credit Suisse characterized Pfizer’s 2017 10% net price increase as above-average for the industry and noted that its list price increases were the second highest. (Global Pharmaceuticals: Scoring Sensitivity to Trump’s Reforms, May 25, 2018, at 15, 20)

In our view, excessive dependence on drug price increases is a risky and unsustainable strategy, especially when price hikes appear to drive large senior executive payouts. Highlighting this connection, a March 2018 article carried the headline, “Pfizer CEO Gets 61% Pay Raise—to \$27.9 Million—As Drug Prices Continue to Climb.” (<https://arstechnica.com/science/2018/03/amid-drug-price-increases-pfizer-ceo-gets-61-payraise-to-27-9-million/>; see also <https://www.usnews.com/opinion/articles/2017-08-30/bernie-sanders-takeon-big-pharma-and-lower-prescription-drug-prices>) We are concerned that large payouts based on financial metrics that can be affected by pricing create risks for Pfizer.

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. 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 Risk

Merck & Co., Inc.

Similar resolutions were submitted to Biogen, Inc., Bristol-Myers Squibb Company, Celgene Corporation, Eli Lilly and Company, Vertex Pharmaceuticals Incorporated

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 result in lower short-term financial performance even when those actions may be in Merck’s best longterm 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, 2017. (2018 Proxy Statement, at 51, 61) 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)

In our view, risks to long-term value arise when large senior executive payouts can be driven by price hikes. Attention may focus on both high senior executive payouts and drug pricing, fueling public outrage. Ovid Therapeutics CEO Jeremy Levin has argued that incentives to boost short-term performance, such as EPS, lead executives to raise prices (and rebates to middlemen), starve research and development and buy back shares. (<https://www.biocentury.com/biocentury/strategy/2016-09-19/why-jeremy-levin-says-executive-compensation-and-drug-pricing-must->)

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/healthshots/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 risks relating to drug pricing 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 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 (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 the level or rate of increase in prescription drug prices; and (ii) external pricing pressures are taken into account 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 longterm 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 potential backlash against high drug prices. Public outrage over high prices and their impact on patient access may force price rollbacks and harm corporate reputation. Legislative or regulatory investigations regarding pricing of prescription medicines may bring about broader changes. In May 2018, the White House released a ‘Blueprint to Lower Drug Prices’ that included promoting generics and biosimilars, as well as a different system for buying Medicare Part B drugs, such as JNJ’s Remicade.

We applaud JNJ for improving transparency on drug pricing and supporting alternative pricing approaches. We are concerned, however, that the incentive compensation arrangements applicable to JNJ’s senior executives may not encourage senior executives to take actions that result in lower short-term financial performance even when those actions may be in JNJ’s best long-term financial interests.

JNJ uses sales growth and earnings per share (EPS) as metrics for the annual bonus and EPS as a metric for performance share awards. (2018 Proxy Statement, at 43) Increasing revenues, either by increasing volumes or raising prices (or some combination), can boost both sales growth and earnings. A recent Credit Suisse analyst report identified JNJ as at significant risk from certain proposals in the Blueprint and ranked it in the bottom third on “overall resistance to emerging pressures.”

In our view, excessive dependence on drug price increases is a risky and unsustainable strategy, especially when price hikes drive large senior executive payouts. For example, media coverage of the skyrocketing cost of Mylan’s EpiPen noted that a 600% rise in Mylan’s CEO’s total compensation accompanied the 400% EpiPen price increase.

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 longterm 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.” We urge shareholders to vote for this Proposal.

Senior Executive Incentives - Integrate Drug Pricing Risk

AbbVie

RESOLVED, that shareholders of AbbVie Inc. (“AbbVie”) urge the 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 AbbVie’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 the level or rate of increase in 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 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 potential backlash against high drug prices. Societal anger over exorbitant prices and pressure over limited patients’ access due to unaffordability may force price rollbacks and harm corporate reputation.

We applaud AbbVie for committing not to increase prices by more than 10% for 2018, yet we are unaware of a like commitment for 2019 or beyond. Moreover, we are concerned that the incentive compensation arrangements applicable to AbbVie’s senior executives may undermine any such commitment.

AbbVie uses net revenue, income before taxes and Humira sales as metrics for the annual bonus and earnings per share (EPS) as a metric for certain long-term incentive awards to senior executives. (2018 Proxy Statement, at 31) 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.” The report identified AbbVie as a company where price increases accounted for at least 100% of EPS growth in 2016. (Global Pharma and Biotech Sector Review: Exploring Future US Pricing Pressure, Apr. 18, 2017, at 1.) It has been noted that the company’s 2018 9.7% price increase for Humira could add \$1.2 billion to the U.S. healthcare system (https://www.fiercepharma.com/pharma/drug-price-hikes-a-few-bad-actors-or-widespread-pharma?mkt_tok=eyJpIjoiWWpZeFtRTBOMIZoTkRjNSIsInQiOiJhckk2U0NqNXBxN0x2UCtvdVdlDzZVZXRIUHIrS0xZOVrBNXdTV1F0eVNBSDMxb3NWUGJsRWtNcFROZmIPYmM5d2hXd3VuV0k1dGICelBT Ymk2).

In our view, excessive dependence on drug price increases is a risky and unsustainable strategy, especially when price hikes drive large senior executive payouts. We believe that the company’s strategy to use “nursing support,” which the California Department of Insurance claims in its suit against the company to be largely a kickback scheme to boost Humira sales, may have been better managed by leadership if Humira sales were not an explicit part of the payment incentive plan (<https://www.law360.com/articles/1084008>).

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.

Board Oversight - Drug Pricing

Pfizer

RESOLVED, that shareholders of Pfizer, Inc. (“Pfizer” or the “Company”) recommend that the Board of Directors take the steps necessary to strengthen Board oversight of prescription drug pricing risk by formalizing oversight responsibility, which could take the form of creating a new Board committee or assigning responsibility to an existing committee.

Supporting Statement: High prescription drug prices are the subject of widespread public debate in the United States. Public outrage over high prices and the impact on patient access garner substantial media attention and scrutiny from policymakers. Even the head of industry trade association PhRMA recently admitted that “patients are increasingly facing affordability challenges in the marketplace.”¹

Stories of patients delaying treatment due to drug costs appear regularly in national media outlets. A March 2018 Kaiser Family Foundation poll found that 52% of respondents ranked lowering drug prices as a “top priority” for the President and Congress.

The White House released a “Blueprint” for lowering prices in May 2018, which included removing barriers to generics. In October 2017, California began requiring companies to notify regulators when they intend to raise a drug’s price by 16% or more over two years and explain why the increase is necessary. Other states have enacted measures addressing pricing transparency, importation and pricegouging.

Accordingly, high drug prices are an important global business risk facing pharmaceutical companies; we believe Pfizer is especially vulnerable. Unlike some competitors, Pfizer has been unwilling to commit to single-digit annual price increases. A 2018 Credit Suisse report characterized Pfizer’s 2017 10% net price increase as above-average for the industry and noted that its list price increases were the second highest.² President Trump singled out Pfizer in a July 2018 tweet, prompting the Company to postpone price increases intended to take effect that month.³ Pfizer was fined in 2016 by the UK Competition and Markets Authority for raising the price of an epilepsy drug by 2600%.⁴

In our view, robust board oversight of risks related to drug pricing would provide a valuable outside perspective and help ensure that those risks are being managed for the long term. Currently, no Board committee charter explicitly assigns responsibility for oversight of drug pricing risk, but we believe that mounting pressures justify formalizing oversight responsibility. Doing so, either by creating a new committee or designating an existing committee, would permit additional time to be devoted to the issue without burdening all directors and could We urge shareholders to vote for this proposal.

1 <https://www.biopharmadive.com/news/gottlieb-rebuffs-pharma-ceo-nostrum-labs-pricehikes-moral-imperative/532194/>

2 “Global Pharmaceuticals: Scoring Sensitivity to Trump Reforms,” May 25, 2018, at 15, 20.

3 <https://www.nytimes.com/2018/07/10/us/politics/pfizer-trump-drug-prices.html>

4 <https://www.bloomberg.com/news/articles/2016-12-07/pfizer-flynn-pharma-fined-record-106-million-by-u-k-regulator>

Board Oversight - Drug Pricing

AbbVie

RESOLVED, that shareholders of Abbvie, Inc. (“Abbvie” or the “Company”) recommend that the Board of Directors take the steps necessary to strengthen Board oversight of prescription drug pricing risk by formalizing oversight responsibility, which could take the form of creating a new Board committee or assigning responsibility to an existing committee, and by adding drug pricing risk expertise to the director qualifications skills matrix.

Supporting Statement: High prescription drug prices are the subject of widespread public debate in the United States. Public outrage over high prices and the impact on patient access garner substantial media attention and scrutiny from policymakers; a 2018 New York Times article focused on the price of Abbvie’s Humira, which more than doubled from 2012 to 2017.¹ Even the head of industry trade association PhRMA recently admitted that “patients are increasingly facing affordability challenges in the marketplace.”²

A March 2018 Kaiser Family Foundation poll found that 52% of respondents ranked lowering drug prices as a “top priority” for the President and Congress. The White House released a “Blueprint” for lowering prices in May 2018. In October 2017, California began requiring companies to notify regulators when they intend to raise a drug’s price by 16% or more over two years and explain why the increase is necessary. Other states have enacted measures addressing pricing transparency, importation and price-gouging.

Accordingly, pushback against high drug prices is an important risk facing pharmaceutical companies; we believe Abbvie is especially vulnerable. A 2018 Credit Suisse report highlighted Abbvie as among the companies most at risk from specialty pricing pressures in commercial insurance.³ Humira, which accounted for 65% of Abbvie’s revenues in 2017,⁴ now faces competition in Europe from biosimilars, which are expected to cost less.

In our view, robust board oversight of risks related to drug pricing would provide a valuable outside perspective and help ensure that those risks are being managed for the long term. Currently, no Board committee charter explicitly assigns responsibility for oversight of drug pricing risk, though the Public Policy Committee reviews and evaluates “Abbvie’s policies and practices with respect to social responsibility” and reviews “public policy issues that affect or could affect Abbvie’s business activities.” We believe that mounting pressures justify formalizing oversight responsibility. Doing so by creating a new committee or designating an existing committee would permit additional time to be devoted to the issue without burdening all directors and could allow for more frequent communication with management.

To ensure that the relevant committee includes one or more directors with appropriate expertise, we advocate adding expertise related to drug pricing risk, such as previous work for a payer or purchaser or pharmacoconomics expertise, to the director “skills, knowledge and experience matrix,” which reflects the skills considered “most relevant to the board’s oversight role.”⁵

We urge shareholders to vote for this proposal.

1 <https://www.nytimes.com/2018/01/06/business/humira-drug-prices.html>

2 <https://www.biopharmadive.com/news/gottlieb-rebuffs-pharma-ceo-nostrum-labs-price-hikes-moralimperative/532194/>

3 “Global Pharmaceuticals: Scoring Sensitivity to Trump Reforms,” May 25, 2018, at 9.

4 <https://www.sec.gov/Archives/edgar/data/1551152/000155115218000014/abbv-20171231x10k.htm>, at 12.

5 <https://www.sec.gov/Archives/edgar/data/1551152/000104746918001843/a2234787zdef14a.htm#A4>, at 16- 17.

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 (the “Board”) to report to shareholders by June 30, 2019 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, whether the crisis has been designated (or is encompassed within) a material corporate social responsibility (CSR) issue 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: Opioid abuse is a public health crisis: The Centers for Disease Control and Prevention reported that opioid abuse caused more than 42,000 U.S. deaths in 2016. 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. (<https://altarum.org/about/news-and-events/economic-toll-of-opioid-crisis-in-u-s-exceeded-1-trillion-since-2001>) Opioid use and dependency is a key factor in the decline in prime-age male labor force participation. (https://www.brookings.edu/wp-content/uploads/2017/09/1_krueger.pdf)

Walgreens has repeatedly come under fire for irresponsible dispensing and distribution of opioids. In 2013, Walgreens settled 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. Walgreens paid a record \$80 million civil penalty. (<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. (<https://www.nytimes.com/2018/02/27/us/politics/justice-department-opioidlawsuit.html>) The states of Delaware and Kentucky, the City of 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 Walgreens pharmacy in California that had purchased an unusually large number of opioid pills and had 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-askingwhy/>; <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/2018/04/12/89e7ccf2-3db6-11e8-974faacd97698cef_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 annual incentive awards, but does not indicate whether any opioid-related objectives, such as promoting ethical conduct, are part of that assessment. Walgreens’ 2017 CSR report touts Walgreens’ opioid-related initiatives such as take-back programs but does not indicate whether the Board’s Nominating and Governance Committee oversees them or Walgreens’ anti-diversion efforts. Nor is it clear from the report how the opioid crisis fits into Walgreens’ designation of material CSR issues. (https://www.walgreensbootsalliance.com/content/1110/files/Walgreens-Boots-Alliance_Corporate-Social-Responsibility-Report-2017.pdf)

We urge shareholders to vote for this proposal.

Board Oversight - Risks Related to the Opioid Crisis

Mallinckrodt Group Inc.

A similar resolution was submitted to Mylan N.V.

RESOLVED, that shareholders of Mallinckrodt plc (“Mallinckrodt”) urge the Board of Directors (the “Board”) to report to shareholders by December 31, 2019 on the governance measures Mallinckrodt has implemented since 2012 to more effectively monitor and manage financial and reputational risks related to the opioid crisis in the United States (U.S.), given Mallinckrodt’s sale of opioid medications and active pharmaceutical ingredients in opioid medications, including whether Mallinckrodt has assigned responsibility for such monitoring to the Board or one or more Board committees, revised senior executive compensation metrics or policies, adopted or changed mechanisms for obtaining input from stakeholders, or altered policies or processes regarding company lobbying activities.

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 nearly 48,000 U.S. deaths, or about 130 per day. The economic and social effects of the opioid crisis are profound. Opioid use and dependency, according to a recent Goldman Sachs study, is a key factor in why many men of prime working age in the U.S. are unable or unwilling to find work. Costs associated with opioid abuse strain patients, healthcare payers and state and local budgets.

Mallinckrodt accounted for 43.8 million of the 236 million opioid prescriptions filled in 2016, according to IMS Health, and has come under scrutiny for its sales and marketing practices. In 2017, Mallinckrodt paid \$35 million to resolve federal claims involving controlled substances, including opioids. In 2018, Mallinckrodt disclosed that it had received a grand jury subpoena from federal prosecutors, is under investigation by several state attorneys general, and faces 281 lawsuits related to opioid sales.

In light of Mallinckrodt’s failure to carry out an intended divestment of its opioid business, we believe that the Company should enhance oversight of risks related to opioids. Mallinckrodt discloses on its website steps it has taken to combat diversion and illegal sale of opioids, including founding the Anti-Diversion Industry Working Group. We believe, however, that Board-level oversight and governance reforms can play an important role in effectively addressing opioid-related risks and that shareholders would benefit from a fuller understanding of governance mechanisms serving that function.

For example, it is not clear from Mallinckrodt’s Board committee charters or proxy statement whether a specific Board committee monitors opioid-related risks, though the Compliance Committee charter mentions potentially opioid-related matters such as DEA compliance, and whether the Board oversees payments to patient advocacy and professional organizations that may lobby on controlled substance regulation. Similarly, Mallinckrodt’s most recent proxy statement does not indicate whether any opioid-related objectives, such as promoting ethical conduct, were considered in assessing named executive officer performance for incentive compensation purposes.

We urge shareholders to vote for this proposal.

Board Oversight - Risks Related to the Opioid Crisis

Teva Pharmaceuticals

Similar resolution were submitted to Amerisource Bergen

RESOLVED, that shareholders of Teva Pharmaceutical Industries Ltd. (“Teva”) urge the Board of Directors (the “Board”) to report to shareholders on the governance measures Teva has implemented since 2013 to more effectively monitor and manage financial and reputational risks related to the opioid crisis in the United States (U.S.), given Teva’s manufacturing and sale of opioid medications, including whether Teva has assigned responsibility for such monitoring to the Board or Board committee, revised senior executive compensation metrics or policies, adopted or changed mechanisms for obtaining input from stakeholders, or altered policies or processes regarding company political activities.

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 2016, opioid abuse caused over 42,000 deaths in the U.S., or 115 people 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. Opioid use and dependency is a key factor in the decline in prime-age male labor force participation.

Teva manufactures and sells opioid medications Actiq, and Fentora. Teva affiliate Anda is a wholesale distributor of generic pharmaceuticals, including opioids.

Teva faces legal and regulatory scrutiny for its business practices related to opioids. Teva’s most recent 10-K reports that five states, as well as cities and other governmental subdivisions in 34 states, have brought cases against Teva affiliates related to the sales and distribution of opioid medications. News reports indicate that these suits claim the companies engaged in misleading marketing by misrepresenting the addictive nature of opioids. Teva also disclosed that state Attorneys General are investigating its and its affiliates’ opioid sales and marketing practices.

Teva has been the subject of Congressional inquiries from Senator Claire McCaskill, who requested information regarding the Company’s anti-diversion and suspicious order practices. Senator McCaskill published a report regarding opioid prescribing in Missouri, noting that Teva’s unresponsiveness to her request for information was effectively “stonewalling a Senate investigation examining a national public health crisis,” in contrast to competitors such as Mallinckrodt, Endo Pharmaceuticals and all three major distributors, all of which responded.

In our view, boardlevel oversight and governance reforms can play an important role in effectively addressing ongoing opioid-related risks and shareholders would benefit from a fuller understanding of governance mechanisms serving that function. For example, it is not clear from Teva’s Board committee charters or proxy statement whether a specific Board committee monitors opioid-related financial and reputational risks, although the Compliance Committee charter lists “marketing and promotional practices” generally as within the committee’s purview. As well, Teva’s most recent proxy statement asserts that individual performance is among the factors considered in determining named executive officers’ bonuses, but does not identify any opioid-related objectives, such as promoting ethical conduct, that factor into performance assessment.

We urge shareholders to vote for this proposal.

Executive Incentive Pay Clawback

Teva Pharmaceuticals

A similar resolution was submitted to Mallinckrodt Group Inc.

RESOLVED, that shareholders of Teva Pharmaceutical Industries Limited (“Teva”) urge the board of directors (“Board”) to adopt a policy (the “Policy”) that Teva will disclose annually whether it, in the previous fiscal year, recouped any incentive compensation from any senior executive or caused a senior executive to forfeit an incentive compensation award (each, a “clawback”) as a result of applying any of Teva’s incentive compensation clawback provisions. “Senior executive” includes a former senior executive. The Policy should provide that the general circumstances of the clawback will be described. The disclosure requested in this proposal is intended to supplement, not supplant, any clawback disclosure required by law or regulation.

Supporting Statement: Opioid manufacturers have come under scrutiny for downplaying the highly addictive nature of opioids and for failing to report to the Drug Enforcement Administration (“DEA”) suspicious spikes in orders. In West Virginia alone, manufacturers produced and sold to wholesalers over 780 million pills over six years, or 400 pills per person.

Teva has disclosed that it has been named as a defendant in lawsuits that are part of over 1,000 cases in Ohio, known as the National Prescription Opiate Litigation, which include claims that Teva improperly marketed opioids. Teva has stated that, “1 in 6 generic prescriptions in the US are filled with Teva products”, and with 90% of the opioid market comprised of generic drugs, we worry that these lawsuits may result in significant reputational and financial cost to the Company’s business.¹

Teva has mechanisms in place to recover incentive compensation in the event of misconduct, with triggering events not limited to the financial misstatement context. However, without disclosure, investors cannot determine if those provisions are being used. We believe disclosure can be a powerful deterrent of misconduct and can signal “a tone at the top” emphasizing ethical conduct. Clawback disclosure policies have been adopted by other major opioid manufacturers and distributors, including Assertio Therapeutics, McKesson, Cardinal Health, and Insys.

Disclosure of recoveries from senior executives below the named executive officer level--recoupment from whom is already required to be disclosed under SEC rules--would be useful for shareholders because these executives may have business unit responsibilities or otherwise be in a position to take on substantial risk or affect key company policies.

We urge shareholders to vote for this proposal.

¹ https://www.tevapharm.com/about/profile/who_we_are/

Report on Implementation of UN SDGs - Tobacco Emphasis

Walgreens Boots Alliance

WHEREAS: In 2015, more than 190 world leaders at the United Nations committed to 17 Sustainable Development Goals (SDGs) to end poverty, protect the planet and ensure prosperity for all. The US Council for International Business (USCIB) states that the SDGs create “a tremendous opportunity for the private sector to demonstrate the central role it plays in sustainable development and human prosperity”. The UN Secretary General has underscored the crucial role that businesses play in the realization of the Sustainable Development Goals.

Health underpins many of the 17 goals. The first SDG goal is to “end poverty in all its forms everywhere.” Good health supports economic growth and reduces poverty. Goal 2 aims “to end hunger, achieve food security and improved nutrition.” Prevention, including a healthy and balanced diet, is critical for avoiding disease. SDG Goal 3 is: “To ensure healthy lives and promote well-being for all at all ages.”

The Walgreens Boots Alliance 2017 Corporate Social Responsibility report proclaims that the company’s “... overall CSR goals work to achieve the 17 Sustainable Development Goals (SDGs), aspirations adopted in 2015 by United Nations member states.” The CSR report even features SDG icons to show how various activities align with SDG goals.

The Sustainable Development Goals explicitly call on all businesses to apply their creativity and innovation to solving sustainable development challenges. They will allow leading companies to demonstrate how their business helps advance sustainable development, both by minimizing negative impacts and maximizing positive impacts on people and the planet. http://sdgcompass.org/wpcontent/uploads/2015/09/SDG_Compass_Guide_Executive_Summary.pdf

Our company operates approximately 400 healthcare clinics in the United States, providing prevention and wellness services, and now clinical trials. Walgreens Boots describes itself as a “leader in health & wellness.”

THEREFORE, BE IT RESOLVED that shareholders request that Walgreens Boots Alliance issue a report omitting confidential information and at reasonable cost, describing the company’s implementation plans ensuring how its policies and practices are advancing and not undermining the Sustainable Development Goals.

Supporting Statement: The UN’s SDG 3 on health includes “By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination”. In 2017, the Mind the Store campaign of Safer Chemicals, Healthy Families Report Card on Retailer Actions to Eliminate Toxic Chemicals rated Walgreens a D- due to its lack of a policy, failure to ensure supply chain accountability and its refusal to evaluate its chemical footprint. <http://retailerreportcard.com/retailer/walgreens/>

Another example is Walgreens Boots Alliance’s tobacco sales. Tobacco is the number one cause of preventable death and disease worldwide. The World Health Organization (WHO) Framework Convention on Tobacco Control explains that “Overburdened health systems in all countries are already caring for countless people who have been disabled by cancer, stroke, emphysema and the myriad other non-communicable diseases (NCDs) caused by tobacco.”

Review Corporate Adherence to Youth Marketing Principles

Philip Morris International

WHEREAS, Philip Morris International (PMI) has developed standards for marketing its products, backed by four core principles, and on its website provides examples of how their standards are applied; <https://www.pmi.com/our-business/about-us/standards/marketing-standards> The first of these core principles is “We market and sell our products to adult smokers”

Nine public health and medical organizations have petitioned the Federal Trade Commission to “take prompt investigative and enforcement action” against PMI and three other multinational tobacco companies. The petitioners state that these companies “deceptively use social media channels to promote tobacco use and smoking to a near-unlimited audience of young people” through the use of social media influencers who upload images, hashtags and videos to social media platforms such as Facebook, Twitter and Instagram. <<https://www.takeapart.org/wheretheressmoke//wp-content/uploads/2018/08/FTCPetition- Full.pdf>>

The petitioners document deceptive advertising of PMI’s Marlboro, L&M, Ice Ball and Chesterfield brands in a total of 27 countries, with examples of hashtags and slogans such as “You Decide”, “Red Is Here”, “Don’t be a Maybe”, “Marlboro Your Move”, “Best Night Ever” and “Make Your Move” being used on social media platforms.

In addition, according to the petitioners, PMI’s social media campaign for Marlboro “hosted parties with brand ambassadors” and “concerts that are used as vehicles for generating social media content.”

The petitioners present an example of their social media data analysis of one of PMI’s campaigns: “The #Idecideto campaign promoting Marlboro cigarettes was viewed 31 million times globally, with 4,238 views in the United States on Twitter alone.” Another Marlboro campaign “#Jakartamovers, was viewed 42 million times globally, with 14,000 views in the United States on Twitter alone.”

Petitioners claim that because these images enter the US market and “appear to target young American consumers”, the companies are “operating their online influencer marketing campaigns in direct violation of the FTC’s Endorsement Guides and should therefore be found by the FTC to violate Section 5 of the FTC Act.”

RESOLVED: That shareholders request the Board of Directors to review worldwide corporate adherence to Philip Morris’ own policies aimed at discouraging smoking among young people, and report the results of that review to shareholders by November 2019.

Supporting Statement: We believe that the actions described in the FTC petition create regulatory risk for PMI. Board oversight is necessary to ensure its practices are aligned with its principles.

Begin Reducing Nicotine to Less Addictive Level

Altria Group, Inc.

WHEREAS: According to the U.S. Centers for Disease Control (CDC), in 2015 an estimated 15.1% (36.5 million U.S. adults were current cigarette smokers. Of these 75.7% (27.6 million) smoked every day;

Both cigarettes and e-cigarettes contain nicotine, a highly addictive drug;

A US government fact sheet on drugabuse.gov states: “The nicotine in any tobacco product readily absorbs into the blood when a person uses it. Upon entering the blood, nicotine immediately stimulates the adrenal glands to release the hormone epinephrine (adrenaline). Epinephrine stimulates the central nervous system and increases blood pressure, breathing, and heart rate. As with drugs such as cocaine and heroin, nicotine increases levels of the chemical messenger dopamine, which affects parts of the brain that control reward and pleasure. Studies suggest that other chemicals in tobacco smoke, such as acetaldehyde, may enhance nicotine’s effects on the brain... Although nicotine is addictive, most of the severe health effects of tobacco use come from other chemicals.”

In July 2017, FDA Commissioner Scott Gottlieb announced a proposal to cut the level of nicotine in cigarettes to non-addictive levels – what Bloomberg Business Week called “the most sweeping effort to reduce smoking in the US since 1965.”

The U.S. Food and Drug Administration issued an advanced notice of a proposed rule in March that would reduce nicotine in all cigarettes and possibly other burned tobacco products sold in the U.S. to minimally addictive levels. Reducing nicotine in cigarettes does not make the cigarette safer, but because nicotine is the addictive chemical in tobacco, nicotine reduction would reduce the progression towards tobacco dependence and make it easier for smokers to quit smoking.

A new study conducted by the University of Minnesota and eight additional institutions recently published in the JAMA adds to the accumulating evidence to support this proposal and addresses whether a gradual reduction or a targeted immediate reduction in nicotine in cigarettes is the best approach.

Key findings include:

- Immediate nicotine reduction is likely to result in more rapid positive public health effects.
- Smokers in the immediate reduction group experienced significantly less exposure to toxic cigarette smoke chemicals and reported smoking fewer cigarettes per day.

RESOLVED: Shareholders request the Board take steps to preserve the health of its tobacco-using customers by making available to them information on the nicotine levels for each of our cigarette brands and begin reducing nicotine levels in our brands to a less addictive level

Supporting Statement: Commissioner Gottlieb stated: “Unless we change course, 5.6 million children alive today will die prematurely later in life from tobacco use. A renewed focus on nicotine can help us to achieve a world where cigarettes no longer addict future generations of our kids; and where adults who still need or want nicotine can get it from alternative and less harmful sources.”

We expect our company to be involved in the public debate on the FDA’s proposal and urge it to play a positive role in reducing the addictiveness of cigarettes and other combusted tobacco products.

Human Rights/ Human Trafficking

Since its inception in 1971, ICCR's members have worked with companies to eradicate human rights abuses including human trafficking and forced labor, underscoring human rights as an issue of material risk for all corporations. Further, ICCR's "No Fees" initiative helps companies create robust management systems which will ensure that workers in their immediate and extended supply chains are not forced to pay for employment.

Against a backdrop of new immigration policies with discriminatory overtones and heightened concerns around data security, this year's human rights resolutions are increasingly mirroring the heated themes being debated in the day-to-day national discourse. A number of these focus on immigration – including immigrant detention in for-profit private prisons, the use of facial recognition technology at the border, and banks' financing of private prisons involved in immigrant detention and agencies involved in child separation. In addition, other resolutions this year dealt with hate speech, online censorship, prison labor, gun safety, and ethical labor recruitment.



Human Rights and Human Trafficking 43

Proposal Topic	Quantity
Identifying Human Rights Risks in Operations & Supply Chain	8
Supply Chain Policy on Prison Labor	5
Business Activities in Conflict-Affected Areas	3
Child Sexual Exploitation	3
Develop a Human Rights Policy	3
Human Rights Due Diligence	2
Report on Human Rights Risks Related to Immigrant Detention NEW	2
Censored Google Search in China NEW	1
Community Impact of Company's Operations NEW	1
Create Board Committee on Human Rights	1
Create Board Committee on Human Rights - Immigration	1
Fiduciary Oversight on Matters Affecting Human Rights	1
Human Rights Impact Assessment	1
Immigrant Detainees - Human Rights Policy Implementation NEW	1
Immigration - Human Rights Due Diligence NEW	1
Immigration - Integrate Detainee Rights Risks into Exec Comp NEW	1
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“U.S. federal and state prison systems evolved through a mishmash of historical mishaps, while failing to protect prisoners from abuse. In the 19th century, the U.S. abolished slavery “except as punishment for crime,” allowing the

use of slave labor rather than paid labor for early corporate profit. Using the incarcerated as cheap labor is alive and well today. Many inmates work in the upkeep of prisons, while others produce products or perform services for outside suppliers to various organizations, including publicly traded companies. Corporations often address ‘forced labor’ practices in their policies, yet few have policies that specifically address America’s 21st century slavery.

As a progressive wealth manager with a mandate to invest responsibly, NorthStar has conducted a multi-year research project to understand the roots of prison labor and to determine what issues companies should address in the consideration of the use of prison labor.

Shareholder value is at risk due to the public backlash experienced by companies that have been known to benefit from prison labor (a tie that has proven difficult to break); however, our primary motivation is our dedication to racial justice and economic inequality issues. Given our awareness of the injustice faced by incarcerated men and women who are disproportionately black and brown, we believe there is an opportunity to hold companies accountable for their involvement in profiting from slave labor, including advocating for fair wages equivalent to those on the outside, safe working conditions, enhanced job training, and job placement upon release.”

Mari Schwartzner, Director of Shareholder Activism and Engagement — NorthStar Asset Management, Inc.

Supply Chain Policy on Prison Labor

Prisoners are involved in the manufacturing of furniture, circuit boards, packaging materials, and electronic equipment, and also provide call center and shipping services. U.S. prisoners are often paid as little as \$0.23-\$1.15 per hour for their work. Although prison labor is legally permissible in the U.S. and allows companies to benefit from low overhead expenses, many consumers view it as an ethically questionable practice akin to slavery.

ICCR members asked Walmart to adopt a policy on the use of prison and unpaid diversion program labor by suppliers. Shareholders asked Costco to report on how well its suppliers were complying with its Global Policy on Prison Labor. Home Depot and IBM were asked to report on the extent of known usage of prison labor in their supply chains. TXJ was asked to assess the effectiveness of current company policies for preventing instances of prison labor in its supply chain.





“After Google launched search services in China in 2000, it clashed with the Chinese government for years over censorship requirements. In 2010, Google withdrew from China because of the ongoing censorship struggle, saying, “It is good for our business to push for free expression.”

Yet seven years later, Google reportedly started developing a new search product for the Chinese market that would comply with China’s extreme censorship laws. This means Google would have to blacklist broad categories of information on topics including human rights, peaceful protest, democracy, and religion.

Former Google employees who quit to avoid working on the project — codenamed “Dragonfly” — say that company executives sidelined internal concerns about human rights implications. More than 60 human rights organizations and 1,400 Google employees have urged Google to cancel Dragonfly.

Dragonfly is designed for mobile devices and would be hosted in China, making it easy for the government to associate searches with individuals. China already has extensive surveillance operations to monitor its citizens, targeting people for detention and other human rights abuses based on their political or religious beliefs. Google’s powerful technology could produce data about individuals that China wouldn’t otherwise get.

Shareholders are concerned that providing this data would make Google complicit in the Chinese government’s censorship and surveillance, and have asked the company to publish a human rights impact assessment for Dragonfly.”

**Amina Rubin, Marketing Associate –
Azzad Asset Management**

Risks of Sales of Facial Recognition Software

ICCR members see business ties to the administration’s immigration policies as potential human rights risks with material implications for investors. A prime example is Amazon’s controversial facial recognition technology (“Rekognition”) which the company pitched to Immigration and Customs Enforcement (ICE) officials. Civil liberties organizations warn this technology may discriminate against immigrants and people of color.

Investors are calling for enhanced human rights due diligence to mitigate the risks of surveillance technology. Investors called on Amazon to prohibit sales of facial recognition technology to government agencies unless the Board concludes, after an evaluation using independent evidence, that the technology does not cause or contribute to actual or potential violations of civil and human rights.

Report on Efforts to Address Hate Speech

Roughly 250,000 hate crimes are committed in the U.S. each year. White supremacists, meanwhile, have begun to leverage online platforms to more effectively share their ideas and organize. In response, consumers and advocacy groups have begun to call on tech companies and online social media platforms to take action.

A 2018 report found that Amazon has sold products promoting racism, including some aimed at children. While Amazon has a policy on offensive and controversial materials, it does not appear to be applied consistently. Arguing that the gap between Amazon’s stated policy and its practices is concerning, shareholders asked Amazon to report on its efforts to address hate speech and the sale of offensive products throughout its business.

Community Impact of Company's Operations

When Amazon announced it was considering opening a new headquarters in New York City, many observers have pointed to the company's presence as a major contributing factor to Seattle's housing supply and affordability crisis, and growing homelessness problem. Recent evidence shows the presence of Amazon operations does not corresponded with promised overall local job growth; in specific cases, it even appears to correspond with a decrease in local employment.

Citing significant financial and reputational risks connected to its perceived and actual negative impacts on the communities in which it operates, as well as the vast and growing economic divide in the U.S., shareholders asked Amazon to report on the community impacts of its operations, including near- and long-term local economic and social outcomes.

Fiduciary Oversight on Matters Affecting Human Rights

Citigroup is financially supporting companies engaged in the development or construction of the Dakota Access Pipeline (DAPL), a controversial project due to its encroachment upon Sioux Nation land, and related environmental destruction and pollution. Proponents argue that banks' financial support of corporations involved in DAPL construction may be a violation of Indigenous peoples' rights.

Investors asked Citigroup to amend its Public Affairs Committee Charter to explicitly require fiduciary oversight by the committee on matters affecting human rights.



Develop a Human Rights Policy

More than 30,000 Americans die due to gun violence each year. According to the Violence Policy Center, since 1987 Sturm Ruger & Co., Inc. products have been used in 7 mass shootings, resulting in the deaths of more than 60 people.

Shareholders asked Sturm Ruger to adopt a comprehensive policy articulating its respect for and commitment to human rights, including a description of proposed due diligence processes to assess, identify, prevent and mitigate actual and potential human rights impacts.





“This proxy season, a number of investor engagements focus on the technology, defense, and private prisons companies that contract with Immigration and Customs

Enforcement (ICE) and Customs and Border Protection (CBP), as well as those banks that finance the private prisons. Investors are concerned about the role corporations are playing in the implementation of President Trump’s “zero tolerance” immigration policy, which has led to an increase in immigrant detention, family separation, and heightened surveillance activities. These engagements address companies’ human rights risk management systems, and encourage implementation of robust human rights due diligence aligned with the UN Guiding Principles on Business and Human Rights to assess, identify, prevent, and mitigate adverse impacts to the rights of immigrants and refugees.

Investors filed two shareholder resolutions with companies developing technologies which may enable increased surveillance of immigrant communities, people of color and activists, posing threats to First Amendment and privacy rights. Shareholders asked Amazon for more robust risk management and independent analysis before sales of its controversial facial recognition technology to government agencies continue. A resolution with Northrop Grumman asked for disclosure on implementation of its human rights policy and how human rights concerns are factored into its business decisions, noting that a new contract with the Department of Homeland Security (DHS) to develop a database to track and store biometric data may present human rights risks for immigrant communities. In addition, resolutions were filed with private prisons CoreCivic and GEO Group on respect for detainee rights, and at SunTrust and Wells Fargo on oversight of their financial relationships with private prisons.”

**Mary Beth Gallagher, Executive Director –
Tri-State Coalition for Responsible Investment**

Immigration – Detainee Rights

Widespread and ongoing reports of serious issues relating to immigrant detainee safety, medical care and human rights have led to widespread public outrage against private prison companies GEO Group and CoreCivic. GEO is currently facing three lawsuits alleging forced labor/human trafficking at its immigrant detention centers.

Shareholders asked CoreCivic to incorporate respect for inmate and detainee human rights into incentive compensation arrangements for its senior executives. GEO was asked to report on how it is implementing its “Respect for Our Inmates and Detainees” policy, including metrics and process for outside verification and remedies for shortcomings.

Identifying Human Rights Risks in Operations and Supply Chains

An estimated 16 million 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 through underpayment or withholding of wages. Migrant workers who leave their home countries in search of work become prime targets for this exploitation. This can take the form of 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.

Shareholder asked eight companies including Amphenol, Corning, Hanesbrands, Monster Beverage and Texas Instruments to report on their processes for identifying and analyzing potential and actual human rights risks in their operations and supply chains, including the human rights principles used to frame the assessment, assessment frequency and methodology.

Proxy Resolutions: Human Rights/Human Trafficking

Risks Posed by Content Governance Controversies

Facebook Inc.

WHEREAS: News of Cambridge Analytica's misappropriation of millions of Facebook users' data preceded a decline in Facebook's stock market capitalization of over 100 billion dollars in March 2018. Another 100- billion plus decline in market value—a record-setting drop—came in July after Facebook's quarterly earnings report reflected increasing costs and decreasing revenue growth.

These abrupt market reactions likely reflect investors' deep concern over the Company's inadequate approach to governing content appearing on its platforms. Shareholders are concerned Facebook's approach to content governance has proven ad hoc, ineffectual, and poses continued risk to shareholder value.

In September 2018 testimony, COO Sheryl Sandberg noted, "Trust is the cornerstone of our business." Yet, trust appears seriously eroded. Pew Research found 44 percent of young Americans have deleted the Facebook app from their phones in the past year, and 74 percent of users have either deleted the app, taken a break from checking the platform, or adjusted privacy settings.

Despite Facebook's recent efforts to increase disclosures and enhance internal compliance and enforcement strategies, abuse and misinformation campaigns continue, implicating issues such as democracy, human rights, and freedom of expression.

Facebook has been called repeatedly to testify before Congress. One Congressman noted, "Facebook can be a weapon for those, like Russia and Cambridge Analytica, that seek to harm us and hack our democracy." In August 2018, Facebook found 652 fake accounts spreading misinformation globally. Facebook's former head of security said misinformation on Facebook shows "America's adversaries believe that it is still both safe and effective to attack U.S. democracy using American technologies."

The United Nations says social media played a "determining role" propagating hate speech in Myanmar, where violence against the Rohingya "bears the hallmarks of genocide." Yet, Facebook "will not reveal exactly how many Burmese speakers are evaluating content." In Germany, researchers found correlation between right-wing anti-refugee sentiment on Facebook and anti-refugee violence. In Libya, armed groups have used Facebook to find opponents and traffic weapons.

Facebook's content governance challenges are complex. ProPublica reported inconsistent enforcement of hate speech, and that "racist or sexist language may survive scrutiny because it is not sufficiently derogatory or violent to meet Facebook's definition of hate speech." In August, Facebook censored valid users organizing against white supremacy.

BE IT RESOLVED: The Company publish a report (at reasonable cost, omitting proprietary or legally privileged information) evaluating its strategies and policies on content governance, including the extent to which they address human rights abuses and threats to democracy and freedom of expression, and the reputational, regulatory, and financial risks posed by content governance controversies.

Supporting Statement: Proponents recommend that, in the Company's discretion, the report should consider the relevance of the Universal Declaration of Human Rights, the United Nations' Special Rapporteur reports on Freedom of Expression, and the Santa Clara Principles, which ask companies to disclose the impact of content policies according to:

- Numbers (posts removed, accounts suspended)
- Notices (of content removals, account suspensions)
- Appeals (for users impacted by removals, suspensions)

Report on Efforts to Address Hate Speech

Amazon.com, Inc

WHEREAS: 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/2v06T0c>) 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 help weaken inhibitions against harmful acts. (<https://ti.me/2qtvdzh>)

According to its policy on offensive and controversial materials, “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/2mezrZt>, accessed November 19, 2018)

Unfortunately, this policy appears to be applied inconsistently, which may indicate a lack of clear internal policies and effective controls. While Amazon.com, Inc. (“Amazon”) has removed some offensive products, a July 2018 report found racist, Islamophobic, homophobic and anti-Semitic items on Amazon’s platforms. (<https://bit.ly/2tX37yK>) As of November 19, 2018, searches on Amazon.com showed that offensive and controversial products continue to be available for sale through the platform. For instance, a search for “Kek,” a satirical religion associated with the white nationalist movement, returned dozens of results, including Kek flags, which intentionally evoke the design of the Nazi war flag. (<https://bit.ly/2puFOf9>)

The gap between Amazon’s stated policy and its practices is concerning. Making offensive products available could expose Amazon to reputational damage and impair relationships with key stakeholders including customers, regulators and employees. This is particularly true as Amazon continues to pursue growth in more diverse and culturally complex international markets.

In both the European Union and the United States 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://hbr.org/2015/12/proof-thatpositive-workcultures-are-more-productive>)

RESOLVED: Investors request that Amazon report on its efforts to address hate speech and the sale of offensive products throughout its businesses. The report should be produced at reasonable cost, exclude proprietary information and discuss Amazon’s process to develop policies to address hate speech and offensive products, the experts and stakeholders it consulted while developing these policies and the enforcement mechanisms it has put in place, or intends to put in place, to ensure compliance.

Risks of Sales of Facial Recognition Software

Amazon.com, Inc

WHEREAS, shareholders are concerned Amazon's facial recognition technology ("Rekognition") poses risk to civil and human rights and shareholder value.

Civil liberties organizations, academics, and shareholders have demanded Amazon halt sales of Rekognition to government, concerned that our Company is enabling a surveillance system "readily available to violate rights and target communities of color." Four hundred fifty Amazon employees echoed this demand, posing a talent and retention risk.

Brian Brackeen, former Chief Executive Officer of facial recognition company Kairos, said, "Any company in this space that willingly hands [facial recognition] software over to a government, be it America or another nation's, is willfully endangering people's lives."

In Florida and Oregon, police have piloted Rekognition.

Amazon Web Services already provides cloud computing services to Immigration and Customs Enforcement (ICE) and is reportedly marketing Rekognition to ICE, despite concerns Rekognition could facilitate immigrant surveillance and racial profiling.

Rekognition contradicts Amazon's opposition to facilitating surveillance. In 2016, Amazon supported a lawsuit against government "gag orders," stating: "the fear of secret surveillance could limit the adoption and use of cloud services ... Users should not be put to a choice between reaping the benefits of technological innovation and maintaining the privacy rights guaranteed by the Constitution."

Shareholders have little evidence our Company is effectively restricting the use of Rekognition to protect privacy and civil rights. In July 2018, a reporter asked Amazon executive Teresa Carlson whether Amazon has "drawn any red lines, any standards, guidelines, on what you will and you will not do in terms of defense work." Carlson responded: "We have not drawn any lines there...We are unwaveringly in support of our law enforcement, defense, and intelligence community."

In July 2018, lawmakers asked the Government Accountability Office to study whether "commercial entities selling facial recognition adequately audit use of their technology to ensure that use is not unlawful, inconsistent with terms of service, or otherwise raise privacy, civil rights, and civil liberties concerns."

Microsoft has called for government regulation of facial recognition technology, saying, "if we move too fast, we may find that people's fundamental rights are being broken."

RESOLVED, shareholders request that the Board of Directors prohibit sales of facial recognition technology to government agencies unless the Board concludes, after an evaluation using independent evidence, that the technology does not cause or contribute to actual or potential violations of civil and human rights.

Supporting Statement: Proponents recommend the Board consult with technology and civil liberties experts and civil and human rights advocates to assess:

- The extent to which such technology may endanger or violate privacy or civil rights, and disproportionately impact people of color, immigrants, and activists, and how Amazon would mitigate these risks.
- The extent to which such technologies may be marketed and sold to repressive governments, identified by the United States Department of State Country Reports on Human Rights Practices.



Proxy Resolutions: Human Rights/Human Trafficking

Censored Google Search in China

Alphabet, Inc.

WHEREAS, Google is considering introducing products that could enable censorship and potentially dangerous surveillance of citizens of China. This may pose significant legal, reputational, and financial risk for the Company.

In March 2010, Google announced it would stop censoring search services on its Chinese search site and would redirect users to a site offering uncensored search. Google's David Drummond said, "It is good for our business to push for free expression."

In August 2018, however, the Intercept reported that Google was developing a censored search engine — codenamed Dragonfly — for the Chinese market that would comply with China's repressive censorship laws and "blacklist websites and search terms about human rights, democracy, religion, and peaceful protest."

Google CEO Sundar Pichai subsequently confirmed the company is considering a censored search product. In congressional testimony, Pichai noted "internal efforts" but would not provide any detail.

Human rights organizations and lawmakers have called on Google to end work on Dragonfly. U.S. senators wrote to Pichai that Dragonfly "risks making Google complicit in human rights abuses related to China's rigorous censorship regime." Google employees have quit to avoid working on products that enable censorship; 1,400 current employees have signed a letter protesting Dragonfly. Employees said: "Currently we do not have the information required to make ethically-informed decisions about our work, our projects, and our employment." Some employees have threatened to strike. Dragonfly may also be inconsistent with Google's AI Principles.

Dragonfly could further enable surveillance by allowing the Chinese government to monitor individuals' Google searches by tying search results to phone numbers. Uighurs in China reportedly already face draconian measures, which require them to install tracking apps on their smartphones that monitor everything they do online. Similar practices could put Google users in China at risk of interrogation or detention. Patrick Poon, China expert for Amnesty International, has asked: "Would Google rollover and hand over personal data should the Chinese authorities request it?"

Former Google employees say senior management excluded the Company's security and privacy teams from key meetings about Dragonfly and "tried to sideline a privacy review of the plan that sought to address potential human rights abuses."

As a member of the Global Network Initiative, Google has committed to conduct "human rights due diligence to identify, prevent, evaluate, mitigate and account for risks to the freedom of expression and privacy rights that are implicated by the company's products, services, activities and operations."

Shareholders are concerned by a growing gap between Google's stated values and actions, generating global controversy and presenting significant risk.

RESOLVED, shareholders request the Company publish a Human Rights Impact Assessment (at reasonable cost, omitting proprietary or legally privileged information), by no later than October 30, 2019, examining the actual and potential impacts of censored Google search in China.

Supporting Statement: Proponents recommend the assessment refer to the United Nations Guiding Principles on Business and Human Rights.

Proxy Resolutions: Human Rights/Human Trafficking

Senior Executive Incentives - Integrate Cyber Security Risks

Verizon Communications Inc.

WHEREAS: In September 2017, the Co-Director of the SEC's Enforcement Division announced the creation of a "Cyber Unit" stating, "Cyber-related threats and misconduct are among the greatest risks facing investors and the securities industry."

In February 2018, in issuing guidance for preparing disclosures about cybersecurity risks and incidents, Chairman Clayton emphasized "cybersecurity is critical to the operations of companies and our markets."

In the United Kingdom, a Parliamentary committee studying cyber security recommended: "To ensure this issue receives sufficient CEO attention before a crisis strikes, a portion of CEO compensation should be linked to effective cyber security, in a way to be decided by the Board."

Consistent with that recommendation, Consolidated Edison's longterm incentive plan includes cyber security.

Verizon has made several policy commitments regarding data privacy and data security. However, there is significant evidence that Verizon has not been successful at implementing those commitments, faces significant challenges to doing so, and/or engages in risky behavior.

In 2016, Fortune reported that "Verizon's division that helps Fortune 500 companies respond to data breaches, suffered a data breach of its own ... [including] information on some 1.5 million customers of Verizon Enterprise."

In July 2017, the Washington Post reported that a "communication breakdown and a vacationing employee were the reasons it took more than a week to close a leak [in June] that contained data belonging to 6 million Verizon customers."

In October 2017, it was announced that all 3 billion accounts in subsidiary Yahoo had been breached prior to its acquisition by Verizon.

In 2018, following revelations from Senator Ron Wyden that about 75 companies had access to Verizon customers' locations, the company announced it would wind down the relationships where it allowed that access.

While the tech industry refuses to scan emails for information to sell to advertisers, Verizon unit Oath continues to do so and pitches these services to advertisers.

As these risks are significant, we believe it is advisable for the board to explore integrating cyber security and data privacy performance measures into the Verizon executive compensation program.

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 cyber security and data privacy performance measures into the Verizon executive compensation program which it describes in its annual proxy materials.

Supporting Statement: According to pages 34 and 35 of Verizon's 2018 proxy materials, the Verizon Short-Term Incentive Plan included adjusted EPS, free cash flow, total revenue, and diversity and sustainability. Cyber security and data privacy are vitally important issues for Verizon and should be included too, as we believe it would incentivize leadership to reduce risk, enhance financial performance, and increase accountability.

Proxy Resolutions: Human Rights/Human Trafficking

Community Impact of Company's Operations

Amazon.com, Inc

RESOLVED: Shareholders of Amazon.com, Inc. (the "Company") request that the Board of Directors annually report to shareholders, at reasonable expense and excluding confidential information, its analysis of the community impacts of Amazon's operations, considering near- and long-term local economic and social outcomes, including risks, and the mitigation of those risks, and opportunities arising from its presence in communities.

Supporting Statement: Vast and growing economic and social inequalities in the United States, and around the world, have become a growing source of social, political and economic risk. The OECD found that over two decades of rising inequality reduced the cumulative growth rate of the U.S. by six to nine percent (<http://www.oecd.org/newsroom/inequality-hurts-economicgrowth.htm>).

These inequalities are a result of interrelated drivers including access to education, health care, housing, and safe living and working conditions, among other things. The operations of large companies may have meaningful impacts on these drivers of inequality. Some act as "anchor institutions," creating a reinforcing cycle of positive impacts, while others burden the communities in which they operate. Our Company seems to repeatedly find itself characterized in the latter group in very public ways.

Federal legislation addressing economic inequality in the U.S. specifically called out our CEO by name: the "Stop BEZOS Act" sought to minimize the burden companies like ours put on public programs like food stamps.

Many observers in Seattle have pointed to the presence of our Company as a contributing factor to the City's housing supply and affordability crisis, and a growing homelessness problem. Our Company has also been perceived as an obstacle to addressing these issues (<http://fortune.com/2018/06/12/amazon-just-killed-a-tax-that-helps-homeless-people/>).

During our Company's highly publicized search for "HQ2," Amazon was met with similar negative sentiments around the country (<https://www.dallasnews.com/business/amazon/2018/09/07/amazons-hq2-search-hits-one-year-mark-dallas-19-finalists-await-winner>). Since the announcement, organizing campaigns and other resistance to HQ2 have grown, and local activists and politicians highlight the strain they expect our Company to put on the communities selected. They have highlighted issues like housing, education, public transportation and other infrastructure concerns.

Furthermore, recent evidence shows the presence of our Company's operations has not corresponded with overall local job growth. In specific cases, it even appears to correspond with a decrease in local-employment. (<https://www.epi.org/publication/unfulfilled-promises-amazon-warehouses-do-not-generate-broad-basedemployment-growth/>). Additional analysis shows a depressive effect on average local incomes (<https://www.economist.com/united-states/2018/01/20/what-amazon-does-to-wages>).

We believe our Company faces significant financial and reputational risks connected to its perceived and actual negative impacts on the communities in which it operates. Future expansion of Amazon operations may be hampered by these risks which, if left unaddressed, may continue to grow. We urge the Board to report on its analysis of risks and opportunities attendant to our Company's presence in communities, considering near- and long-term local social and economic factors. The report could include effects on housing availability, health outcomes, green space, schools and physical and communications infrastructure, among other things.

For the reasons stated above, we strongly urge shareholders to vote FOR this proposal.

Immigration - Integrate Detainee Rights Risks into Exec Comp CoreCivic

RESOLVED, that shareholders of CoreCivic, Inc. (“CoreCivic” or the “Company”) urge the Compensation Committee (the “Committee”) to incorporate respect for inmate and detainee human rights into incentive compensation arrangements for senior executives. This proposal should operate prospectively and be implemented in a way that will not violate any contractual obligation to which CoreCivic is a party or any compensation plan.

Supporting Statement: For 2017, CoreCivic used adjusted earnings per share, which serves as a threshold for any bonus payout; normalized funds from operations (“FFO”) per share; adjusted income before interest, taxes, depreciation and amortization; and “strategic business goals,” in determining the amount of named executive officers’ (“NEOs”) annual bonuses. The strategic business goals for 2017 were executing certain contracts and completing a refinancing transaction that satisfied various criteria. Long-term incentives consisted of restricted stock units whose vesting depends on meeting FFO goals.

CoreCivic recognizes the importance of performance-based pay, touting the fact that 74% of executive officer compensation in 2017 was tied to performance. CoreCivic explained that strategic business goals were added to the NEOs’ annual bonus metrics because the growth and diversification the goals promote are important, but their impact “may not be immediately reflected in our financial results.”¹

Detention-Facilities.pdf

We agree that companies should reward behavior that creates long-term value even if it does not translate into short-term financial gain. Respecting the human rights of inmates and detainees, in our view, is such a behavior. CoreCivic’s Human Rights Policy Statement (the “Statement”) asserts that “[a] strong commitment to inmate and detainee rights and proper treatment is essential to our work” and describes policies CoreCivic maintains on inmate and detainee human rights, including freedom of expression, excessive force and access to health care.²

CoreCivic has faced and now faces many lawsuits alleging that it has violated the human rights of inmates and detainees. For example, one group of current cases alleges the use of forced labor at CoreCivic immigration detention facilities³; another group claims that CoreCivic failed to provide inmates with needed medical care.⁴ 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.⁵

We believe that incorporating respect for human rights into incentive compensation arrangements for senior executives would encourage focus on the steps necessary to ensure respect, including training, adequate staffing and medical resources. The Committee would have discretion to determine the best way to consider and measure such respect and to set appropriate incentive compensation targets.

We urge shareholders to vote for this proposal.

¹ 2018 Proxy Statement at 37

² https://www.corecivic.com/hubfs/_files/CoreCivic%20Human%20Rights%20policy%20statement.pdf

³ <http://www.htlegalcenter.org/wp-content/uploads/Human-Trafficking-Forced-Labor-in-For-Profit>

⁴ <https://www.tennessean.com/story/news/2018/08/07/corecivic-diabetic-inmates-denied-insulin-trousdaleturner/925297002/>;
<https://www.indystar.com/story/news/2018/06/18/prison-medical-care-marion-county-jail-correctcare-solutions/637068002/>

⁵ <https://www.pionline.com/article/20181108/ONLINE/181109890/calstrs-to-divestfrom-private-prison-companies-corecivic-geo-group>;
<https://www.ai-cio.com/news/new-york-city-ent,pension-funds-divestprivate-prisons/>

Report on Human Rights Risks Related to Immigrant Detention

Wells Fargo & Company

A similar resolution was submitted to Bank of America Corp.

RESOLVED, that shareholders of Wells Fargo & Company (“WFC”) urge the Board of Directors (the “Board”) to report to shareholders by December 31, 2019 on how WFC is identifying and addressing human rights risks to WFC related to the Trump Administration’s aggressive immigration enforcement policy, which aims to prosecute all persons who enter or attempt to enter the United States (U.S.), including the detention without parole of asylum-seekers and the separation of minor children from parents accused of entering the U.S. 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 Trump Administration has adopted a more aggressive approach: arrests by Immigration and Customs Enforcement (“ICE”) were up 30% from 2016 to 2017.¹ The resulting detention of undocumented immigrants and asylum-seekers, especially the separation of minor children from parents entering the U.S., has spurred widespread debate. As of September 2018, 12,800 children had been detained, a massive increase from the 2,400 detained as of May 2017.²

Media attention has been intense, with coverage of the trauma endured by children, deplorable detention conditions and abuses. One immigration expert noted that family separation has generated “near-universal condemnation, including by traditional allies of this administration.”³ Increased use of indefinite family detention, to which the Administration hopes to shift, is also controversial.⁴

Human rights concerns have been raised about the approach. Indefinite detention of asylum-seekers violates human rights norms,⁵ and the United Nations High Commissioner for Human Rights opined that “the use of immigration detention and family separation as a deterrent runs counter to human rights standards and principles.”⁶

WFC has come under fire for its relationships with GEO Group and CoreCivic, private prison companies that contract with ICE and benefit from more aggressive immigration enforcement. The “Corporate Backers of Hate” campaign has targeted WFC and other banks that lend to the companies, challenging them to “change their business practices in a way that is not entangled with the immigration enforcement agenda of [the Trump] Administration.”⁷ WFC has played an important role in financing GEO and CoreCivic’s businesses: WFC is co-syndication agent for the bank group providing revolving credit and term loans to GEO; has issued letters of credit on CoreCivic’s behalf; and has underwritten bonds for both GEO and CoreCivic.

Banks recognize the reputational consequences of relationships with companies whose conduct is widely condemned in society. In 2018, Bank of America announced that it would no longer lend to companies that make military-style firearms for use by civilians.⁸

Given the urgency and importance of the debate over immigration enforcement, and the risks created for companies like WFC, we believe the disclosure requested in this Proposal would be useful to shareholders. We urge shareholders to vote for this Proposal.

1 <http://www.pewresearch.org/fact-tank/2018/02/08/ice-arrestswent-up-in-2017-with-biggest-increases-in-florida-northern-texas-oklahoma/>

2 <https://www.nytimes.com/2018/09/12/us/migrant-children-detention.html>

3 <https://www.cnn.com/2018/06/18/politics/donald-trump-immigration-policies-q-and-a/index.html>

4 See <http://time.com/5388643/family-separation-policy-court-agreement/>

5 <https://www.amnestyusa.org/campaigns/refugee-and-migrant-rights/>

6 <https://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=23174&LangID=E>

7 <http://time.com/4755885/trump-protests-corporations-activists/>

8 <https://www.charlotteobserver.com/news/business/banking/article208550079.html>



Proxy Resolutions: Human Rights/Human Trafficking

Immigrant Detainees - Human Rights Policy Implementation

GEO Group Inc.

WHEREAS, The GEO Group (“GEO”) represents itself as “the world’s leading provider of correctional, detention, and community reentry services” and promotes itself as having “always been committed to protecting human rights.” However, the company faces increasing scrutiny and expectations from investors and clients regarding its human rights performance.

The Department of Homeland Security’s Office of Inspector General in October 2018 reported “serious issues relating to safety, detainee rights, and medical care” at a GEO-owned and operated immigration detention center in Adelanto, California. Inspectors found nooses made from twisted bed sheets in 15 of 20 cells inspected, despite 1 suicide and 7 attempts at the facility last year. In addition, during their visit officials found that all 14 detainees in administrative segregation had been placed inappropriately.

A GEO owned and operated prison in Clayton, New Mexico, the site of a major riot in September 2017, resulted in the serious injury of an inmate. The New Mexico Secretary of Corrections confirms “major security breaches. It wasn’t safe” and GEO had less than half the required staffing the evening of the riot.

There are currently three lawsuits alleging forced labor/human trafficking at GEO immigrant detention centers in California, Colorado, and Washington.

Human Rights performance is critical to GEO’s reputation and long-term growth. In order to ensure that the company is adequately respecting human rights in its facilities and meeting the objectives outlined in the portion of its Global Human Rights Policy (the “Policy”) that addresses “Respect for Our Inmates and Detainees,” which lacks specificity, additional public disclosure regarding GEO’s implementation is necessary.

In particular, shareholders would benefit from information about how GEO ensures awareness of the company’s commitment to inmate/detainee human rights, assesses human rights performance, and remedies shortcomings in that performance. Disclosing this information will benefit human rights performance at GEO and mitigate human rights risks inherent within GEO’s business environment. Disclosure will also provide investors with important information to adequately assess human rights risks.

RESOLVED: Shareholders request that GEO report annually on its website to investors, beginning in September 2019, on how it implements the portion of the Policy that addresses “Respect for Our Inmates and Detainees,” including:

1. How GEO ensures that its employees are aware of, and know how to apply, the company’s commitment to inmate/detainee human rights;
2. Metrics used to assess human rights performance, including any process for independent outside verification of such metrics; and
3. How GEO remedies shortcomings in human rights performance.

Immigration - Human Rights Due Diligence

Northrop Grumman Corporation

WHEREAS: 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 (UNGPs). To meet this responsibility, companies are expected to conduct human rights due diligence to assess, identify, prevent, mitigate, and remedy adverse human rights impacts. Due diligence should address any human rights impacts a company causes or contributes to through its own business activities and those which are directly linked to its products or services. Meaningful implementation of a human rights policy requires effective due diligence systems.

Northrop Grumman is the third largest government contractor in the United States, and the U.S. Government accounts for 85% of the company's 2017 sales. Developing products and services for the Department of Defense (DoD), the Intelligence Community, and other agencies whose activities may be linked to human rights violations may expose Northrop Grumman to legal, financial, and reputational risks. Therefore, it is essential for the company to conduct human rights due diligence to evaluate and mitigate human rights risks associated with its government contracts.

In February 2018, Northrop Grumman was awarded a \$95 million contract with the Department of Homeland Security's (DHS) Office of Biometric Identity Management to develop technology for the Homeland Advanced Recognition Technology (HART) database.¹ This database will expand the capacity of DHS to collect, store, and share biometric data, such as facial images, fingerprints, iris images, and voice, as well as biographical data, including personal identification numbers, citizenship status, and nationality.² There are concerns that the algorithms used to identify facial images that may be stored in the database have inherent racial bias.³ The HART database will amplify the surveillance capabilities of government agencies, presenting risks to privacy and First Amendment rights and causing harm to immigrant communities. Through the provision of services through the DHS contract, Northrop Grumman may be linked or contribute to these adverse human rights impacts.

While Northrop Grumman adopted a Human Rights Policy in 2013, it does not disclose how the policy is operationalized to reduce the risks that the company may cause or contribute to adverse human rights impacts. Investors are unable to assess how Northrop Grumman embeds respect for human rights into the process for vetting and implementing contracts with the U.S. Government or foreign governments, or the effectiveness of any systems which may be in place to prevent or mitigate human rights risks.

RESOLVED: Shareholders request that the Board of Directors prepare a report, at reasonable cost and omitting proprietary information, on Northrop Grumman's management systems and processes to implement its Human Rights Policy.

Supporting Statement: We recommend the report include:

- The company's human rights due diligence process and indicators used to assess effectiveness;
- The role of the Board in oversight of human rights risks; and
- Systems to embed respect for human rights into business decision-making processes for its operations, contracts, and supply chain.

1 <https://news.northropgrumman.com/news/releases/northrop-grumman-wins-95-millionaward- from-department-of-homeland-security-to-develop-next-generation-biometric-identification-servicessystem>

2 <https://www.federalregister.gov/documents/2018/04/24/2018-08453/privacy-act-of-1974-system-of-records>

3 <https://www.aclu.org/blog/privacy-technology/surveillance-technologies/amazons-face-recognitionfalsely- matched-28>

Supply Chain Policy on Prison Labor

Costco Wholesale Corp.

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 prisoner mistreatment and is frequently compared to modern slavery. Although companies benefit from low overhead expenses when inmates 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;

Prisoners are involved in producing a variety of products such as furniture, circuit boards, packaging materials, electronic equipment, and providing services such as call center or shipping services. U.S. prisoners may be paid as little as \$0.23-\$1.15 per hour for work that sometimes occurs in unsafe or unhealthy conditions, and in some prison industries inmates may be coerced into working by threat of punishment for declining work;

After shareholder engagement in 2017-2018, our company disclosed knowledge of prison labor in at least one segment of the company's supply chain. In mid-2018, Costco adopted a Global Policy on Prison Labor which lays out minimum requirements for purchasing products made by prison labor, including payment of wages on par with nonincarcerated persons in the same geographic area, and states that "[t]hird-party audits must be able to verify compliance with the above requirements." However, to the proponent's knowledge, there is no requirement for routine verification that suppliers using prison labor are adhering to this company policy;

Careful review of our supply chain for adherence to our company's Global Policy on Prison Labor would help ensure that Costco suppliers are consistent with Company policies and minimize risks to Costco's reputation and shareholder value.

RESOLVED: Shareholders of Costco urge the Board of Directors to produce an annual report to shareholders, at reasonable cost and omitting proprietary information, regarding information known to the company regarding supplier compliance with the company's Global Policy on Prison Labor.

Supporting Statement: Shareholders recommend that the report:

- 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, the portion of such audits that assessed compliance with the company's Global Policy on Prison Labor, and summarizing levels of noncompliance detected;
- Evaluate any risks to finances, operations, and reputation related to prison labor in the Costco supply chain including from undetected uses of noncompliant prison labor in the supply chain.

Proxy Resolutions: Human Rights/Human Trafficking

Supply Chain Policy on Prison Labor

Home Depot, Inc.

Similar resolutions were submitted to International Business Machines Corp. (IBM), TJX Companies

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 prisoner mistreatment and is frequently compared to modern slavery. Although companies benefit from low overhead expenses when inmates 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;

Prisoners are involved in producing a variety of products such as furniture, circuit boards, packaging materials, electronic equipment, and providing services such as call center or shipping services. U.S. prisoners may be paid as little as \$0.23-\$1.15 per hour for work that sometimes occurs in unsafe or unhealthy conditions, and in some prison industries inmates may be coerced into working by threat of punishment for declining work;

Our Company appears to prohibit forced prison labor but not all forms of prison labor. Our company's Responsible Sourcing Standards state that "Suppliers will not use of any [sic] form of involuntary labor including forced, prison, indentured, bonded, slave or human-trafficked labor" [emphasis added];

In 2017, a lawsuit was filed against a Home Depot supplier that made dock floats for sale in our stores and other retailers using unpaid, forced punitive labor in the U.S. Given that it does not appear that Home Depot requires 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 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:

- Include annual quantitative metrics regarding the number of supplier audits conducted by the Company which evaluated whether prison labor is present in the supply chain, as well as the summary of those results.
- Evaluate any risks to finances, operations, and reputation related to prison labor in the Home Depot supply chain.

Supply Chain Policy on Prison Labor

Walmart Stores, Inc.

Financial and operational risks related to the sale of goods produced with prison and unpaid diversion program labor, including reputational damage, litigation and supply chain disruption, can adversely affect shareholder value.

Our company's Standards for Suppliers prohibits involuntary prison labor and requires compliance with applicable laws regarding compensation but is silent on legally permissible prison labor and diversion program labor, which is often exploitative and loosely regulated. 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.

Diversion program labor is not covered by the 131h amendment exemption. Participants in these programs have not been convicted of any crime. According to recent reports, some diversion programs, which are pre-sentencing rehabilitative programs that occur in the place of criminal conviction, are supplying unpaid and involuntary labor to corporations, including at least one current Walmart supplier. (<https://bit.ly/2xRWBMS>) Several legal complaints have been filed against corporations that utilize this type of labor, alleging violations of human trafficking laws and federal labor laws.

The Company's Standards for Suppliers and its Responsible Sourcing program lead to audits of suppliers. Mandatory audits are predominantly based on country risk assessment. As a country, the U.S. is considered relatively low risk and domestic operations are not targeted for mandatory audits. As such, the use of prison and diversion program labor in our supply chain may go undetected. Careful review of our supply chain for prison and unpaid diversion program labor could help ensure that Walmart does not damage its reputation or supply chain stability.

RESOLVED: Shareholders of Walmart Inc. urge the Board of Directors to adopt a policy on the use of prison and unpaid diversion program labor by suppliers, including a policy that commits the Company to: a) Develop and apply additional criteria or guidelines for suppliers regarding the use of prison and diversion program labor; and b) Report to shareholders, at reasonable cost and omitting proprietary information, on Walmart's progress in implementing the policy.

Supporting Statement: The Company's progress report might include:

- A summary of results of the supplier survey, including actual and/or potential sources of prison and diversion program labor identified, and any use of: a) Suppliers who employ prison labor with uncompensated, or severely undercompensated work programs and b) Suppliers who employ unpaid diversion program labor;
- A summary of any new criteria and guidelines for the use of prison and diversion program labor;
- The nature and extent of consultation with relevant stakeholders in connection with policy development and implementation. Examples of topics for possible guidelines or criteria could include: safety/health conditions and supplier-provided job-matching programs for inmates upon release.



Proxy Resolutions: Human Rights/Human Trafficking

Create Board Committee on Human Rights - Immigration

SunTrust Banks, Inc.

RESOLVED: That shareholders of SunTrust Banks, Inc. (SunTrust) urge the Board of Directors to establish a Board Committee on Human Rights, to create company policies and review existing policies, above and beyond matters of legal compliance, on the human rights of individuals in the US and worldwide, including adopting and assessing criteria for evaluating potential clients' corporate social responsibility record and human rights performance.

Supporting Statement: SunTrust is reportedly a source of funding for MVM, Inc. and Comprehensive Health Services, which are directly contracted to U.S. government agencies carrying out the "zero tolerance" immigration policies that have led to family separations and child detentions. According to the United Nation's (UN's) Office of the High Commissioner for Human Rights, the practice of separating children at the border constitutes "arbitrary and unlawful interference in family life, and is a serious violation of the rights of the child," including those rights articulated in the UN Convention on the Rights of the Child, and in other relevant instruments and standards.

In addition, SunTrust has had the following financial relationships with CoreCivic and GEO Group, corporations which operate private prisons: (1) extended revolving credit, (2) provided the two companies with term loans, and (3) underwrote the two companies' bonds (https://www.inthepublicinterest.org/wp-content/uploads/ITPI_BanksPrivatePrisonCompanies_Nov2016.pdf). These private prisons are the subject of claims of alleged human rights abuses, as noted in recent reports and lawsuits, including inmate deaths, poor medical care, allegations of physical and sexual abuse of detainees and violence (<https://www.hrw.org/news/2016/07/07/us-deaths-immigrationdetention>).

The UN Guiding Principles on Business and Human Rights (UNGPs)—unanimously adopted by the UN Human Rights Council in 2011—clarify the roles and responsibilities of states and businesses with regard to human rights. While governments have a duty to protect human rights, companies have a responsibility to respect human rights by exercising human rights due diligence to identify, prevent, mitigate and account for how they address their adverse human rights impacts regardless of whether the state upholds its duty, and both must provide remedy to victims of corporate related abuses. Principle 13b of the UNGPs 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 order to allay reputational risks and business risks, SunTrust should evaluate its exposure to corporate entities that interfere with human rights, especially on issues of detention.

Establishing a separate Board Committee on Human Rights would elevate board level oversight and governance regarding human rights issues implicated by the company's activities and policies and provide a vehicle to fulfill the Board's fiduciary responsibilities for oversight of these issues.

Proxy Resolutions: Human Rights/Human Trafficking

Independent Director with Human Rights Expertise

Motorola Solutions Inc

WHEREAS, Motorola Solutions, Inc., a global corporation, faces increasingly complex problems as the international social and cultural context changes.

Companies are faced with ethical and legal challenges arising from diverse cultures and political and economic contexts. Today, management must address issues that include human rights, workers' right to organize, non-discrimination in the workplace, protection of environment, and sustainable community development. Motorola Solutions itself does business in countries with human rights challenges including China, Singapore, Middle East, Israel and occupied Palestinian territories.

We believe global companies must implement comprehensive codes of conduct, such as those found in Principles for Global Corporate Responsibility: Bench Marks for Measuring Business Performance, developed by an international group of religious investors (www.bench-marks.org).

Human rights expertise at both management and board levels is critical to industrial companies' success because of significant issues associated with their operations. These impact shareholders, lenders, host country governments and regulators, as well as affected communities and indigenous peoples. Companies' ability to demonstrate policies and best practices reflecting internationally accepted human rights standards can lead to successful business planning or, if not in place, difficulties in raising new capital and obtaining the necessary licenses from regulators.

We believe Motorola Solutions' Board of Directors would benefit by electing to its Board independent specialists versed in all business aspects of human rights. Just one authoritative figure with acknowledged expertise and standing could perform a valuable role in ways that would enable the Board to address more effectively the issues and risks inherent in its present business model regarding human rights. It would help ensure that the highest levels of attention are focused on developing human rights standards for new projects.

RESOLVED, shareholders request that, as elected board directors' terms of office expire, the Motorola Solutions Board Nominating Committee nominate for Board election at least one candidate who: has a high level of human rights expertise and experience in human rights matters relevant to Company production and supply chain, related risks, and is widely recognized in business and human rights communities as such, as reasonably determined by the Board, and will qualify, subject to exceptions in extraordinary circumstances explicitly specified by the Board, as an independent director.*

*A director shall not be considered "independent" if, during the last three years, she or he:

- was, or is affiliated with a company that was an advisor or consultant to Company;
- was employed by or had a personal service contract(s) with Company or senior management;
- was affiliated with a company or non-profit entity that received the greater of \$2 million or 2% of its gross annual revenues from Company;
- had a business relationship with Company worth at least \$100,000 annually;
- has been employed by a public company at which an executive officer of Company serves as a director;
- had a relationship of the sorts described herein with any affiliate of Company; and
- was a spouse, parent, child, sibling or in-law of any person described above.

No Business with Governments Complicit in Genocide - Burma

Chevron Corp.

WHEREAS: Chevron, in partnership with Total and Myanmar Oil and Gas Enterprise (MOGE), holds equity in one of the largest investment projects in Burma (Myanmar): the Yadana gas field and pipeline that generates billions of dollars for the Burmese government.

In Burma, foreign participation in the energy sector takes place through joint ventures with the state-owned MOGE. U.S. lawmakers have stated that “MOGE’s operations lack transparency, that it remains overly influenced by the Burmese military, and that the large amounts of foreign investment flowing into MOGE are not sufficiently accountable to the Burmese people or its parliament.”

In March 2015, Chevron entered into an additional production sharing contract with MOGE to explore in the Rakhine Basin.

Rakhine state is home to the Rohingya people, an ethnic minority that has been subject to a government-sanctioned campaign of repression and violence. Although they have lived in Burma for generations, the Rohingya are denied citizenship and voting rights, freedom of religion, and other basic rights. In 2012, Burmese security forces moved more than 120,000 Rohingya from their homes into detention camps where access was restricted to basic services, such as food, healthcare, and education.

In August 2017, a new military crackdown caused an estimated 620,000 Rohingya, half of them children, to flee to neighboring Bangladesh. In late 2017, the U.S. State Department labeled the Burmese army’s offensive against the Rohingya “ethnic cleansing” and called for a “credible, independent investigation” of the military’s reported human rights abuses. The U.S. also imposed sanctions at that time.

In November 2018, after Bangladesh and Burma agreed to repatriate some of the hundreds of thousands of Rohingya refugees, the United Nations warned them to stop, citing a high risk that the refugees would continue to face persecution if they returned. The United Nations has previously referred to the campaign against the Rohingya as a “textbook example of ethnic cleansing.”

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 Chevron is currently producing oil and gas: Burma (Myanmar), Democratic Republic of Congo, and Nigeria.

BE IT RESOLVED: The shareholders request the Board to publish a report six months following the 2019 annual general meeting, omitting proprietary information and prepared at reasonable cost, evaluating the feasibility of adopting a policy of not doing business with governments that are complicit in genocide and/or crimes against humanity as defined by the U.S. Department of State or the appropriate international body.

Supporting Statement: As shareholders, we believe that our company has the duty to avoid the moral, legal, financial, reputational, and operational risks posed by doing business with governments complicit in genocide or crimes against humanity. It is incumbent that our board adopt policies that protect shareholder value from these risks.

Proxy Resolutions: Human Rights/Human Trafficking

Business Activities in Conflict-Affected Areas

TripAdvisor, Inc.

A similar resolution was submitted to Booking Holdings

WHEREAS, TripAdvisor is the largest travel site in the world, providing hotel and restaurant reviews, accommodation booking and other travel services to over 455 million monthly unique users during the seasonal peak¹ and lists properties in “conflict-affected areas”² (including occupied territories), such as Democratic Republic of Congo, Iraq, Myanmar, and the Occupied Palestinian Territory;

Conflict-affected areas are characterized by widespread human rights abuses. Companies with business activities in such areas may contribute to violations of national and/or international law, or fail to uphold voluntary corporate commitments, resulting in heightened risks. For example, eighteen European Union (E.U.) member states have issued business advisories warning of the legal, financial, and reputational consequences of dealings with Israeli settlement entities;³

To mitigate the business risks associated with operations in conflict-affected areas, many companies adopt human rights policies based on international frameworks, such as the United Nations’ Guiding Principles on Business and Human Rights. While TripAdvisor’s “Code of Business Conduct and Ethics” references a “Commitment to Human and Workplace Rights”⁴, this policy does not provide guidance for assessing and managing the heightened risks, including human rights, associated with business activities in conflict-affected areas;

TripAdvisor no longer offers online accommodation bookings in Russian-occupied Crimea. However, the company has not taken similar action with listings in other occupied territories where an occupying power has unlawfully appropriated land in violation of international humanitarian law. Shareholders would benefit from a better understanding of the company’s approach to assessing human rights-related risks.

RESOLVED: Shareholders request that TripAdvisor assess and report to shareholders, at reasonable expense and excluding proprietary information, on the company’s policies and procedures to address the human rights-related risks associated with business activities in conflictaffected areas, including occupied territories.

Supporting Statement. The report should:

- Discuss the company’s process for identifying, assessing and mitigating business risks in conflictaffected areas with human rights violations;
- Describe the company’s due diligence process for monitoring the enforcement of its existing policies; and
- Assess whether the company should adopt additional policies to avoid unintentionally contributing to violations of human rights in conflict affected areas by facilitating discriminatory rental practices or accommodation and tour bookings on land that has been unlawfully appropriated.

Shareholders believe that it is in TripAdvisor’s best interest, advancing its corporate reputation and mitigating potential risks, to establish policies and procedures that would be applicable to any conflict-affected area in which the company and its and subsidiaries operate.

1 TripAdvisor, Inc., “2017 Annual Report and Notice of 2018 Annual Meeting and Proxy Statement,” April 27, 2018 (<http://ir.tripadvisor.com/static-files/840c6d1c-9c17-46c9-b52f-3586ead2515f>)

2 OECD, “OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas,” 2013, <https://www.oecd.org/corporate/mne/GuidanceEdition2.pdf>

3 Lovatt, Hugh, “EU member state business advisories on Israeli settlements,” European Council on Foreign Relations, November 2, 2016, https://www.ecfr.eu/article/eu_member_state_business_advisories_on_israel_settlements

4 TripAdvisor, Inc., “Code of Business Conduct and Ethics,” April 24, 2018 (<http://ir.tripadvisor.com/static-files/c9552116-2cb5-4931-a831-49ff788da7ca>)

Proxy Resolutions: Human Rights/Human Trafficking

Business Activities in Conflict-Affected Areas

Caterpillar Inc.

WHEREAS, Caterpillar is committed to respecting internationally recognized human rights throughout its global operations and considered principles in the Universal Declaration of Human Rights (UDHR) in developing its Human Rights Policy;

Caterpillar envisions a world in which all people's basic needs - shelter, clean water, sanitation, food and reliable power — are fulfilled in a sustainable way and a company that improves the quality of the environment and the communities where its employees live and work;

Business activities in conflict-affected areas may cause or contribute to violations of international humanitarian law (IHL) and human rights, such as the UDHR, and voluntary corporate commitments, such as Caterpillar's human rights policy, entailing an array of legal, financial, and reputational risks for the companies involved;

Caterpillar is committed to not knowingly providing support to, contributing to, assisting with, or facilitating armed conflict in the Democratic Republic of Congo through the extraction and trade of "conflict minerals" in the DRC and adjoining countries and following due diligence procedures, which are consistent with a nationally or internationally recognized due diligence framework.¹

As shareholders we believe that in an increasingly unstable world, it is prudent for Caterpillar to ensure that any business it conducts in conflict-affected areas, including international armed conflicts (e.g., Iraq², internal armed conflicts (e.g., Myanmar ³), and military occupations (e.g., Occupied Palestinian Territory⁴), also avoids providing support to, contributing to, assisting with, or facilitating armed conflict and follows due diligence procedures consistent with these frameworks;

RESOLVED, Shareholders request that Caterpillar assess and report to shareholders, at reasonable expense and excluding proprietary information, on the company's approach to mitigating the risks associated with business activities in conflict-affected areas other than areas already addressed through its conflict minerals policy.

Supporting Statement: We believe that it is in Caterpillar's best interest, advancing its corporate reputation and human rights leadership, to establish such policies that would be applicable to any conflict-affected area in which the company and its brands and subsidiaries may operate. In particular, the report should assess whether additional policies are needed to supplement Caterpillar's current Human Rights Policy to avoid causing or contributing to violations of human rights, such as:

- Displacement of individuals and/or unlawful appropriation or destruction of their property; and
- Exploitation of the territory's natural resources without the people of the territory's consent or for purposes other than their benefit.

Please vote your proxy FOR this proposal.

1 Caterpillar, "Conflict Minerals Position Statement," <https://www.catcmi.com/en/company/sustainability/conflict-minerals.html> (accessed on November 8, 2018).

2 The following article notes the use of 16 Caterpillar D9 bulldozers in Iraq. Sawyer, Tom and Andrew Wright, "Battlefield Commanders Review Lessons from Iraq," *Engineering News Record*, September 22, 2013.

3 The following article references significant investment by Caterpillar in Myanmar. Jennings, Ralph, "Why Ethnic Violence Has Gripped Myanmar Again and Investors Don't Mind," *Forbes*, January 19, 2017, <https://www.forbes.com/sites/ralph-jennings/2017/01/19/why-ethnic-violence-has-gripped-myanmar-again-and-investors-dont-mind/#5acfbrn420Qd> (accessed on November 8, 2018).

4 Los Angeles Times, "Caterpillar cut from investment lists; Israeli role cited," June 27, 2012, https://latimesblogs.latimes.com/world_now/2012/06/caterpillar-israel-palestine-investment-controversy.html (accessed on November 8, 2018).

Fiduciary Oversight on Matters Affecting Human Rights

Citigroup

WHEREAS, our Company has been identified as one of the banks financially supporting companies engaged in development or construction of the Dakota Access Pipeline (DAPL) (Bakken Pipeline), a controversial project which received extensive media coverage and public condemnation for its environmental destruction, pollution and encroachment upon sacred Sioux Nation land;

WHEREAS, in accordance with the United Nations Declaration on the Rights of Indigenous Peoples, Article Eleven, asserts “the right to maintain, protect and develop the past, present and future manifestations of their cultures, such as archaeological and historical sites...”

WHEREAS, Article Twenty-Nine of the Declaration states “Indigenous Peoples have the right to the conservation and protection of the environment and the productive capacity of their lands or territories and resources”;

WHEREAS, in 1948, the United Nations adopted the Universal Declaration of Human Rights and the United Nations Human Rights Council, and in 2011 adopted the United Nations Guiding Principles on Business and Human Rights;

WHEREAS, Citigroup’s financial support of the Dakota Access Pipeline and corporations involved in the pipeline’s construction has resulted in Human and Indigenous Peoples’ Rights violations, threatened negative impacts on customer loyalty and shareholder value,¹ and harmed project companies with reputational damage,² delays, disruption and litigation;

WHEREAS, many financial institutions including Citigroup attempt to differentiate in their Human Rights oversight between project or transactional financing and direct corporate loans for general purposes, bringing much less Human Rights oversight to general corporate or commercial loans, even if Human Rights concerns are relevant;

WHEREAS, financial institutions face reputational damage or even liability for Human Rights abuses associated with general financing. For example, holocaust victims and other victims of Human Rights violations have successfully sought redress from banks that provided general financial services to Human Rights violators;

WHEREAS, we believe it is a fiduciary duty of the Board and Management to consider Human Rights when making all executive decisions (including loan agreements and related business affairs) where there is significant potential impact or consequence of our Company’s involvement, along with significant risk to our Company;

WHEREAS, reputational damage, negative publicity and loss of customer business can result in negative consequences for Citigroup regardless of whether the underlying financing was conducted as general or project-based financing;

WHEREAS, our Company’s Environmental and Social Risk Management (ESRM), the Equator Principles and the Citi statement of Supplier Principles are not mandated by our Company’s bylaws, committee charters or other appropriate governance documents and therefore fiduciary oversight and compliance is not mandated but voluntary, nor is there any appellate process available for non-compliance;

THEREFORE, BE IT RESOLVED, that shareholders request the Board of Directors to amend the Citigroup Nomination, Governance, and Public Affairs Committee Charter to explicitly require fiduciary oversight by the committee on matters affecting human rights.

Supporting Statement: Citigroup has adopted numerous voluntary codes of conduct and so-called “policy” statements that are unaccompanied by adequate assurances of compliance. Our Company’s ESRM Policy, the Equator Principles, the Citigroup “Statement on Human Rights”, “Citi Statement of Supplier Principles” are essentially voluntary, and lack specific commitments of board fiduciary oversight.

¹ <https://www.thenation.com/article/these-cities-are-divesting-from-the-banks-that-support-the-dakota-access-pipeline/>

² <https://sandiegofreepress.org/2017/02/calpers-joins-investors-calling-on-banks-to-address-concerns-about-dakota-access-pipeline/>

Proxy Resolutions: Human Rights/Human Trafficking

Develop a Human Rights Policy

Southwest Airlines Co.

WHEREAS, The UN Guiding Principles on Business and Human Rights¹ (hereinafter UNGPs), state that companies have the 'corporate 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 salient human rights issues.

As investors, we are increasingly identifying, assessing and addressing human rights risks and impacts in portfolio companies in line with the OECD Guidelines on Responsible Business Conduct for Institutional Investors². These guidelines provide a framework for investors to engage with companies concerning responsible global business conduct. In addition, a variety of benchmarks are emerging to support investor efforts to evaluate corporate human rights performance in their operations and in supply chains, including the Corporate Human Rights Benchmark³, Know the Chain⁴, and Behind the Barcodes⁵, and to improve company performance.

Managing human rights risks at both management and board levels is necessary and prudent in order to prevent and mitigate potential and significant operational, financial and reputational risks associated with negative human rights impacts, including in the supply chain. In turn, companies' ability to demonstrate policies and best practices reflecting internationally accepted human rights standards can lead to successful and sustainable business planning, and improved relations with customers, workers and business partners.

Southwest has a number of Corporate Policies, including a Code of Ethics⁶. Yet information available for review on Southwest.com indicates no specific public commitment to respect Human Rights in line with UNGPs.⁷

Southwest is one of the world's largest low-cost airline carriers and has significant leverage for identifying and addressing human rights risks in its operations and in its supply chain.

RESOLVED: Shareholders request the Board of Directors of Southwest Airlines to create a comprehensive policy articulating our company's respect for and commitment to human rights.

Supporting Statement: A comprehensive policy expressly reflects the global standards of expected conduct for all companies wherever they operate, which include:

1. A company's commitment to respect human rights (Guiding Principle 16).
2. A human rights due diligence process (Guiding Principles 17-21) and reporting on results.
3. Effective grievance mechanisms (Guiding Principles 22, 29 and 31).

1 <https://www.business-humanrights.org/en/unguiding-principles>

2 <https://mneguidelines.oecd.org/RBC-for-Institutional-Investors.pdf>

3 <https://www.corporatebenchmark.org/>

4 <https://knowthechain.org/>

5 <https://www.oxfamamerica.org/takeaction/campaign/food-farming-and-hunger/behind-the-barcodes/>

6 <http://investors.southwest.com/~media/Files/S/Southwest-IR/Code%20of%20Ethics%20-%20Clean%20as%20Approved%20by%20Board%208-1-18.pdf>

7 <http://investors.southwest.com/corporategovernance/corporate-bylaws-articles-of-incorporation-and-corporate-policies/corporate-policies>

Proxy Resolutions: Human Rights/Human Trafficking

Develop a Human Rights Policy

Sturm Ruger & Co.

RESOLVED: Shareholders request that the Board of Directors of Sturm Ruger adopt a comprehensive policy articulating our company's respect for and commitment to human rights, including a description of proposed due diligence processes to assess, identify, prevent and mitigate actual and potential human rights impacts.

WHEREAS, The UN Guiding Principles on Business and Human Rights (hereinafter UNGPs), state:

The responsibility to respect human rights requires that business enterprises: (a) Avoid causing or contributing to adverse human rights impacts through their own activities, and address such impacts when they occur; [and] (b) Seek to prevent or mitigate adverse human rights impacts that are directly linked to their operations, products or services by their business relationships, even if they have not contributed to those impacts.¹

And further state that: In order to meet their responsibility to respect human rights, business enterprises should have in place policies and processes appropriate to their size and circumstances, including . . . [a] policy commitment to meet their responsibility to respect human rights.²

As investors, we are increasingly seeking to identify and assess human rights risks and impacts in portfolio companies as they have direct implications for shareholder value and, depending on how they are, or are not managed, are a bellwether for a company's long-term viability.

We look to the companies we own to manage human rights risks as a demonstration of strong risk oversight and sound corporate governance. Given the lethality of gun manufacturers' products and the potential for their misuse, the risk of adverse human rights impacts is especially elevated for all gun manufacturers, including Sturm Ruger.

Companies exposed to human rights risks may incur significant legal, reputational and financial costs that are material to investors. A public-facing human rights policy is the first step towards human rights due diligence. For this reason, hundreds of global corporations have adopted human rights policies, including British American Tobacco, Exxon and Walmart.³

While Sturm Ruger has a number of corporate policies, including a Code of Ethics, the information available for review on its web site does not mention a public commitment to respect human rights.

A public human rights policy that articulates the company's commitment to respect human rights and its efforts to avoid causing adverse human rights impacts would assure shareholders that these risks are being adequately managed.

The UNGPs recommend 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> (section 13)

2 <https://www.business-humanrights.org/en/un-guiding-principles> (section 15a)

3 <https://www.business-humanrights.org/en/company-policy-statements-on-human-rights>



Proxy Resolutions: Human Rights/Human Trafficking

Develop a Human Rights Policy

Booz Allen Hamilton

WHEREAS: We believe that corporations can better manage risk with comprehensive and actionable human rights policies;

Conducting human rights and social impact assessments prior to any decision to invest assets and personnel is critical to business operations, especially when working with countries engaged in civil or cross-border conflict;

Corporations operating in countries with authoritarian governments, ethnic conflict, weak rule of law, or endemic corruption face serious risks to reputation and shareholder value if they are seen as responsible for, or complicit in, human rights violations;

RESOLVED: Shareholders request the Board to develop and adopt a comprehensive human rights policy that includes an explicit commitment to support and uphold the principles and values contained in the United Nations' Guiding Principles on Business and Human Rights, to be published no later six months following the 2019 annual general meeting. The report shall be presented to relevant parties involved in contract approval and posted on the company website.

Supporting Statement: Among the countries where our company (Booz Allen Hamilton) operates, the Kingdom of Saudi Arabia has been repeatedly implicated in violations of basic human rights; among these are the 2018 assassination of Washington Post columnist Jamal Khashoggi and the military assault and blockade of Yemen. Yet, our company and its competitors have reportedly "played critical roles in [Saudi] Prince Mohammed [bin Salman]'s drive to consolidate power." ("Consulting Firms Keep Lucrative Saudi Alliance, Shaping Crown Prince's Vision," The New York Times, November 4, 2018.).

Our company has no publicly discernable comprehensive human rights policy that would enable it to effectively manage and avoid allegations of abetting such abuses.

A number of multinational companies have already adopted a comprehensive human rights policy based on the UN Guiding Principles on Business and Human Rights. We believe significant business advantages may accrue to our company by adopting a comprehensive human rights policy along those lines, including enhanced corporate reputation, improved community and stakeholder relations, and reduced risk of adverse publicity, divestment campaigns, and lawsuits.

Human Rights Impact Assessment

Amazon.com, Inc

RESOLVED, that shareholders of Amazon.com, Inc. ("Amazon") urge the Board of Directors to commit to conducting and making available to shareholders Human Rights Impact Assessments ("Assessments") for at least three food products Amazon sells that present a high risk of adverse human rights impacts. An Assessment should specify the standards used, identify and assess actual and potential adverse impacts associated with the product and describe how the findings will be integrated in order to prevent and/or remedy impacts.

The Assessments should be prepared at reasonable cost and should omit proprietary information.

Supporting Statement: There is increasing recognition that company risks related to human rights violations, such as reputational damage, project delays and disruptions, and litigation, can adversely affect shareholder value. Risks may exist for companies even if they are retailers or distributors of a product.

To manage such risks effectively, companies must assess the risks to shareholder value posed by human rights impacts in their supply chain. The United Nations Guiding Principles on Business and Human Rights (the "Guiding Principles") urge that "business enterprises should carry out human rights due diligence" or Assessments. (http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf) The assessments recommended by the Guiding Principles use a statement to define human rights expectations; cover impacts created directly by the company or indirectly through the activities of a third-party partner; and involve consideration of affected stakeholders' views, either through direct engagement or by consulting experts.

As the owner of online grocer AmazonFresh and grocery chain Whole Foods Markets, Amazon's business model exposes the company to significant human rights risks from food suppliers. More generally, food suppliers have experienced increasing downward pricing pressures recently, including from Whole Foods policies. Such pressures may lead them to commit human rights violations such as using child or forced labor.

As well, concerns have been raised about specific products. For example, research by several organizations has highlighted human rights abuses in the shrimp industry in Southeast Asia,¹ and Whole Foods sells shrimp produced there. The Department of Labor has identified dozens of common food products, including palm oil, cocoa and bananas, that are produced using forced or child labor in some countries.

Many human rights are addressed in Amazon's Supplier Code of Conduct, including forced labor, child labor and freedom of association and anti-discrimination. Amazon describes supplier- and site-specific audits, but does not disclose or indicate that it performs any human rights impact assessment for product types across suppliers. We believe that such assessments would allow Amazon to identify potential impacts earlier and take steps to prevent them, as well as allowing more timely remedy of actual impacts. Leading companies such as Coca-Cola² and Mondelez International³ have produced human rights impact assessments focused on high-risk products in their supply chains.

We urge shareholders to vote for this proposal.

1 E.g., <https://www.npr.org/sections/thetwo-way/2018/01/23/579898348/rights-abuses-still-widespread-in-thailands-fishing-industry-reportsays>

2 <https://www.coca-colacompany.com/content/dam/journey/us/en/private/fileassets/pdf/human-and-workplace-rights/brazilsugar-industry-child-labor-forced-labor-land-use.pdf>

3 <https://www.cocoalife.org/-/media/CocoaLife/en/download/article/2014%20March%2014%20Cocoa%20Life%20in%20Cote%20d'Ivoire%20Gender%20Assessment%20in%20the%20pilot%20communities.%20Report%20by%20CARE%20International.pdf>

Proxy Resolutions: Human Rights/Human Trafficking

Human Rights Due Diligence

Tyson Foods, Inc.

WHEREAS: 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.¹ To meet this responsibility, companies are expected to conduct human rights due diligence, informed by the core international human rights instruments, to assess, identify, prevent, and mitigate adverse human rights impacts.²

Industrial meat production exposes workers, farmers, and communities to actual and potential adverse human rights impacts. Inadequate regulatory frameworks do not sufficiently protect against these 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. 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, and biodiversity. An estimated 99% of U.S. farm animals are raised in confined animal feeding operations (CAFOs), which release high levels of toxic pollutants from animal waste into the water and air.

Tyson faces community resistance to the expansion of its operations and footprint to meet growing demand for protein. In 2017, community protests in Kansas prevented construction of a new poultry processing plant, citing concerns about Tyson's history of water pollution incidents and inadequate community consultation.³ A proactive assessment of Tyson'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.

While Tyson commits to respect human rights in its Code of Conduct and Supplier Code, adoption of principles is only the first step in effectively managing human rights risks. Tyson committed to improve working conditions in 2017, but does not comprehensively report on implementation, monitoring efforts, or improvements in workers' ability to exercise their rights.⁴ Tyson's sustainability initiatives, which include a Social Baseline Study and land stewardship target, do not address all of Tyson's human rights impacts or cover the entire value chain. Tyson has yet to disclose progress towards implementing these efforts, or how they will be factored into business decisions, growth, and supplier expectations, to ensure they are embedded throughout the business.

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 and mitigate actual and potential human rights impacts.

Supporting Statement: The report should:

- Include the human rights principles used to frame its risk assessments;
- Outline the human rights impacts of Tyson's business activities, including companyowned operations, contract growers, and supply chain and plans to mitigate them;
- Explain the types and extent of stakeholder consultation; and
- Address Tyson's plans to track effectiveness of measures to assess, prevent, mitigate, and remedy adverse human rights impacts.

1 https://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf

2 <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>

3 <http://nototyson.com/>

4 <https://www.tysonfoods.com/sites/default/files/2018-03/Commitments%20for%20Continuous%20Improvement%20in%20the%20Workplace.pdf>

Human Rights Due Diligence

Pilgrim's Pride Corp

WHEREAS: 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.¹ To meet this responsibility, companies are expected to conduct human rights due diligence, informed by the core international human rights instruments, to assess, identify, prevent, and mitigate adverse human rights impacts.²

Industrial meat production exposes workers, farmers, and communities to actual and potential adverse human rights impacts. Inadequate regulatory frameworks do not sufficiently protect against these 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. 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, and biodiversity.

Pilgrim'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'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 disability discrimination,⁵ to federal fines issued for violations of: environmental; wage and hour; workplace safety and health; and labor relations regulations.⁶ The repeated occurrence of these types of fines and lawsuits indicate that although Pilgrim'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.

RESOLVED: Shareholders request the Board of Directors prepare a report, at reasonable cost and omitting proprietary information, on Pilgrim's human rights due diligence process to assess, identify, prevent and mitigate actual and potential adverse human rights impacts.

Supporting Statement: The report should:

- Include the human rights principles used to frame its risk assessments;
- Outline the human rights impacts of Pilgrim'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's plans to track effectiveness of measures to assess, prevent, mitigate, and remedy adverse human rights impacts.

1 https://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf

2 <https://www.ohchr.org/en/professionalinterest/pages/coreinstruments.aspx>; <https://www.ilo.org/declaration/langen/index.htm>; <http://www.oecd.org/investment/mne/1922428.pdf>

3 <https://dontslaughterourcove.com/>

4 [https://www.reliableplant.com/Read/8537/pilgrim-s-pride-to-pay-\\$1-m-for-hiring-discrimination](https://www.reliableplant.com/Read/8537/pilgrim-s-pride-to-pay-$1-m-for-hiring-discrimination)

5 <https://carlairwininc.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>

Identifying Human Rights Risks in Operations and Supply Chain

Kraft Heinz Company

WHEREAS, recent Global Estimates found that 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 wages². Over 70% of these workers are in debt bondage and forced to work in industries such as agriculture and food processing³.

In the United States (U.S.) it is estimated that over half of workers in the food and agriculture industries are migrant workers⁴. Studies by the Center for North American Studies indicate that 62 percent of milk in the U.S. was produced by farms employing immigrant labor. To secure employment in the U.S. food industry and overseas in commodities like palm oil, unethical recruiters often charge migrant workers⁵ the equivalent of thousands of dollars in fees.

Migrant workers globally are prime targets for exploitation,⁶ 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.

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 have a policy that assesses if workers are being recruited into debt bondage, forced labor and, ultimately, slavery.

The State of California and the United Kingdom have passed laws requiring companies to report on their actions to eradicate human trafficking and slavery.

Kraft Heinz's Supplier Guiding Principles prohibit the use of forced labor in the company's supply chains. However, Kraft Heinz does not have a policy addressing recruitment of workers and does not disclose the company's risk assessment process.

In addition, Know The Chain's Benchmark Finding Report (October, 2018) gives Kraft Heinz an overall score of 23 out of 100 and a score of 0 on the company's approach to reducing the risk of exploitation of supply chain workers by recruitment agencies, eliminating workers' payment of fees during recruitment processes throughout its supply chains, and protecting the rights of migrant workers.

Given the company's lack of risk mitigation and 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 Kraft Heinz 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 by November 20, 2019, addressing the following:

- 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.ilo.org/wcmsp5/groups/public/---dgreports/dcomm/documents/publication/wcms_575479.pdf

2 http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_243391.pdf

3 http://www.alliance87.org/global_estimates_of_modern_slavery-forced_labour_and_forced_marriage.pdf

4 <https://www.usatoday.com/story/news/politics/2017/04/04/study-undocumented-farm-workers-put-food-systemrisk/100036382/>

5 <http://www.reuters.com/investigates/special-report/workers-brokers/>

6 <https://www.ilo.org/global/topics/fair-recruitment/lang--en/index.htm>

Identifying Human Rights Risks in Operations and Supply Chain

Wendy's International, Inc.

WHEREAS, recent Global Estimates found that 16 million people are trapped in conditions of forced labor in extended private sector supply chains. In the United States it is estimated that over half of workers in the food and agriculture industries are migrant workers. 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 thereby 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-FAO Guidance for Responsible Agricultural Supply Chains. To meet this responsibility, companies are expected to conduct human rights due diligence, informed by the core international human rights instruments, to assess, identify, prevent, and mitigate adverse human rights impacts. The State of California, the United Kingdom, France, Australia and elsewhere require companies to report on their actions to eradicate human trafficking and slavery.

While Wendy's commits to respect human rights in its 2017 Code of Conduct for Suppliers (the "Code"), adoption of principles is only the first step in effectively managing human rights risks. The Code states that "suppliers of certain fresh agricultural products harvested by hand or in an otherwise manually intensive way will be subject to third party human rights and labor practices reviews." However, Wendy's does not comprehensively report on implementation or monitoring efforts, or improvements in workers' ability to exercise their rights. The company does not describe a risk assessment process, or grievance mechanism in place at the farm level that would bring issues to the company's attention to be addressed.

Wendy's general information about audits of its suppliers provides limited visibility into supply chain risk. As a result, it may not have an accurate picture of the realities of working conditions within its supply chains. Without full visibility it cannot fully understand where supply chain risks may lie or what issues to prioritize for remediation.

Given the company's lack of risk mitigation and 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 Wendy's 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 supply chain by November 2019, addressing the following:

- Human rights principles used to frame the assessment
- Frequency of assessment
- Methodology used to track and measure performance on human rights risks
- How the results of the assessment are incorporated into company policies and decision making

The report should cover all aspects of Wendy's business including its own operations, franchisees, cooperatives, and supply chains.

Proxy Resolutions: Human Rights/Human Trafficking

Identifying Human Rights Risks in Operations and Supply Chain

Macy's, Inc.

A similar resolution was submitted to TJX Companies, Inc.

WHEREAS, recent global estimates found that 16 million 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 through underpayment of wages. Of these workers, over 70% are in debt bondage and forced to work in industries such as manufacturing. 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. Regulatory requirements in the State of 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 must have a policy that assesses if workers are being recruited into debt bondage, forced labor and, ultimately, slavery.

The 2018 Corporate Human Rights Benchmark gives Macy's, Inc. (Macy's) an overall score of 4.1 out of 100. This compares poorly with scores from peer companies Marks & Spencer (70), Gap (52), and Hennes & Mauritz (50). Macy's Vendor & Supplier Code of Conduct does prohibit the use of forced labor, slavery and human trafficking in the company's supply chains and the company has posted a report on its website in accordance with the California Transparency Supply Chains Act (SB 657). However, Macy's has no formal commitment to respect human rights or remedy adverse impacts; no clear evidence of Board commitment, management incentives, or engagement with stakeholders; does not disclose whether it embeds respect for human rights in company culture and management systems, conducts human rights risks assessments, or implements processes to ensure no child or forced labor, freedom of association and collective bargaining, and payment of a living wage.

Given the company's lack of risk mitigation and 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 Macy's 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 by December 2019.

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.

Identifying Human Rights Risks in Operations & Supply Chain

Hanesbrands, Inc.

RESOLVED. Shareholders request Hanesbrands' 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.

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 Over 70% of these workers are in debt bondage and forced to work in industries such as agriculture and food processing.³

In the apparel industry, forced labor occurs both in the production of raw materials and during manufacturing, especially at lower tier suppliers and in home-based or informal manufacturing.

Migrant workers globally are prime targets for exploitation⁴ 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.

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 have a policy that assesses if workers are being recruited into debt bondage, forced labor and, ultimately, slavery. The State of California and the United Kingdom passed laws requiring companies to report on their actions to eradicate human trafficking and slavery.

While Hanesbrands' Global Human Rights Policy prohibits use of forced labor in the Company's supply chains, Hanesbrands does not disclose its forced labor risk assessment process, nor does it have a policy addressing ethical recruitment of workers.

The 2018 Fashion Transparency Index assessed the company's Champion brand, giving it an overall score of 24%. The report indicates the company is not disclosing information on gender-based violence, living wage, or collective bargaining. Its sub-scores were particularly low in the areas of traceability, supplier assessments, and addressing problems.

Know The Chain's 2016 Apparel & Footwear Benchmark Findings Report gave Hanesbrands an overall score of only 54 out of 100, with particularly low sub-scores in the areas of ethical recruitment, traceability, risk assessment, and the ability of workers to exercise their rights and voice complaints.

Hanesbrands also received low scores in the Corporate Human Rights Benchmark 2018 Progress Report on human rights due diligence, embedding respect for human rights, and enabling factors and business.

Given the company's lack of risk mitigation and disclosure, investors have insufficient information to gauge if the company is sufficiently addressing this serious risk to the company and to workers.

1 https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_575479.pdf

2 http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_243391.pdf

3 http://www.alliance87.org/global_estimates_of_modern_slavery-forced_labour_and_forced_marriage.pdf

4 <https://www.ilo.org/global/topics/fair-recruitment/lang--en/index.htm>

Proxy Resolutions: Human Rights/Human Trafficking

Identifying Human Rights Risks in Operations and Supply Chain

Texas Instruments Inc.

Similar resolutions were submitted to Amphenol Corporation, Corning Incorporated

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.

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.

According to KnowTheChain, most electronic brands source at least some components from Malaysia. A 2014 study by Verité found that nearly a third of migrant workers in Malaysia's electronics sector are in situations of forced labor; risks to migrant workers in Malaysia have also been highlighted by the U.S. State Department and the International Labor Organization. The State Department also lists China as a country where electronics may be produced using forced labor.

Raw materials used in electronics products – including tin, tungsten, tantalum and gold – may be produced with forced labor.⁴

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 have a policy that assesses if workers are being recruited into debt bondage, forced labor and, ultimately, slavery. The State of California and the United Kingdom passed laws requiring companies to report on their actions to eradicate human trafficking and slavery.

While Texas Instrument's policies address forced labor, KnowTheChain's 2018 Benchmarking Report on Forced Labor in the ICT Sector gave Texas Instruments an overall score of only 38 out of 100, with particularly low sub-scores in the areas of traceability and risk assessment, recruitment, and the ability of workers to exercise their rights and voice complaints.⁵ According to KnowTheChain, Texas Instruments is also not compliant with either the UK Modern Slavery Act or the California Transparency in Supply Chain Act.

Given the company's lack of risk mitigation and disclosure, investors have insufficient information to gauge if the company is sufficiently addressing this serious risk to the company and to workers.

1 https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_575479.pdf

2 http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_243391.pdf

3 <https://www.ilo.org/global/topics/fairrecruitment/lang--en/index.htm>

4 Ibid., p. 16.

5 KnowTheChain is a partnership of Humanity United, the Business & Human Rights Resource Centre, Sustainalytics, Verité, and Thomson Reuters Foundation, established as a resource for businesses and investors who need to understand and address forced labor abuses within their supply chains.

Report on Human Trafficking in Sugarcane Supply Chain Monster Beverage Corp

WHEREAS: An estimated 40 million people are victims of modern slavery, with 24.9 million in forced labor.¹ These victims work in virtually every industry and across sectors in a company's supply chain. According to the U.N. Guiding Principles,² companies have a corporate responsibility to respect human rights within their operations and supply chains. The issue is seen as a material risk for shareholders due to potential litigation and loss of revenue by brand association with slavery.

The 2018, Know the Chain, Food & Beverage Benchmark Findings Report scored Monster at four points, acknowledging that Monster has improved over their 2016 score of zero. This shows that Monster has made some commitments regarding modern slavery. However, the commitments are not time-bound and Monster doesn't disclose if any progress has been made. This reflects poor transparency and disclosure in managing human trafficking and forced labor risks in its supply chain. In contrast, Coca-Cola, Nestlé, and Pepsico, scored 62, 58, and 49 respectively. This is also reflected in the Corporate Human Rights Benchmark³, which scored Monster only 1.2 out of 100, and a score of zero on indicators focused on addressing forced labor risks.

Monster Beverage ingredient lists contain sucrose and glucose, both are derived from cane or beet sugar. Forced labor is known to be present in the production of sugar cane in Bolivia, Brazil, Dominican Republic, Guatemala, India, Myanmar, and Pakistan according to the U.S. Department of Labor.⁴ Verité, an independent NGO, confirms the forced labor practices in the sugar cane industry globally. Monster has not disclosed what practices it has in place to address forced labor in these countries although nine other peers have done so according to the August 2017 report, "How Food and Beverage Companies Tackle Forced Labor Risks in Sugarcane Supply Chains." The company also did not address forced labor risks related to the sourcing of coffee and tea.

Monster also does not report on Supply Chain Transparency or Monitoring and Certification. Peers including Coca-Cola disclose names and addresses of sugar suppliers as well as how they monitor sugarcane field working conditions.

Monster states that it does not conduct unannounced supplier compliance audits because of assumed minimal risk of slavery and human trafficking, yet there is no detail of how this was determined, and, regardless, it is not a rationale for non-disclosure.

BE IT RESOLVED: Shareholders request Monster Beverage to issue a report containing the criteria and analytical methodology used to determine its conclusion of "minimal risk" of slavery and human trafficking in its sugarcane supply chain. The report should be available by November 15, 2019, prepared at reasonable cost, and omitting proprietary and privileged information.

Supporting Statement: In its report Monster should consider following industry peers' best practices for verifying that suppliers comply with its standards.

1 http://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/documents/publication/wcms_575479.pdf

2 <https://www.unglobalcompact.org/library/2>

3 <https://www.corporatebenchmark.org/sites/default/files/2018-11/Monster%20Beverage%20CHRB%202018%20Results%20on%2020181026%20at%20172831.pdf> [Indicators D.1.5.b and D.1.5.d]

4 <https://www.dol.gov/ilab/reports/child-labor/list-of-goods/>

Proxy Resolutions: Human Rights/Human Trafficking

Implement Program to Address Human Trafficking

Hub Group

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 transportation professionals as being particularly well-placed to identify trafficking victims.

According to the International Labor Organization's most recent global estimate, there are at least 20.9 million victims of forced labor, trafficking, and slavery in the world today; globally 2.4 million people are victims of trafficking at any given time. In the United States, over 100,000 children each year are at risk of being exploited by human trafficking,

Trafficking victims are often hidden in plain view at construction sites, restaurants, agricultural fields, and rest or truck stops. The trucking industry has the potential to play a vital role in identifying and assisting these victims. Since its creation, the National Human Trafficking Resource Center (NHTRC) has over 20,000 victims identified and more than 1100 reports have been from callers who self-identified as truckers.

Failure to address the risks of human trafficking in its operations, places Hub Group behind its peers. Other companies in the trucking industry, such as Ryder, CR England, J.B. Hunt, Werner and Landstar, have addressed the issue through training for drivers, publically partnering with organizations like Truckers Against Trafficking and provide resources to combat human trafficking. Hub Group's publicly available reporting does not indicate any such efforts.

We believe a company associated with incidents of human trafficking or child sex exploitation could suffer substantial negative financial impacts, as well as loss of reputation and adverse publicity.

We believe commercial advantages may accrue to our company by adopting a more extensive policy addressing the commercial sexual exploitation of children, and by promoting training and programs to combat trafficking.

RESOLVED: The shareholders request that the company, with Board of Directors oversight, prepare a report on the implementation of a program to address human trafficking internally and in its supply chain, at reasonable cost and omitting proprietary/confidential information, and provide the report to shareholders.

Supporting Statement: We believe the report should be comprehensive, transparent, and verifiable, and we request that it address the following:

- A statement of company policy on human trafficking,
- An overview of employee and customer awareness, education and training on the issue of human trafficking,
- A plan for communicating information to customers,
- Methods of informing truckers of "key persons" at any destination who can address the issue, and
- Annually publish a progress report prepared.

Proxy Resolutions: Human Rights/Human Trafficking

Child Sexual Exploitation

Verizon Communications Inc.

A similar resolution was submitted to Sprint Corporation.

WHEREAS:

Verizon Communications (Verizon) is a leading Internet Service Provider (ISP), a retailer of mobile communication devices, and a growing provider of digital content online;

Child sexual exploitation online (“child pornography”) is a growing risk to children that is being exacerbated by online services and mobile technologies;

The US Department of Justice’s 2016 National Strategy for Child Exploitation Prevention and Interdiction notes that “mobile devices have fundamentally changed the way offenders can abuse children,” and “apps on these devices can be used to target, recruit or groom, and coerce children” or “stream video of child sexual abuse” in real-time;

The Internet Watch Foundation noted that 55% of child sex imagery reported to it in 2017 was of children 10 or younger, and that domain names showing children being sexually abused increased by 57% from 2016 to 2017;

“Internet Safety” was the fourth-ranked issue and “Sexting” the sixth-ranked in the list of major health concerns for US children, according to the 2015 National Poll on Children’s Health [<https://www.mottchildren.org/news/archive/201508/sexting>];

The National Center for Missing and Exploited Children noted that reports of suspected child sex trafficking jumped 846% between 2010-2015;

INTERPOL reported about 4,000 unique child sex images worldwide in 1995, involving a few hundred children, but the UN Office of Drugs and Crime now estimates at least 50,000 new such images posted each year online [<https://www.icmec.org/commonwealth-internet-governance-forum-a-joint-report-on-online-child-protection-combatting-child-sexual-abuse-material-on-the-internet/>];

In 2018, the US Congress enacted, and the President signed into law, legislation to better hold websites and ISPs legally accountable for facilitating sex trafficking on their platforms [<https://www.congress.gov/115/bills/hr1865/BILLS-115hr1865enr.pdf>];

Information and Communications Technology (ICT) companies have many best practices—beyond parental controls—to combat Child Sex Abuse Material (CSAM), including: creating digital tools to remove CSAM online and offering such tools to peers; supporting public policy that better protects children online; corporate detection software that triggers alerts when CSAM has been searched for or downloaded; or child-protective practices over public WiFi, among others;

By comparison, Verizon’s efforts appear minimal: its Terms of Use prohibit CSAM and its User Agreements instruct how to report such material; it also improved some practices to block CSAM on its servers in response to a 2008 NY Attorney General settlement [<https://ag.ny.gov/press-release/new-york-state-attorney-general-announces-unprecedented-deal-nations-largest-internet>];

But Verizon discloses little information publicly on how it systematically manages child sexual exploitation online and through mobile devices;

We believe that ICT companies lacking adequate policies, practices, and disclosures to address child sexual exploitation could suffer substantial negative impacts regarding reputation, 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 through the company’s products and services, including a risk evaluation, at reasonable expense and excluding proprietary or confidential information, by March 2020, assessing whether the company’s oversight, policies and practices are sufficient to prevent material impacts to the company’s brand reputation, product demand or social license.

Child Sexual Exploitation

Apple Computer, Inc.

WHEREAS: Apple Inc. is a globally-recognized producer of mobile communication devices and operating systems, and a significant purveyor of software applications (apps) and digital content produced by third parties;

WHEREAS: Apple has set basic policies in its User Terms and App Developer Guidelines prohibiting child sexual abuse material (often called “child pornography”), and has temporarily removed apps shown to distribute such content, but discloses little information publicly on how it systematically manages the globally escalating risk of child sexual exploitation online;

WHEREAS: Microsoft exemplifies leading practice to combat child sex content online, including contributing PhotoDNA technology to competitors to identify child sex imagery, while Alphabet, Facebook, and Twitter have substantial Online Safety teams, policies, and content moderators to identify and block abusive practices targeting children for sex;

WHEREAS: According to the US Department of Justice’s 2016 National Strategy for Child Exploitation Prevention and Interdiction, the growth and availability of mobile devices and encryption, and the growing ease of Internet users to target large numbers of child victims through online manipulation, are all contributing to a rise in child sexual abuse and trafficking. “Mobile devices have fundamentally changed the way offenders can abuse children,” and “apps on these devices can be used to target, recruit or groom, and coerce children” or “stream video of child sexual abuse” in real-time;

WHEREAS: The Internet Watch Foundation noted that 55% of child sex imagery reported to it in 2017 was of children 10 or younger, and that domain names showing children being sexually abused increased by 57% from 2016 to 2017;

WHEREAS: “Internet Safety” was the fourth-ranked issue and “Sexting” the sixth-ranked in the list of health concerns for US children, according to the 2015 National Poll on Children’s Health [<https://www.mottchildren.org/news/archive/201508/sexting/>];

WHEREAS: 75% of sex-trafficked minors are advertised online, according to nonprofit Thorn [<https://www.wearethorn.org/child-pornography-and-abuse-statistics/>];

WHEREAS: There was a 774% increase in child pornography images and videos reviewed through the National Center for Missing and Exploited Children’s Child Victim Identification Program from 2005 to 2011, and reports of suspected child sex trafficking jumped 846% between 2010 and 2015;

WHEREAS: In April 2018, legislation passed in the US House and Senate with strong bi-partisan support to better hold websites legally accountable if they knowingly facilitate sex trafficking occurring on their platforms (Fight Online Sex Trafficking Act and Stop Enabling Sex Traffickers Act);

WHEREAS: We believe that technology companies lacking adequate policies and practices to address child sexual exploitation could suffer substantial negative impacts regarding reputation, heightened regulation, adverse publicity, or legal risk;

RESOLVED: Shareholders request that the Board of Directors issue a report, including a risk evaluation, at reasonable expense and excluding proprietary or confidential information, by February 2020, assessing whether Apple’s products, services, policies and practices are sufficient to prevent material impacts to the company’s finances, brand reputation, or product demand, in light of strong public concern regarding the growing risk to children of sexual exploitation online.

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 tax exempt group the American Legislative Exchange Council (ALEC), which writes and endorse model legislation that often favors industry at the expense of social and environmental regulations, including those aimed at mitigating the effects of climate change. Many corporations are also members of the Business Roundtable and financially support the Main Street Investors Coalition, both of which are leading a campaign attacking shareholder rights. Corporations also channel millions of dollars to political candidates, parties, and committees to influence elections at the state and national levels.

Investors believe that this spending can be used to advance agendas which are in conflict with companies’ stated positions on environmental, social and governance matters, creating potential conflicts of interest and exposing companies to unnecessary reputational risk. Investors work on lobbying disclosure is spearheaded by Walden Asset Management and AFSCME, the American Federation of State, County and Municipal Employees.

Filings addressing corporate lobbying and political contributions were the second most popular category of filings this year, with 50.

Lobbying and Political Contributions		50
Proposal Topic		Quantity
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Political Contributions

Corporate political donations and their outsized influence on elections and, ultimately, policy and regulation, have been a source of controversy ever since the Supreme Court’s Citizens United ruling. Shareholders argue that transparency around how corporations wield financial power to influence elections is critical and, given that these donations may pose reputational risks, this information is of material value to investors.

Investors asked 20 companies, including Bank of America, Disney, ExxonMobil, Ford, General Motors, J.P. Morgan Chase and Morgan Stanley 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.



Proxy Resolutions: Lobbying and Political Contributions



“More investors than ever before are examining companies’ direct and indirect lobbying spending in order to ensure sufficient transparency for shareholders to be able to evaluate these significant costs, as well as to ensure sufficient internal accountability to safeguard the alignment of spending with company mission, values, and ethics.

Investors often have no idea how much a company is spending on lobbying. Although companies are required to report their federal lobbying, disclosure requirements at the state level are often uneven — and nonexistent in 22 states. As congressional deadlock moves meaningful policymaking to the states, many companies are increasing their state lobbying spending.

Companies also lobby via their trade associations. Memberships in and payments to trade associations such as the U.S. Chamber of Commerce, the Business Roundtable, and the National Association of Manufacturers are used to work against climate change regulation and against shareholder rights, often in conflict with a company’s publicly stated values.

Memberships in or payments to other tax-exempt organizations that write or promote model legislation continue to pose potential reputational risks. One example is the American Legislative Exchange Council (ALEC). ALEC has a history of promoting controversial legislation at the state level. At its most recent summit, ALEC hosted a keynote speaker known for racism and extremism. As a result, AT&T and Verizon both left the organization, joining a long-term exodus of over 100 companies, including Intel and Walmart.

There are signs that investor persistence is paying off. Board oversight of S&P 500 lobbying jumped from 16% in 2013 to 26% in 2016, according to a Si2 and IRRC study. ICCR members filed lobbying proposals with over 30 companies this year, and thus far have secured commitments to increased disclosure with 5.”

Kate Monahan, Shareholder Engagement Associate — Friends Fiduciary Corporation

Lobbying Expenditures Disclosure

Under the Lobbying Disclosure Act, companies are required to file quarterly reports showing dollars spent on lobbying legislators and regulators. Few, though, are completely transparent in their reporting. This year, investors sought to highlight direct and indirect and grassroots corporate lobbying on a multitude of issues including climate policy and fuel efficiency standards, the right of investors to file shareholder resolutions, drug pricing, fracking bans, and net neutrality, as well as membership in trade associations such as the Chamber of Commerce, and the Business Roundtable, and the model legislation group ALEC.

Investors asked 15 companies including Abbvie, 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.

Shareholders withdrew their lobbying resolutions at AT&T and IBM after the companies agreed to enhance their disclosure. They withdrew at Emerson in exchange for constructive dialogue.

ICCR members also filed an additional 15 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 J.P. Morgan Chase.



Proxy Resolutions: Lobbying and Political Contributions



“Last fall’s elections gave companies a foretaste of the risks they can expect in the 2020 campaign. As some well-known companies learned, contributions that associated them with candidates who make questionable remarks or take positions that conflict with their core values and positions hurt them reputationally and in other ways.



The Center for Political Accountability warned companies of the heightened challenges in its “Collision Course” report that examined contradictory political spending. The report laid out steps that companies should take to manage these risks.

Today’s hyperpolarized environment makes it imperative for companies to adopt political disclosure and accountability. The 2018 CPA-Zicklin Index, our annual benchmarking of such policies by the S&P 500, found that companies recognize this need.

This proxy season, CPA is mounting a greatly expanded proxy effort. ICCR members filed 20 resolutions on political spending. In addition, new shareholder partners filed the Center’s model resolution at 36 more companies, for a record 56 filings — double the number filed last year.

The proxy season had a strong opening when CPA partner Investor Voice, building on the leadership of New York State Comptroller Tom DiNapoli, reached a landmark agreement with General Electric. The company will significantly expand transparency of its election-related spending by closing “dark money” holes. It agreed to disclose contributions to secretive ‘social welfare’ organizations and to lower the threshold that triggers reporting of its non-deductible trade association payments.”

**Bruce Freed, President, and
Dan Carroll, Director of Programs —
Center for Political Accountability**



Proxy Resolutions: Lobbying and Political Contributions

Lobbying Expenditures Disclosure - Climate

Ford Motor Company

A similar resolution was submitted to General Motors Corp.

RESOLVED, Ford shareholders 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 Ford 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 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 Ford 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 Ford's website.

Supporting Statement: We encourage transparency and accountability in the use of corporate funds to influence legislation and regulation, both directly and indirectly. Investors participating in the Climate Action 100+, representing \$32 trillion in assets under management, seek enhanced disclosure demonstrating company alignment with the Paris Agreement.

Ford spent \$42.9 million from 2010 - 2017 on federal lobbying (opensecrets.org). This figure does not include lobbying expenditures to influence legislation in states, where Ford also lobbies but disclosure is uneven or absent. For example, Ford spent \$2,833,447 on lobbying in California from 2010 - 2017. Ford's lobbying over fuel efficiency standards has attracted media scrutiny ("The Stunning Hypocrisy of U.S. Automakers," Nexus Media, May 8, 2018).

Ford sits on the board of the Chamber of Commerce, which has spent more than \$1.4 billion on lobbying since 1998, belongs to the Business Roundtable, which is lobbying against the right of shareholders to file resolutions, and is a member of the Alliance of Automobile Manufacturers, which spent over \$15.5 million on lobbying for 2016 and 2017. Ford does not disclose its memberships in, or payments to, trade associations, or the amounts used for lobbying.

We are concerned that Ford's lack of lobbying disclosure presents significant reputational risk when it contradicts the company's public positions. For example, Ford states that climate change is real and it is committed to reducing greenhouse gas emissions, yet the Alliance for Automotive Manufacturers has questioned climate science and lobbied to weaken fuel standards, which will severely hamper the ability to meet climate goals and the Chamber opposed the Paris climate accord. As shareholders, we believe that companies should ensure there is alignment between their own positions and their lobbying, including through trade associations.

Proxy Resolutions: Lobbying and Political Contributions

Lobbying Expenditures Disclosure - Climate

Exxon Mobil Corporation

Similar resolutions were submitted to Bank of America, J.P. Morgan Chase & Co., Morgan Stanley

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 the best interests of shareholders.

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, 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 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: We encourage transparency in ExxonMobil's use of funds to lobby. ExxonMobil spent \$99.43 million from 2010 – 2017 on federal lobbying. These figures do not include state lobbying expenditures, where ExxonMobil also lobbies but disclosure is uneven or absent. For example, ExxonMobil spent \$3,860,715 on lobbying in California from 2010 – 2017. Exxon also lobbies abroad, reportedly spending between €75m and €1m on lobbying in Brussels for 2017 ("Revealed: ExxonMobil's Private Dinner with Cyprus' Top EU Brass," EU Observer, August 12, 2018).

We commend ExxonMobil for ending its membership in the American Legislative Exchange Council ("Exxon Mobil Joins Exodus of Firms from Lobbying Group ALEC," Reuters, July 12, 2018). However, serious disclosure concerns remain. ExxonMobil belongs to the American Petroleum Institute, Business Roundtable (BRT), Chamber of Commerce and National Association of Manufacturers (NAM), which altogether spent \$260,410,014 on lobbying for 2016 and 2017. 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 lobbying disclosure presents reputational risks when its lobbying contradicts company public positions. For example, ExxonMobil supports the Paris climate agreement, yet was named one of the top three global corporations lobbying against effective climate policy, ("When Corporations Take Credit for Green Deeds Their Lobbying May Tell Another Story," The Conversation, July 17, 2018), and the Chamber undermined the Paris climate accord ("Paris Pullout Pits Chamber against Some of Its Biggest Members," Bloomberg, June 9, 2017). As shareholders, we believe that companies should ensure there is alignment between their own positions and their lobbying, including through trade associations.

Proxy Resolutions: Lobbying and Political Contributions

Lobbying Expenditures Disclosure - Climate

Chevron Corp.

Similar resolutions were submitted to AT&T Inc., Disney (Walt) Company / ABC

WHEREAS, we believe in full disclosure of Chevron's direct and indirect lobbying activities and expenditures to assess whether Chevron's lobbying is consistent with its expressed goals and in the best interests of stockholders.

RESOLVED, the stockholders of Chevron 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 Chevron 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. Chevron'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 Chevron 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 Chevron's website.

Supporting Statement: We encourage transparency in Chevron's use of corporate funds to influence legislation and regulation. Chevron spent over \$74,960,000 on federal lobbying from 2010 – 2017 on federal lobbying. These figures do not include state lobbying expenditures, where Chevron also lobbies but disclosure is uneven or absent. For example, Chevron has spent over \$31 million lobbying in California from 2010 - 2017.

Chevron belongs to the American Petroleum Institute, Business Roundtable (BRT), Chamber of Commerce and National Association of Manufacturers (NAM), which altogether spent \$260,410,014 on lobbying for 2016 and 2017. Both the BRT and NAM are lobbying against shareholder rights to file resolutions. Chevron does not disclose its payments to trade associations nor amounts used for lobbying. And Chevron does not disclose membership in or contributions to tax-exempt organizations that write and endorse model legislation, such as belonging to the American Legislative Exchange Council (ALEC).

We are concerned that Chevron's lack of lobbying disclosure presents reputational risks when its lobbying contradicts company public positions. For example, Chevron supports the Paris climate agreement, yet was named one of the top four global corporations lobbying against effective climate policy ("Corporate Carbon Policy Footprint," Influence Map, September 2017). And Chevron's ALEC membership has drawn scrutiny ("Broad Coalition Calls on Corporations to Drop Funding for ALEC Over Horowitz Speeches," PR Watch, August 27, 2018). At least 110 companies have publicly left ALEC, including BP, ConocoPhillips, ExxonMobil and Shell. As shareholders, we believe that companies should ensure there is alignment between their own positions and their lobbying, including through trade associations.

We urge you to vote FOR this proposal.

Lobbying Expenditures Disclosure - Climate

International Business Machines Corp. (IBM)

WHEREAS, we believe in full disclosure of our company's direct and indirect lobbying activities and expenditures to assess whether its lobbying is consistent with IBM's expressed goals and in the best interests of shareowners.

IBM spent \$39,950,000 from 2010 - 2017 on federal lobbying (Senate reports). This total does not include expenditures to influence legislation in states, where IBM also lobbies but disclosure is uneven or absent. A study found IBM spent \$2,005,196 lobbying in six states from 2012 - 2015 ("How Leading U.S. Corporations Govern and Spend on State Lobbying," Sustainable Investments Institute, February 2017)

RESOLVED, the stockholders of IBM request the preparation of a report, updated annually, and disclosing:

1. Company policy and procedures governing lobbying, both direct and indirect lobbying communications.
2. Payments by IBM 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 the decision making process and oversight by management and Board for lobbying expenditures.

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 any trade association or other organization of which IBM 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 IBM's website.

Supporting Statement: We commend IBM for its thoughtful policy regarding political spending and the electoral process prohibiting political contributions with company funds. We believe IBM should also establish high standards for evaluating and disclosing company participation and spending in the legislative process through lobbying as well.

IBM sits on the board of the Chamber of Commerce, which has spent over \$1.4 billion dollars on lobbying since 1998, and belongs to the Business Roundtable (BRT), an organization with approximately 200 CEOs as members. IBM does not disclose its memberships in, or payments to, trade associations, or the amounts used for lobbying. In contrast, competitors Microsoft, Xerox and Intel publicly disclose their indirect lobbying expenditures through their trade associations.

We are concerned that IBM's lack of trade association lobbying disclosure presents reputational risk. For example, IBM recognizes climate change is a serious concern that warrants meaningful action, yet the Chamber opposed the Paris climate accord ("Paris Pullout Pits Chamber against Some of Its Biggest Members," Bloomberg, June 9, 2017). And the BRT is lobbying against the right of shareholders to file resolutions, whereas IBM is justifiably proud of its record of engaging shareholders in constructive conversation. IBM's payments to the Chamber and BRT help fund such attacks.

This resolution received a 32.9% vote in 2018.

Lobbying Expenditures Disclosure - Climate

United Parcel Service, Inc.

WHEREAS, we believe in full disclosure of UPS's lobbying activities and expenditures to assess whether its lobbying is consistent with UPS's expressed goals and in the best interests of shareowners.

RESOLVED: the shareowners of UPS request the Board prepare a report, updated annually, disclosing:

1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.
2. Payments by UPS 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. UPS'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 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 UPS is a member.

"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 and posted on UPS's website.

Supporting Statement: We encourage transparency and accountability regarding staff time and corporate funds to influence legislation and regulation. We appreciate UPS' website disclosure on political contributions, but UPS's lobbying payments through trade associations remains secret.

UPS spent \$51.3 million from 2010 - 2017 on federal lobbying. This total does not include state lobbying expenditures, where UPS also lobbies but disclosure is uneven or absent. A study found UPS spent \$1,587,609 lobbying in six states from 2012 - 2015 ("How Leading U.S. Corporations Govern and Spend on State Lobbying," Sustainable Investments Institute, February 2017).

UPS sits on the board of the Chamber of Commerce, which has spent over \$1.4 billion lobbying since 1998, and belongs to the Business Roundtable, which is lobbying against the right of shareholders to file resolutions. UPS does not disclose its memberships in, or payments to trade associations, or the amounts for lobbying. And UPS does not disclose its membership in tax-exempt organizations that write and endorse model legislation, such as sitting on the Private Enterprise Advisory Council of the American Legislative Exchange Council (ALEC).

We are concerned that UPS's lack of trade association and ALEC disclosure presents reputational risks. For example, UPS strongly supports efforts to mitigate the impact of climate change, yet the Chamber opposed the Paris climate accord. We urge UPS as a Board member to challenge the Chamber's negative climate policy. And UPS's ALEC membership has drawn press scrutiny ("UPS and Pfizer's Dirty Little Secret," Washington Post, December 5, 2017), while over 100 companies have publicly left ALEC, including 3M, AstraZeneca, McDonalds and Pepsi.

Proxy Resolutions: Lobbying and Political Contributions

Lobbying Expenditures Disclosure - Climate

BlackRock, Inc.

Similar resolutions were submitted to Honeywell International, Motorola Solutions, and Pfizer

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 the best interests of stockholders.

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. BlackRock'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 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 Audit Committee or other relevant oversight committees and posted on BlackRock's website.

Supporting Statement: We encourage transparency in BlackRock's use of corporate funds to lobby. BlackRock spent \$18,570,000 from 2010 - 2017 on federal lobbying. This figure does not include state lobbying expenditures, where BlackRock also lobbies but disclosure is uneven or absent. For example, BlackRock spent \$938,394 on lobbying in California from 2011-2017. And BlackRock CEO Laurence Fink stated that "lobbying is really good because it is maximizing shareholder value" ("Unusual Debate at Davos: Lobbying, Maximizing Shareholder Value and the Duty of CEO's," ProMarket, April 1, 2016).

BlackRock lists memberships in the Investment Company Institute and the Securities Industry and Financial Markets Association, which together spent \$25,434,947 on lobbying in 2016 and 2017. BlackRock is reportedly a member of the Chamber of Commerce ("Is the Most Powerful Lobbyist in Washington Losing Its Grip?" Washington Post, July 14, 2017), which has spent over \$1.4 billion on lobbying since 1998, and belongs to the Business Roundtable, which is lobbying against the right of shareholders 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 climate change risk is an investment issue, yet the Chamber undermined the Paris climate accord ("Paris Pullout Pits Chamber against Some of Its Biggest Members," Bloomberg, June 9, 2017). We believe that companies should ensure there is alignment between their own positions and their lobbying, including through trade associations.

Proxy Resolutions: Lobbying and Political Contributions

Lobbying Expenditures Disclosure

Equifax Inc.

Similar resolutions were submitted to AbbVie, Altria Group, Inc., Boeing Company, CenturyLink, Inc., Comcast Corp., Duke Energy Corp., Mallinckrodt Group Inc., Nucor Corporation, Vertex Pharmaceuticals Incorporated

WHEREAS, we believe in full disclosure of Equifax's direct and indirect lobbying activities and expenditures to assess whether Equifax's lobbying is consistent with its expressed goals and in the best interests of shareholders.

RESOLVED, the shareholders of Equifax 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 Equifax 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. Equifax'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 section 2 and 3 above.

For purposes of this proposal, "grassroots lobbying communication" is communication 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 by a trade association or other organization of which Equifax 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 appropriate board committee and posted on Equifax's website.

Supporting Statement: We encourage transparency in the use of corporate funds to influence legislation and regulation. Equifax spent \$1.07 million on federal lobbying in 2017 (Opensecrets.org). Equifax has steadily increased its federal lobbying spending over the past ten years. We are concerned that Equifax's lobbying may pose reputational risks, especially in the aftermath of the 2017 data breach ("Equifax Lobbied for Easier Regulation Before Data Breach," Wall Street Journal, September 11, 2017). Equifax shareholders do not know how much it is spending at the state level, including in 22 states without disclosure requirements ("How Leading U.S. Corporations Govern and Spend on State Lobbying," Sustainable Investments Institute). Equifax directly spent over \$120,000 in 2017 on lobbying in California and New York alone (CalAccess Database; NYS JCOPE Database).

Equifax is a member of the Consumer Data Industry Association and the Community Financial Services Association, which respectively spent \$10.955 million and \$18.928 million on lobbying from 2007-2017. Equifax does not disclose memberships in trade associations, as TransUnion does, nor do they disclose payments to trade associations or the amounts used for lobbying.

Nor does Equifax disclose its membership in or payments to tax-exempt organizations that write and endorse model legislation, such as the American Legislative Exchange Council (ALEC). Verizon, AT&T, and Visa recently joined 100 companies who have publicly left ALEC.

We are concerned that Equifax's lobbying activities may risk further reputational damage, raising potential regulatory risk. The 2018 Harris Corporate Reputation Survey ranks Equifax's reputation 98th of the 100 most visible companies in the United States.

Lobbying Expenditures Disclosure

Tyson Foods, Inc.

WHEREAS, we believe in full disclosure of our company's direct and indirect lobbying activities and expenditures to assess whether Tyson's lobbying is consistent with Tyson's expressed goals and in the best interests of shareholders.

RESOLVED, the shareholders of Tyson Foods ("Tyson") request the preparation of a report, updated annually, disclosing the following information:

1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications;
2. Payments by Tyson 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. Tyson'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 Tyson 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 Tyson's website.

Supporting Statement: As shareholders, we encourage transparency and accountability in the use of corporate funds to influence legislation and regulation, both directly and indirectly. Tyson spent over \$13 million on federal lobbying since 2010. These figures do not include lobbying expenditures to influence legislation in states, where Tyson also lobbies but disclosure is uneven or absent. Tyson has drawn attention for its lobbying at the federal level ("U.S. Farm Lobby Turns up Heat on Trump Team as NAFTA Talks Near," Reuters, July 14, 2017), and also for its state lobbying on concentrated chicken farms in Kansas ("Tyson Championed Plan to Expand Number of Birds Allowed on Farms," Garden City Telegram, March 9, 2018).

Tyson serves on the board of the Business Roundtable, which spent over \$43 million on lobbying for 2016 and 2017 and is lobbying against the right of shareholders to file resolutions, and also on the boards of the North American Meat Institute (NAMI) and the National Chicken Council (NCC). Tyson fails to comprehensively disclose its trade association memberships, nor payments and the portions used for lobbying on its website. We are concerned that Tyson's incomplete trade association disclosure presents reputational risk. For example, Tyson is committed to protect food safety and worker health and safety, yet the NCC submitted a petition to the USDA in favor of waiving line speeds limitations in poultry processing facilities ("Too Fast for Safety? Poultry Industry Wants to Speed Up the Slaughter Line," NPR, October 27, 2017).

Proxy Resolutions: Lobbying and Political Contributions

Lobbying Expenditures Disclosure

American Water Works Company, Inc.

WHEREAS, we believe in full disclosure of our company's direct and indirect lobbying activities and expenditures to assess whether American Water's lobbying is consistent with its expressed goals and in the best interests of shareholders.

RESOLVED, the shareholders of American Water ("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: We encourage transparency in AWK's use of corporate funds to lobby. Since 2011, AWK has spent at least \$1.4 million on federal lobbying. And AWK also lobbies extensively at the state level, where disclosure is uneven or absent. For example, AWK spent \$1,195,414 lobbying in New Jersey for 2010-2017 and \$1,099,875 lobbying in California in 2017.

AWK serves on the board of the National Association of Water Companies (NAWC), which spent \$3.85 million on lobbying from 2010 - 2017, and also belongs to the American Water Works Association and the Marcellus Shale Coalition. AWK does not disclose its trade association memberships, nor payments and amounts used for lobbying. 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 disclosure presents reputational risks. AWK's membership in NAWC has drawn scrutiny ("FERC Commissioner to Become Head of Water Privatization & Fracking Wastewater Lobby," Eyes on the Ties, July 2, 2018), as has its ALEC involvement ("Private Water Industry Defends ALEC Membership," American Independent, May 3, 2012). At least 110 companies have publicly left ALEC.

This proposal received over 40 percent support in 2018 out of votes cast for and against.

Lobbying Expenditures Disclosure

Emerson

WHEREAS, we believe full disclosure of Emerson Electric's ("Emerson") direct and indirect lobbying activities and expenditures is required to assess whether Emerson's lobbying is consistent with its expressed goals and in the best interests of shareholders.

RESOLVED, the shareholders of Emerson 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 Emerson 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 decisionmaking process and oversight for making payments described in section 2 above.

For purposes of this proposal, a "grassroots lobbying communication" is one 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 Emerson is a member.

Both "direct and indirect lobbying" and "grassroots lobbying communications" include efforts at 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 Emerson's website.

Supporting Statement: Company filings indicate Emerson spent over \$6 million on federal lobbying since 2010-excluding state lobbying expenditures, where Emerson is active, but disclosure is uneven or absent.

Further, Emerson's direct and indirect involvement in influential trade associations remains opaque, including its memberships in, or payments to, trade associations, especially the portion used for lobbying. Absent a system of disclosure and accountability, lobbying efforts could jeopardize Emerson's reputation and business interests.

For example, CEO David Farr chairs the National Association of Manufacturers board, which spent over \$79 million on lobbying from 2010-17 and is a founding member of the Main Street Investors Coalition (MSIC). According to the article "What's Behind a Pitch for the Little-Guy Investor? Big Money Interests," New York Times, July 24, 2018, MSIC is "a Washington organization that purports to represent the little guy ... And yet ... The group is actually funded by big business interests that want to diminish the ability of pension funds and large 401(k) plans ... to influence certain corporate governance issues." We believe that MSIC's advocacy objectives conflict with Emerson shareholders' interests and the Company's affiliation with such groups poses reputational risks.

Since 2014, this proposal has received approximately 40% support out of votes cast "for" and "against." We believe the reputational risk from Emerson's affiliation with such groups is concerning and demonstrates the need for lobbying disclosure and accountability structures as put forth in this proposal.

Proxy Resolutions: Lobbying and Political Contributions

Lobbying Expenditures Disclosure

Verizon Communications Inc.

A similar resolution was submitted to UAL Corp. (United Airlines).

WHEREAS, we believe in full disclosure of Verizon's direct and indirect lobbying activities and expenditures to assess whether Verizon's lobbying is consistent with its expressed goals and in the best interests of shareholders.

RESOLVED, the shareholders of Verizon 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 Verizon 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 decision making process and the Board's 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 Verizon 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 Corporate Governance and Policy Committee and posted on Verizon's website.

Supporting Statement: We encourage transparency in Verizon's use of funds to lobby. Verizon has spent \$108,430,000 from 2010- 2017 on federal lobbying. This figure does not include state lobbying expenditures in the 50 states where Verizon lobbies but disclosure is uneven or absent ("Amid Federal Gridlock, Lobbying Rises in the States," Center for Public Integrity, February 11, 2016). For example, a study found Verizon spent \$13,662,976 lobbying in six states from 2012 – 2015 ("How Leading U.S. Corporations Govern and Spend on State Lobbying," Sustainable Investments Institute, February 2017).

We commend Verizon for ending its membership in the American Legislative Exchange Council ("Verizon Dumps ALEC, Denounces Speaker as Racist," PR Watch, September 17, 2018). However, serious disclosure concerns remain. Verizon is a member of the Chamber of Commerce, which has spent over \$1.4 billion on lobbying since 1998, and also belongs to the Business Roundtable (BRT), National Association of Manufacturers (NAM) and USTelecom. Both the BRT and NAM are lobbying against shareholder rights to file resolutions. Verizon does not disclose its memberships in, or payments to, trade associations, or the amounts used for lobbying.

We are concerned that Verizon's lack of lobbying disclosure presents reputational risk when it contradicts Verizon's public positions. For example, Verizon states it is committed to an open internet, yet USTelecom is actively fighting against net neutrality ("AT&T/Verizon Lobbyists to 'Aggressively' Sue States that Enact Net Neutrality," Ars Technica, March 27, 2018). As shareholders, we believe that companies should ensure there is alignment between their own positions and their lobbying, including through trade associations.



Proxy Resolutions: Lobbying and Political Contributions

Political Contributions

Intel Corporation

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”;

Better disclosure and clearer paper trails for political contributions allow consumers and watchdog groups to know when companies make contributions to organizations that affect change that conflicts with company stated practices;

Shareholders believe Intel should minimize reputational risk regarding corporate and Intel PAC political contributions;

Intel’s website and policies indicate that environmental protection, immigration reform, and nondiscrimination are priorities for our Company, yet our Company or its PAC has made political contributions that may undermine those stated policies, values, and goals, such as:

IPAC made a contribution to Iowa Representative Steve King in May 2018 despite his repeated public statements which indicate his relationships with white supremacists;

Intel’s 10-K lists climate change as a risk to the business, yet in the 2015-2016 election cycle, IPAC contributed to at least 51 Members of Congress who have been identified as climate change deniers;

Intel states that it relies on highly skilled international applicants, however IPAC has contributed to 6 of the 10 cosponsors of the Protect and Grow American Jobs Act – an act which appears to propose potentially problematic changes to the H1-B visa process;

Shareholders recognize that conflicting issues may exist in the decisionmaking process of which political candidates to support, and are concerned that these decisions may be beyond the scope of Company management to determine. Accordingly, due to risks to shareholder value that may come from political missteps, shareholders should have the opportunity to weigh in on political contributions in the forthcoming year.

RESOLVED: Shareholders recommend that the Board of Directors adopt a policy under which the proxy statement for each annual meeting will contain a proposal on political contributions describing:

- the Company’s and IPAC policies on electioneering and political contributions and communications,
- any political contributions known to be anticipated during the forthcoming fiscal year,
- management’s analysis of the alignment between the Company’s and IPAC’s prior year and next fiscal year political contribution expenditures as compared to the Company’s values, policies, and stated goals and an explanation of the rationale for any contributions found incongruent;
- management’s analysis of any resultant risks to our company’s brand, reputation, or shareholder value;
- and providing an advisory shareholder vote approving or prohibiting political contributions for the forthcoming year.

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.

Proxy Resolutions: Lobbying and Political Contributions

Political Contributions

Alexion Pharmaceuticals, Inc.

Similar resolutions were submitted to American Water Works Company, Inc., Ameriprise Financial, Inc., CMS Energy Corp., Centene Corporation, Chubb Corporation, DTE Energy, Devon Energy, Ford Motor Company, Loews Corporation, Macy's, Inc., Mondelez International, Inc., NextEra Energy, Northern Trust Corporation, SVB Financial Group, Valero Energy Corporation, Wyndham Worldwide Corp.

RESOLVED, that the shareholders of Alexion Pharmaceuticals, Inc. ("Alexion" 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 Alexion, 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 Alexion has contributed at least \$85,000 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 Gilead Sciences, Inc., Biogen, Inc., and Celgene, 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.

Political Contributions

Exxon Mobil Corporation

RESOLVED, that the shareholders of Exxon Mobil Corp. (“Exxon” 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, 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 nonmonetary 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 \$11,500,000 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 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 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 ConocoPhillips, Noble Energy, Inc., and Sempra Energy, 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

General Electric Company

RESOLVED: The shareholders of General Electric Co. ("GE" 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, to disclose 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 GE 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 GE has contributed at least \$7.4 million 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 GE publicly discloses a policy on corporate political spending and its direct contributions to candidates, parties, and committees. We believe this is deficient because GE 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 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 Microsoft Corp., United Technologies Corp., and Boeing Co., 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

We no longer live in an era when abundant, clean water is a given, and the world is expected to face a calamitous 40 percent shortfall between water demand and supply by 2030. Consequently, water-intensive processes like agriculture, hydraulic fracking and oil-sands mining face significant operational risk. As water resources become even more constrained due to overconsumption, pollution and climate change, the agriculture and fossil fuel sectors in particular will face increasing physical, regulatory and financial risks. Companies that treat water risk as a current, strategic challenge and manage this resource sustainably will be better positioned in the future.

ICCR’s members challenge companies in these sectors to respect communities’ human right to water and to prevent or mitigate negative impacts on local communities in water-stressed areas, which need access to adequate, clean water for their livelihoods and daily lives.

This year, our members are seeking to improve water disclosure in the fossil fuel, and food and beverage sectors by encouraging corporate reporting via the CDP Water Questionnaire, which gives investors both aggregated and plant-specific data, enabling them to better evaluate business risk. The bulk of investor engagements on water occur via face-to-face corporate dialogues and letter writing. Three resolutions were filed.

Water	3
Proposal Topic	Quantity
Human Right to Water	2
Water Impacts of Business Operations	1

Water Impacts of Business Operations

Meat production is the leading source of water pollution in the U.S., and exposes 7 million Americans to nitrates in their drinking water. Animal waste from operations and growers as well as outflows from animal slaughtering contain high levels of nitrogen and phosphorus, antibiotic-resistant bacteria and pathogens that often pollute surrounding waterways. Cultivation of feed ingredients is another major source of supply-chain water pollution due to nitrates washing off fields.

Pilgrim’s Pride currently does not have policies aimed at mitigating its waste streams, and is ranked as a top corporate water polluter in the U.S. As a result, investors asked Pilgrim’s to report on how it is responding to increasing regulatory, public and competitive pressure to significantly reduce water pollution from its own facilities, facilities under contract, and its suppliers.





“The Human Right to Water entitles everyone to sufficient, safe, acceptable, physically accessible, and affordable water for personal and domestic uses. Yet today, more than 2 billion people are living without sufficient access to freshwater resources.

As one of the largest oil and gas companies in the United States, Chevron is exposed to water-related risks, particularly those parts of its operations located in water-stressed and water-scarce areas.

Since 2010, the Carbon Disclosure Project has encouraged companies to disclose their water use and environmental impacts. The energy sector has had the lowest CDP water disclosure rate since the creation of the survey. Investors rely upon public disclosure to assess the management of water risks and the impacts of water use on a company and its surrounding community.

The Sisters of St. Francis of Philadelphia put respect for human rights, the environment, and care for those who are poor and vulnerable at the forefront of all we do. We acknowledge respect for human rights as an integral part of business activities.

Along with other ICCR members, the Sisters of St. Francis of Philadelphia believe in the human right to water and have filed a proposal with Chevron calling on the company to report on its due diligence process for addressing its water-related risks.”

Sr. Nora Nash, Director of Corporate Social Responsibility – Sisters of St. Francis of Philadelphia



Human Right to Water

The United Nations guarantees the human right to water and sanitation – i.e. communities’ right to safe, sufficient, and affordable water.

As a global energy company with business activities in over 25 countries, Chevron is exposed to climate-related water risks across its business. Risks include constrained access or higher pricing of freshwater as a result of severe droughts, and limits to production capacity. Roughly one third of Chevron’s upstream production is in areas of medium to high risk of water stress, exacerbating regional water insecurity, poverty, and food shortages. Investors filed a resolution calling on Chevron to report on its due diligence process for identifying and addressing water risks, including disclosing its plans to track effectiveness of measures to assess, prevent, and mitigate adverse community impacts.

American Water Works — the largest publicly traded water utility in the U.S. — has reportedly sought consumer rate increases of up to 28 percent. It has also been the subject of a \$127 million class action lawsuit regarding contaminated drinking water, as well as multiple fines for improperly dumping arsenic sludge. Investors filed a resolution asking AWW to track its impacts and responses on the human right to water and sanitation, including: the percentage of customers paying water rates considered unaffordable by the United Nations Development Program; and most significant events implicating the right to water within the past year involving the company or its business partners. This is the third year for this resolution.

Human Right to Water

Chevron Corp.

WHEREAS: 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. This extends to the United Nations declaration on the human right to water, which entitles everyone to sufficient, safe, acceptable and physically accessible and affordable water for personal and domestic uses.¹ To meet this responsibility, companies are expected to conduct human rights due diligence, informed by the core international human rights instruments, to assess, identify, prevent, mitigate, and remedy adverse human rights impacts.²

As a global energy company with substantial business activities in over 25 countries, Chevron is vulnerable to climate change impacts and exposed to water-related risks across its business. Risks may include constrained access or higher pricing of freshwater as a result of severe droughts, limits to production capacity, increasing costs and logistical challenges associated with wastewater disposal, increased regulation, moratorium on fracking, threats to the company's social license to operate, or negative impacts on communities.

According to a 2018 CDP report,³ roughly one third of Chevron's upstream production is in areas of medium to high risk of water stress, exacerbating regional water insecurity, poverty, and food shortages. As the largest private oil producer in Kazakhstan, a country facing severe water scarcity, Chevron's consumption of millions of gallons of freshwater strains water resources, and may contribute to low crop yields and civil conflict.⁴ In 2018, Chevron was fined for violating hazardous waste water management regulations at a refinery in Hawaii. Between 2016 and 2017, Chevron's Salt Lake Refinery exceeded Clean Water Act pollution limits five times, feeding contaminated water to the Great Salt Lake. In 2015, Romanian and Polish community members shut down Chevron shale gas explorations due to concerns of contaminated drinking water.

Investors lack the information needed to meaningfully assess the effectiveness of Chevron's management of water-related risks. The recommendations from the Task Force on Climate-related Financial Disclosures include metrics on water expenditures and assets. The CDP Water questionnaire provides a framework for companies to analyze and report on water risks in their business. However, Chevron has declined to answer the CDP water questionnaire since 2010, and provides limited information on water risk management. In 2018, the Corporate Human Rights Benchmark noted that Chevron is not taking action to prevent water and sanitation risk and lacks targets on water considering local factors.⁵

RESOLVED: Shareholders request the Board of Directors report on the company's due diligence process to identify and address risks related to the Human Right to Water throughout its operations.

The report should:

- Outline the human right to water impacts of Chevron's business activities, including company-owned operations and value chain;
- Explain the types and extent of stakeholder consultation; and
- Address Chevron's plans to track effectiveness of measures to assess, prevent, mitigate, and remedy adverse impacts on the human right to water.

1 http://www.un.org/waterforlifedecade/human_right_to_water.shtml

2 <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>

3 <https://www.cdp.net/en/investor/sectorresearch/oil-and-gas-report>

4 <https://www.gfdrr.org/kazakhstan>

5 <https://www.corporatebenchmark.org/sites/default/files/2018-11/Chevron%20Corporation%20CHRB%202018%20Results%20on%2020181026%20at%20171342.pdf>

Human Right to Water

American Water Works Company, Inc.

WHEREAS: American Water's Corporate Responsibility Report states the Company's "support [of] the United Nations' declaration of access to clean water and sanitation as a human right," however it also asserts that human rights are not a material risk for the company:

"[W]ith most of our operations situated in the U.S., and working within a strong regulatory framework, human rights are constitutionally protected, and do not constitute a material risk for us..."

The United Nations defines the human right to water and sanitation (HRWS) as ensuring safe, sufficient, acceptable, physically accessible, and affordable water for personal and domestic use. Through a special UN initiative including leading corporations, the CEO Water Mandate states "a company needs to track its responses to impacts on the human right to water and sanitation in order to evaluate whether its efforts to prevent and address negative impacts are effective";

While our Corporate Responsibility Report notes "regular engagement ... with our stakeholders," this reporting does not adequately allow shareholders or communities to understand key trends, challenges, or progress on the HRWS;

Public information shows that the HRWS was at stake in recent incidents involving our company:

Critics connect American Water to a 2014 West Virginia chemical leak. American Water will pay up to \$127 million in a class action lawsuit settlement regarding contaminated drinking water for over 224,000 residents and 7,300 businesses. A 2018 film implicates our Company in issues related to water contamination after the chemical company's leak, such as slow public notification and researcher concerns about the safety of the water for months after the incident;

Fines for improperly dumping arsenic sludge (California);

Reports that our company sought rate increases up to 28%;

Our company is providing water to hydraulic fracturing operations. A recent study found increased water consumption by hydraulic fracturing operations and permanent water loss from the hydrosphere;

The proponent believes that these and other developments raise potential material operational and reputational risks for our Company.

RESOLVED: Shareholders request that the Board of Directors issue a report to shareholders, omitting proprietary information and at a reasonable cost, tracking our Company's impacts and responses on the human right to water and sanitation.

Supporting Statement: Shareholders suggest the report include narrative and key performance indicators such as:

Whether/how the Company identifies business partners with poor track records or protection policies on human rights and/or environment;

How the Company addresses risks to the HRWS arising from such relationships;

Most significant events or challenges implicating the HRWS within the past year involving the Company or its business partners and assessing the responses;

Evaluating issues of water affordability such as percentage of customers paying unaffordable water rates and evaluation of the Company's mechanisms and any public policy advocacy to ensure water affordability for all. (United Nations Development Program suggests payments that exceed of 2.5 to 3% of monthly household income are considered unaffordable).

Water Impacts of Business Operations

Pilgrim's Pride Corp

RESOLVED: Shareholders of Pilgrim's Pride Corporation ("Pilgrim's") request a report on how the company is responding to increasing regulatory, public and competitive pressure to significantly reduce water pollution from the company's owned facilities; facilities under contract; and suppliers. This report should omit proprietary information, be prepared at reasonable cost, and be made available to shareholders by December 1, 2019.

Supporting statement: Examples of topics the report could cover include whether the company has considered:

- a responsible manure management policy that prevents water pollution, including not locating new or expanded CAFOs in already-polluted watersheds;
- sustainable feed sourcing policy (e.g. from farms with practices that reduce water pollution and greenhouse gas emissions); or
- diversifying into plant based protein production systems.

WHEREAS: Meat production is the leading source of water pollution in the U.S., exposing 7 million Americans to nitrates in drinking water.¹

Pilgrim's is exposed to the risk of unaddressed water pollution in its supply chain. Animal waste from direct operations and 4,000 growers, as well as outflows from animal slaughtering, contain high levels of nitrogen and phosphorus, antibiotic-resistant bacteria and pathogens that often pollute surrounding waterways. Cultivation of feed ingredients for the 36 million chickens produced weekly by Pilgrim's is the primary source of supply-chain water pollution due to nitrates washing off fields.

Pilgrim's currently does not have policies aimed at mitigating these waste streams, and is ranked as a top corporate water polluter in the United States as a result. An analysis of EPA Toxic Release Inventory data ranked Pilgrim's among the top 15 sources of toxic discharges into U.S. waterways from 2010-2014. An updated report found at least seven of Pilgrim's slaughterhouses to be in chronic violation of water pollution permits during 2017, with Pilgrim's Mount Pleasant, TX plant ranked as the third-largest nitrogen pollution loader of all slaughterhouses evaluated. Pilgrim's was fined \$1.43 million for fouling the Suwanee River from its Live Oak, FL plant, which had 37 water pollution violations.²

There is a growing public pushback around pollution from the meat industry that is impacting companies' ability to expand or do business. Washington, Wisconsin, Maryland, and Virginia³ have tightened requirements related to nutrient management plans, manure disposal, field application of manure, and groundwater monitoring for animal agriculture. Local protests against industrial animal agriculture expansion are taking place across the country that have resulted in lawsuits and lost contracts against poultry producers.

Pilgrim's competitors are working to reduce pollution: Smithfield set a target to purchase 75% of its grain from farms managed to reduce water pollution; Perdue launched a large-scale poultry litter recycling operation to prevent nutrient pollution; Hormel adopted a Sustainable Agriculture Policy with commitments on water quality and supply chain management; and Tyson is investing in plant-based protein and committed to support improved environmental practices on two million acres of corn by the end of 2020.

By contrast, Pilgrim's policies, contracts, and codes do not address water quality.

1 <http://www.environmentalintegrity.org/news/slaughterhouses-violate-water-pollution-permits/>

2 <http://www.environmentalintegrity.org/news/slaughterhouses-violate-water-pollution-permits/>

3 <https://www.opb.org/news/article/washington-dairy-pollution-regs/>; <https://www.environmentalintegrity.org/wpcontent/uploads/2017/02/Shenandoah-Report.pdf>; <https://www.jsonline.com/story/news/politics/2017/01/07/statewants-jump-start-manure-project/96212456/>

What is 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 investors' responsibility to actively use their influence as shareholders to advocate for improved performance on ESG measures.

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" as 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 www.proxyvote.com, or by return 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 you don't actively vote your 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, can be 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 a 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 the 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 percent of the company’s total assets and at least 5 percent 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 may ask the SEC for permission to exclude a proposal that does not conform to all requirements. The filers have a right to appeal a company’s challenge, and this is usually done through legal counsel. The rules governing these decisions can be found on the SEC website: <http://www.sec.gov/interp/legals/cfslb14.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 to second the motion.

A resolution must get at least 3 percent of the vote in its first year; 6 percent of the vote in its second year; and 10 percent 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 especially important to increase the size of the vote for a resolution each year.

A shareholder proposal that receives over 20 percent of the vote is generally considered successful. In many cases, when management sees this level of support for a proposal, they are inclined to further engage with investors on the issue. The 2018 proxy season saw many more majority votes than in seasons prior, a harbinger, we hope, of mainstream investors’ increasing willingness to vote their proxies in favor of stronger environmental and social policies at U.S. companies.

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 act responsibly by ensuring that the companies in their portfolios minimize risk. But many mutual funds fall far short of addressing investor concerns.

A Guide to Filing Resolutions

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, as well as their 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

ABBOTT LABORATORIES

Executive Incentives and Stock Buybacks

*Oxfam America

ABBVIE

Board Oversight - Drug Pricing *(withdrawn by filer)*

Mercy Investment Services; *Sisters of St. Francis of Philadelphia

ABBVIE

Independent Board Chair

*State of Rhode Island and Providence Plantations [121391]

ABBVIE

Lobbying Expenditures Disclosure

Benedictine Sisters of Virginia; Congregation of Sisters of St. Agnes [38]; Friends Fiduciary Corporation [19000]; Sisters of Charity of the Blessed Virgin Mary, Dubuque; *Zevin Asset Management [125]

ABBVIE

Senior Executive Incentives - Integrate Drug Pricing Risk

Bon Secours Mercy Health; Sisters of Charity of St. Elizabeth, NJ [400]; Sisters of Providence, Mother Joseph Province [11]; Trinity Health; *United Church Funds

ACUITY BRANDS

Sustainability Reporting - GHG Emphasis

(withdrawn by filer)

*Trillium Asset Management Corporation

ADVANCE AUTO PARTS

Sustainability Reporting

*As You Sow Foundation

ALEXION PHARMACEUTICALS

Political Contributions

*Friends Fiduciary Corporation

ALPHABET

Censored Google Search in China

*Azzad Asset Management; Benedictine Sisters of Mount St. Scholastica [463]; Benedictine Sisters of Virginia; Benedictine Sisters, Sacred Heart Monastery [19]; Investor Voice; Missionary Oblates of Mary Immaculate [693]; Monasterio Pan de Vida [10]; Trillium Asset Management Corporation

ALPHABET

Executive Pay-Incorporate Diversity & Sustainability Metrics

American Baptist Home Mission Society [2721]; Friends Fiduciary Corporation; Grand Rapids Dominicans; Trillium Asset Management Corporation; Walden Asset Management (Boston Trust & Investment Management Company) [34300]; *Zevin Asset Management

ALPHABET

Gender and Racial Pay Gap

*Arjuna Capital; *Proxy Impact

ALPHABET

One Vote Per Share

*NorthStar Asset Management

ALPHABET

Study Strategic Alternatives Including Sale of Assets

*SumofUs

ALTRIA GROUP

Begin Reducing Nicotine to Less Addictive Level

Catholic Health Initiatives; Sisters of Charity of St. Elizabeth, NJ [200]; *Sisters of St. Francis of Philadelphia; Sisters of St. Joseph of Carondelet of St. Paul Province

ALTRIA GROUP

Lobbying Expenditures Disclosure

*Trinity Health

AMAZON.COM, INC

Community Impact of Company's Operations

*Domini Impact Investments LLC

AMAZON.COM, INC

Establish a Societal Risk Oversight Committee

*Nathan Cummings Foundation

AMAZON.COM, INC

Executive Pay - Incorporate Diversity & Sustainability Metrics

Benedictine Sisters of Mount St. Scholastica [200]; Friends Fiduciary Corporation [2600]; *Zevin Asset Management [35]

AMAZON.COM, INC

Greenhouse Gas Reduction - In Line with Paris Goals

As You Sow Foundation; Grand Rapids Dominicans; *Green Century Capital Management, Inc.; Trinity Health

AMAZON.COM, INC

Human Rights Impact Assessment

*Oxfam America

AMAZON.COM, INC

Independent Board Chair

*SumofUs

AMAZON.COM, INC

Majority Vote

*Investor Voice

AMAZON.COM, INC

Report on Efforts to Address Hate Speech

*Nathan Cummings Foundation

AMAZON.COM, INC

Report on Impacts of Food Waste from Company Operations

Clean Yield Group; *JLens Network

AMAZON.COM, INC

Risks of Sales of Facial Recognition Software

Azzad Asset Management; Maryknoll Sisters; Sisters of St. Francis Charitable Trust [4]; Sisters of St. Francis of Philadelphia; *Sisters of St. Joseph, Brentwood [260]

AMERICAN INTERNATIONAL GROUP, INC. (AIG)

Climate Change Scenario Analysis

As You Sow Foundation; Mercy Investment Services; *Presbyterian Church (USA)

AMERICAN WATER WORKS

Human Right to Water

*NorthStar Asset Management

AMERICAN WATER WORKS

Lobbying Expenditures Disclosure

*Boston Common Asset Management [3960]; Maryknoll Sisters

AMERICAN WATER WORKS

Political Contributions

*Trillium Asset Management Corporation

AMERIPRISE FINANCIAL

Political Contributions

*Investor Voice

AMERISOURCE BERGEN

Board Oversight - Risks Related to the Opioid Crisis (withdrawn by filer)

Dignity Health; Friends Fiduciary Corporation [1200]; Mercy Health; Mercy Investment Services; Oblate International Pastoral Investment Trust [6500]; *Sisters of St. Francis of Philadelphia; Sisters of the Humility of Mary, OH; State of Connecticut Treasurer's Office; Trinity Health; UAW Retiree Medical Benefits Trust

AMPHENOL

Identifying Human Rights Risks in Operations and Supply Chain

*Amalgamated Bank's LongView LargeCap 500 Index Fund; Friends Fiduciary Corporation [400]

ANADARKO PETROLEUM

Paris-Compliant Business Plan

*As You Sow Foundation

ANALOG DEVICES

Gender and Racial Pay Gap

*Proxy Impact

ANALOG DEVICES

Workplace Diversity

*Trillium Asset Management Corporation

ANTERO RESOURCES

Business Plan for 2C Warming Scenario

*Mercy Investment Services

APPLE COMPUTER

Child Sexual Exploitation *(withdrawn by filer)*

*Christian Brothers Investment Services

ARAMARK

Sustainable Forests

*Green Century Capital Management, Inc.

ARTISAN PARTNERS ASSET MANAGEMENT

Proxy Voting Policies - Climate Change

(withdrawn by filer)

*Walden Asset Management (Boston Trust & Investment Management Company)

AT&T

Lobbying Expenditures Disclosure - Climate

(withdrawn by filer)

Benedictine Sisters of Mount St. Scholastica; Dana Investment Advisors [67000]; First Affirmative Financial Network; Grand Rapids Dominicans; Max and Anna Levinson Foundation [200]; Monasterio De San Benito; Needmor Fund [1475]; Sisters of the Holy Family, CA [173]; State of Rhode Island and Providence Plantations; *Walden Asset Management (Boston Trust & Investment Management Company) [46000]

ATMOS ENERGY

Methane Emissions - Monitor & Minimize

*As You Sow Foundation

ATRION

Board Diversity *(withdrawn by filer)*

Christopher Reynolds Foundation, Inc. [20]; Needmor Fund [50]; *Walden Asset Management (Boston Trust & Investment Management Company) [11000]; Wallace Global Fund [30]

BANK OF AMERICA

Evaluate Impact of Overdraft Practices on Customers

*Trillium Asset Management Corporation

BANK OF AMERICA

Lobbying Expenditures Disclosure

Benedictine Sisters of Virginia; *Dana Investment Advisors [121000]; Monasterio De San Benito; Sisters of St. Francis of Philadelphia

BANK OF AMERICA

Report on Human Rights Risks Related to Immigrant Detention *(withdrawn by filer)*

*Service Employees International Union (SEIU)

BANK OF NEW YORK MELLON

Executive Leadership Team Diversity

(withdrawn by filer)

*Trillium Asset Management Corporation

BEACON ROOFING SUPPLY

Board Diversity

*Impax Asset Management LLC

BIOGEN

Senior Executive Incentives - Integrate Drug Pricing Risk

Boston Common Asset Management; Friends Fiduciary Corporation [2900]; Grand Rapids Dominicans; *Mercy Investment Services; Northwest Women Religious Investment Trust [50]; Rockefeller and Co.; Sisters of St. Francis Charitable Trust [12]; Trinity Health; UAW Retiree Medical Benefits Trust

BLACKROCK

Lobbying Expenditures Disclosure

Center for Community Change; School Sisters of Notre Dame Cooperative Investment Fund; *Unitarian Universalist Association

BOEING

Lobbying Expenditures Disclosure

*Province of St. Joseph of the Capuchin Order (Midwest Capuchins) [100]

BOOKINGS HOLDINGS

Business Activities in Conflict-Affected Areas

Friends Fiduciary Corporation [150]; *Wespath Investment Management

BOOZ ALLEN HAMILTON

Adopt Human Rights Policy

*Azzad Asset Management

BORGWARNER

Board Diversity

*Trillium Asset Management Corporation

BP P.L.C.

Paris-Compliant Business Plan

*Church Commissioners for England; *Hermes Investment Management

BRISTOL-MYERS SQUIBB

Senior Executive Incentives - Integrate Drug Pricing Risk

Bon Secours Mercy Health; Catholic Health Initiatives; Daughters of Charity, Province of St Louise; Mercy Investment Services; Monasterio De San Benito [125]; School Sisters of Notre Dame Cooperative Investment Fund; Sisters of Charity of St. Elizabeth, NJ [400]; Sisters of St. Francis of Philadelphia; *Trinity Health; UAW Retiree Medical Benefits Trust

C.H. ROBINSON WORLDWIDE

Greenhouse Gas Reduction - Science-Based Targets

*Sisters of the Presentation of the Blessed Virgin Mary, SD

CAESARS ENTERTAINMENT

Board Diversity

*Amalgamated Bank's LongView LargeCap 500 Index Fund

CAMBREX CORP

Board Diversity

*Trillium Asset Management Corporation

CARMAX

Sustainability Reporting

*As You Sow Foundation

CARTER'S

Executive Leadership Team Diversity

*Trillium Asset Management Corporation

CATERPILLAR

Business Activities in Conflict-Affected Areas

Congregation des Soeurs des Saints Noms de Jesus et de Marie [100]; Congregation of Benedictine Sisters, Boerne TX; *Domestic and Foreign Missionary Society of the Episcopal Church; Mercy Investment Services; Ursuline Sisters of Tildonk, US Province

CBS

Board Diversity

*Nathan Cummings Foundation

CELGENE

Senior Executive Incentives - Integrate Drug Pricing Risk

Benedictine Sisters of Virginia; Friends Fiduciary Corporation [2400]; *Trinity Health

CENTENE

Political Contributions

*Friends Fiduciary Corporation [640]

CENTURYLINK

Lobbying Expenditures Disclosure

*AFL-CIO; Friends Fiduciary Corporation

CHARTER COMMUNICATIONS

Sustainability Reporting - GHG Emphasis

*Illinois State Treasurer; *New York State Common Retirement Fund; *Walden Asset Management (Boston Trust & Investment Management Company) [46000]

CHEVRON

Establish Board Committee on Climate Change

*Arjuna Capital; As You Sow Foundation

CHEVRON

Greenhouse Gas Reduction - In Line with Paris Goals

*As You Sow Foundation

CHEVRON

Human Right to Water

Adrian Dominican Sisters Portfolio Advisory Board; American Baptist Home Mission Society [100]; Congregation of Benedictine Sisters, Boerne TX; Congregation of Divine Providence - San Antonio, Texas; Congregation of the Sisters of Saint Joseph of Chestnut Hill, Philadelphia; Daughters of Charity, Province of St Louise; Domestic and Foreign Missionary Society of the Episcopal Church; Dominican Sisters of San Rafael, CA (Congregation of the Most Holy Name); Dominican Sisters of Springfield Illinois [32]; Park Foundation; Providence Trust; School Sisters of Notre Dame Central Pacific Province [100]; School Sisters of Notre Dame Cooperative Investment Fund; Sisters of St. Francis Charitable Trust [34]; *Sisters of St. Francis of Philadelphia; Sisters of St. Joseph of Orange; Sisters of the Holy Names of Jesus and Mary, US Ontario Province [1000]; Sisters of the Humility of Mary, OH

CHEVRON

Independent Board Chair

*Investor Voice

CHEVRON

Lobbying Expenditures Disclosure - Climate

AP7 Seventh Swedish National Pension Fund [2047725]; *City of Philadelphia Public Employees Retirement System; Congregation of St. Joseph; Needmor Fund [100]

CHEVRON

Paris-Compliant Business Plan

AP7 Seventh Swedish National Pension Fund; *As You Sow Foundation; Bon Secours Mercy Health; Dignity Health; Mercy Investment Services; Walden Asset Management (Boston Trust & Investment Management Company)

CHEVRON

No Business with Governments Complicit in Genocide - Burma

*Azzad Asset Management; Benedictine Sisters of Baltimore - Emmanuel Monastery [125]; Benedictine Sisters of Mount St. Scholastica [85]; Benedictine Sisters, Sacred Heart Monastery [229]; Congregation of the Sisters of the Holy Cross, Indiana; Dana Investment Advisors [29400]; Ursuline Sisters of Tildonk, US Province

CHEVRON

Report on Plastic Pollution

*As You Sow Foundation

CHEVRON

Shareowners Right to Call Special Meeting

*Investor Voice

CHUBB

Political Contributions

*Trillium Asset Management Corporation

CIGNA

Gender and Racial Pay Gap

*Proxy Impact

CITIGROUP

Fiduciary Oversight on Matters Affecting Human Rights

*Harrington Investments; Mercy Investment Services

CITIZENS FINANCIAL GROUP

Gender and Racial Pay Gap

*Impax Asset Management LLC

CMS ENERGY

Political Contributions

*Investor Voice

COMCAST

Lobbying Expenditures Disclosure

Benedictine Sisters of Mount St. Scholastica [70]; *Friends Fiduciary Corporation [18300]; Needmor Fund [3250]; Sisters of Notre Dame de Namur-Boston [9200]; Sisters of St. Francis of Philadelphia; The Swift Foundation [2000]; Walden Asset Management (Boston Trust & Investment Management Company) [1015000]

CORECIVIC

Immigration - Integrate Detainee Rights Risks into Exec Comp

*Service Employees International Union (SEIU)

CORNING INCORPORATED

Identifying Human Rights Risks in Operations and Supply Chain *(withdrawn by filer)*

*Amalgamated Bank's LongView LargeCap 500 Index Fund; *As You Sow Foundation

CORVEL CORPORATION

Sexual Orientation & Gender Identity/Expression Non-Discrimination

*Walden Asset Management (Boston Trust & Investment Management Company)

COSTCO WHOLESALE

Phase Out Medically Important Antibiotics in Supply Chain *(withdrawn by filer)*

*As You Sow Foundation

COSTCO WHOLESALE

Supply Chain Policy on Prison Labor

*NorthStar Asset Management

DEVON ENERGY

Greenhouse Gas Reduction - In Line with Paris Goals

As You Sow Foundation; *The George Gund Foundation

DEVON ENERGY

Political Contributions

*Nathan Cummings Foundation

DIGITAL REALTY

Board Diversity

*Proxy Impact

DISCOVERY

Board Diversity

*Nathan Cummings Foundation

DISNEY (WALT) COMPANY / ABC

Lobbying Expenditures Disclosure - Climate

Congregation of Sisters of St. Agnes [105]; Congregation of St. Joseph; Walden Asset Management (Boston Trust & Investment Management Company) [11300]; *Zevin Asset Management

DOLLAR TREE STORES

Sustainability Reporting

*Sisters of St. Francis of Philadelphia; Trinity Health

DOMINO'S PIZZA

Set Targets for Meat Raised Without Routine Antibiotics

Benedictine Sisters of Mount St. Scholastica [40]; *Green Century Capital Management, Inc.

DOWDUPONT

Report on Petrochemical Resiliency Risks

*As You Sow Foundation

DOWDUPONT

Report on Plastic Pollution

*As You Sow Foundation

DTE ENERGY

Political Contributions

*Mercy Investment Services

DUKE ENERGY

Lobbying Expenditures Disclosure

Daughters of Charity, Province of St. Louise; *Mercy Investment Services; Sisters of St. Francis of Philadelphia

DUKE ENERGY

Report on Mitigating Health and Climate Impacts of Coal Use

*As You Sow Foundation; Daughters of Charity, Province of St. Louise

EASTMAN KODAK

Board Diversity

*Amalgamated Bank's LongView LargeCap 500 Index Fund

ELI LILLY AND COMPANY

Senior Executive Incentives - Integrate Drug Pricing Risk

Benedictine Sisters, Sacred Heart Monastery [42]; Bon Secours Mercy Health; Catholic Health Initiatives; Daughters of Charity, Province of St. Louise; Friends Fiduciary Corporation [4000]; *Mercy Investment Services; Sisters of Charity of St. Elizabeth, NJ [100]; Sisters of St. Francis Charitable Trust [49]; Trinity Health

EMERSON

Greenhouse Gas Reduction - In Line with Paris Goals *(withdrawn by filer)*

444S Foundation; As You Sow Foundation; Brainerd Foundation; Community Church of New York; Congregation of the Sisters of St. Joseph of Brighton; First Parish In Cambridge - Unitarian Universalist; Glenmary Home Missioners (Home Missioners of America); Gwendolen Noyes; Haymarket People's Fund; Lemmon Foundation; Mercy Investment Services; School Sisters of Notre Dame Cooperative Investment Fund; Sisters of Notre Dame; Sisters of the Holy Family, CA; Tides Foundation; *Walden Asset Management (Boston Trust & Investment Management Company) [405776]; Walden Equity Fund [38500]

EMERSON

Independent Board Chair *(withdrawn by filer)*

*Needmor Fund [1850]

EMERSON

Lobbying Expenditures Disclosure *(withdrawn by filer)*

Max and Anna Levinson Foundation [2205]; Sisters of Notre Dame de Namur-Boston [3000]; *The Sustainability Group at Loring Wolcott & Coolidge; The Swift Foundation [900]

ENERGEN

Report on Climate-Related Water Risk

*As You Sow Foundation

EOG RESOURCES

Adopt Quantitative Targets for Reducing Methane Emissions *(withdrawn by filer)*

*Trillium Asset Management Corporation

EQUIFAX

Lobbying Expenditures Disclosure

Azzad Asset Management; *Friends Fiduciary Corporation [500]

ESSEX PROPERTY TRUST

Sustainability Reporting - Climate Change & Water Emph.

*As You Sow Foundation

EXXON MOBIL

Greenhouse Gas Reduction - In Line with Paris Goals

Adrian Dominican Sisters Portfolio Advisory Board; As You Sow Foundation; Bon Secours Mercy Health; Carol Master [175]; Christian Brothers Investment Services; *Church Commissioners for England; Congregation des Soeurs des Saints Noms de Jesus et de Marie [100]; Congregation of St. Joseph; Dignity Health; Dominican Sisters of San Rafael, CA (Congregation of the Most Holy Name); Glenmary Home Missioners (Home Missioners of America) [400]; Gwendolen Noyes [150]; Investor Voice; Maryknoll Sisters [100]; Mercy Investment Services; Missionary Oblates of Mary Immaculate [2219]; Needmor Fund [100]; *New York State Common Retirement Fund; School Sisters of Notre Dame Cooperative Investment Fund; Sisters of Providence, Mother Joseph Province [35]; Sisters of St. Francis, Academy of Our Lady of Lourdes, Rochester; Sisters of St. Joseph of Orange; Trinity Health; Zevin Asset Management [148]

EXXON MOBIL

Independent Board Chair

Congregation of Benedictine Sisters, Boerne TX; *Kestrel Foundation of Maine; Sisters of the Holy Names of Jesus and Mary, US Ontario Province [70]

EXXON MOBIL

Lobbying Expenditures Disclosure - Climate

Benedictine Sisters of Baltimore - Emmanuel Monastery [275]; Benedictine Sisters of Mount St. Scholastica [94]; Benedictine Sisters of Virginia; Benedictine Sisters, Sacred Heart Monastery [115]; Congregation of Divine Providence - San Antonio, Texas; Congregation of Sisters of St. Agnes [49]; Dana Investment Advisors [44400]; Daughters of Charity, Province of St. Louise; Dominican Sisters of Hope; Dominican Sisters of Springfield Illinois [46]; Portico Benefit Services (ELCA) [169000]; Providence Trust; Province of St. Joseph of the Capuchin Order (Midwest Capuchins); School Sisters of Notre Dame Cooperative Investment Fund; Sinsinawa Dominicans; Sisters of St. Francis Charitable Trust; *United Steel Workers; Ursuline Sisters of Tildonk, US Province; Vermont Pension & Investment Committee; Walden Asset Management (Boston Trust & Investment Management Company) [64000]

EXXON MOBIL

Paris-Compliant Business Plan

American Baptist Home Mission Society [86]; *As You Sow Foundation; Congregation of the Sisters of the Holy Cross, Indiana; Grand Rapids Dominicans

EXXON MOBIL

Political Contributions

Clean Yield Group; Investor Voice; *Unitarian Universalist Association

EXXON MOBIL

Report on Petrochemical Resiliency Risks

*As You Sow Foundation

EXXON MOBIL

Report on Plastic Pollution

*As You Sow Foundation

EXXON MOBIL

Sustainable Energy Access

*Sisters of St. Dominic of Caldwell, NJ

F5 NETWORKS

Workplace Diversity *(withdrawn by filer)*

*Trillium Asset Management Corporation

FACEBOOK

Independent Board Chair

As You Sow Foundation; Benedictine Sisters of Mount St. Scholastica [1800]; Benedictine Sisters, Sacred Heart Monastery [100]; Congregation of Divine Providence - San Antonio, Texas; Dana Investment Advisors [26000]; Grand Rapids Dominicans; Providence Trust; Sisters of the Holy Names of Jesus and Mary, US Ontario Province [200]; *Trillium Asset Management Corporation

FACEBOOK

One Vote Per Share

*NorthStar Asset Management

FACEBOOK

Risks Posed by Content Governance Controversies

*As You Sow Foundation

FACEBOOK

Study Strategic Alternatives Including Sale of Subsidiaries

*SumofUs

FASTENAL

Workplace Diversity

*As You Sow Foundation

FORD MOTOR

Lobbying Expenditures Disclosure - Climate

AP7 Seventh Swedish National Pension Fund [3862428]; Boston Common Asset Management [1820]; *New York City Employees Retirement System (NYC Pension Funds); *Unitarian Universalist Association

FORD MOTOR

Political Contributions

*Mercy Investment Services

GENERAL ELECTRIC

Climate Criteria for Investing in Projects In Emerging Mkts

*As You Sow Foundation

GENERAL ELECTRIC

Political Contributions

*Investor Voice

GENERAL MOTORS

Lobbying Expenditures Disclosure - Climate

Congregation of Benedictine Sisters, Boerne TX; Dignity Health; Mercy Investment Services; Monasterio Pan de Vida [182]; *New York City Employees Retirement System (NYC Pension Funds)

GEO GROUP

Immigrant Detainees - Human Rights Policy Implementation

Adrian Dominican Sisters Portfolio Advisory Board; Congregation of St. Joseph; Dominican Sisters of Hope; *Jesuit Conference of Canada and the United States; Mercy Investment Services; Province of St. Joseph of the Capuchin Order (Midwest Capuchins); Service Employees International Union (SEIU); Sisters of Providence, Mother Joseph Province [120]; Sisters of St. Francis of Philadelphia; Sisters of the Holy Names of Jesus and Mary, US Ontario Province [200]; Society of Jesus — West Province

GILEAD SCIENCES

Corporate Tax Savings Allocation Disclosure

*Trillium Asset Management Corporation

GOLDMAN SACHS GROUP

Reduce Carbon Footprint of Loan and Investment Portfolio

*As You Sow Foundation

GOODYEAR TIRE & RUBBER

Greenhouse Gas Reduction - Renewable Energy

*Nathan Cummings Foundation

HANESBRANDS

Identifying Human Rights Risks in Operations and Supply Chain

*Amalgamated Bank's LongView LargeCap 500 Index Fund; *As You Sow Foundation

HARLEY-DAVIDSON

Greenhouse Gas Reduction - Renewable Energy

*Nathan Cummings Foundation

HESS

Paris-Compliant Business Plan

*As You Sow Foundation

Resolution Leads and Co-Filers

HOME DEPOT

Greenhouse Gas Reduction - In Line with Paris Goals *(withdrawn by filer)*

*Boston Common Asset Management

HOME DEPOT

Supply Chain Policy on Prison Labor

*NorthStar Asset Management

HOME DEPOT

Workplace Diversity

Benedictine Sisters of Baltimore - Emmanuel Monastery [175]; Benedictine Sisters of Mount St. Scholastica [436]; Benedictine Sisters of Virginia; Benedictine Sisters, Sacred Heart Monastery [161]; *Congregation of Benedictine Sisters, Boerne TX; Congregation of Divine Providence - San Antonio, Texas; Providence Trust; Proxy Impact; Trillium Asset Management Corporation

HONEYWELL INTERNATIONAL

Lobbying Expenditures Disclosure

*Azzad Asset Management; Mercy Investment Services

HUB GROUP

Implement Program to Address Human Trafficking *(withdrawn by filer)*

*Presbyterian Church (USA)

ILLINOIS TOOL WORKS

Greenhouse Gas Reduction - In Line with Paris Goals

Friends Fiduciary Corporation; *Trillium Asset Management Corporation; Walden Asset Management (Boston Trust & Investment Management Company) [559285]

INTEL

Political Contributions

*NorthStar Asset Management

INTERNATIONAL BUSINESS MACHINES CORP. (IBM)

Lobbying Expenditures Disclosure - Climate *(withdrawn by filer)*

Community Church of New York; Congregation of the Sisters of St. Joseph of Brighton [25]; First Parish In Cambridge - Unitarian Universalist [50]; Friends Fiduciary Corporation; Glenmary Home Missioners (Home Missioners of America) [25];

Mercy Investment Services; Needmor Fund [125]; School Sisters of Notre Dame Cooperative Investment Fund; State of Rhode Island and Providence Plantations; Tides Foundation [50]; *Walden Asset Management (Boston Trust & Investment Management Company) [13000]; Walden Equity Fund [2000]

INTERNATIONAL BUSINESS MACHINES CORP. (IBM)

Supply Chain Policy on Prison Labor

*NorthStar Asset Management

IQVIA HOLDINGS

Board Diversity *(withdrawn by filer)*

*Trillium Asset Management Corporation

J.B. HUNT TRANSPORT SERVICES

Greenhouse Gas Reduction - In Line with Paris Goals

*Trillium Asset Management Corporation

J.P. MORGAN CHASE & CO.

Evaluate Impact of Overdraft Practices on Customers

*Trillium Asset Management Corporation

J.P. MORGAN CHASE & CO.

Lobbying Expenditures Disclosure - Climate

Benedictine Sisters of Baltimore - Emmanuel Monastery [200]; Benedictine Sisters of Mount St. Scholastica [1244]; Benedictine Sisters of Virginia; Benedictine Sisters, Sacred Heart Monastery [186]; Boston Common Asset Management; Community Church of New York [1200]; Congregation of Divine Providence - San Antonio, Texas; Congregation of St. Joseph; Congregation of the Sisters of St. Joseph of Brighton [300]; Dana Investment Advisors [32600]; Educational Foundation of America [7912]; First Affirmative Financial Network; First Parish In Cambridge - Unitarian Universalist [1600]; Glenmary Home Missioners (Home Missioners of America) [550]; Gwendolen Noyes [450]; Harrington Investments; Max and Anna Levinson Foundation [2400]; Mercy Investment Services; Needmor Fund [1850]; Oblate International Pastoral Investment Trust [15200]; Pax World Fund; Providence Trust; School Sisters of Notre Dame Cooperative Investment Fund; Seattle City Employees' Retirement System [90000]; Sisters of Notre Dame de Namur-Boston

Resolution Leads and Co-Filers

[4000]; Sisters of St. Francis of Philadelphia; Sisters of the Holy Family, CA [4175]; State of Connecticut Treasurer's Office [915958]; Tides Foundation [11000]; *Walden Asset Management (Boston Trust & Investment Management Company) [624000]

J.P. MORGAN CHASE & CO.

Reduce Carbon Footprint of Loan and Investment Portfolio

*As You Sow Foundation; Grand Rapids Dominicans

JOHNSON & JOHNSON

Anti-Competitive Practices *(withdrawn by filer)*

Adrian Dominican Sisters Portfolio Advisory Board [25]; Benedictine Sisters of Mount St. Scholastica [24]; Benedictine Sisters of Virginia; Bon Secours Mercy Health; Congregation of Benedictine Sisters, Boerne TX; Daughters of Charity, Province of St. Louise; Dignity Health; Mercy Investment Services; Monasterio De San Benito [70]; Sisters of Providence, Mother Joseph Province [8]; *UAW Retiree Medical Benefits Trust

JOHNSON & JOHNSON

Senior Executive Incentives - Integrate Drug Pricing Risk

*Oxfam America

KRAFT HEINZ

Identifying Human Rights Risks in Operations and Supply Chain

Domestic and Foreign Missionary Society of the Episcopal Church [800]; Mercy Investment Services; *Province of St. Joseph of the Capuchin Order (Midwest Capuchins); Sisters of the Holy Names of Jesus and Mary, US Ontario Province [200]

KROGER

Sustainable Forests

*Green Century Capital Management, Inc.; School Sisters of Notre Dame Central Pacific Province; Sisters of the Presentation of the Blessed Virgin Mary, SD

LIGAND PHARMACEUTICALS

Board Diversity

*Trillium Asset Management Corporation

LOEWS

Political Contributions

*Clean Yield Group

MAA APARTMENT COMMUNITIES

Sustainability Reporting - GHG Emphasis

*Clean Yield Group

MACY'S

Identifying Human Rights Risks in Operations and Supply Chain

Daughters of Charity, Province of St. Louise; Mercy Investment Services; *Priests of the Sacred Heart, US Province; School Sisters of Notre Dame Central Pacific Province [170]; Sisters of St. Francis of Philadelphia

MACY'S

Political Contributions

*Mercy Investment Services

MALLINCKRODT GROUP

Board Oversight - Risks Related to the Opioid Crisis

Bon Secours Mercy Health; Catholic Health Initiatives; Congregation of Divine Providence - San Antonio, Texas; Daughters of Charity, Province of St. Louise; *Mercy Investment Services

MALLINCKRODT GROUP

Executive Incentive Pay Clawback

*UAW Retiree Medical Benefits Trust

MALLINCKRODT GROUP

Lobbying Expenditures Disclosure

*United Church Funds [1100]

MARATHON PETROLEUM

Executive Leadership Team Diversity

*Trillium Asset Management Corporation

MCDONALD'S

Phase Out Medically Important Antibiotics in Supply Chain

Benedictine Sisters of Baltimore - Emmanuel Monastery [175]; Benedictine Sisters of Chicago [41]; Benedictine Sisters of Mount St. Scholastica [12]; *Congregation of Benedictine Sisters, Boerne TX; Sisters of Providence, Mother Joseph Province [32]; Sisters of St. Francis of Philadelphia

MCDONALD'S

Use of NDAs/Mandatory Arbitration in Sexual Harassment Cases

*Clean Yield Group

MERCK & CO.

Executive Incentives and Stock Buybacks

Benedictine Sisters of Baltimore - Emmanuel Monastery [600]; *Oxfam America

MERCK & CO.

Senior Executive Incentives - Integrate Drug Pricing Risk

Adrian Dominican Sisters Portfolio Advisory Board [43]; Benedictine Sisters of Mount St. Scholastica [834]; Benedictine Sisters of Virginia; Boston Common Asset Management [10850]; Clean Yield Group; Dominican Sisters of Springfield Illinois [76]; Friends Fiduciary Corporation; Mercy Investment Services; *Province of St. Joseph of the Capuchin Order (Midwest Capuchins) [200]; Sisters of St. Francis of Philadelphia; UAW Retiree Medical Benefits Trust

MGE ENERGY

Climate Related Financial Disclosure

(withdrawn by filer)

*School Sisters of St. Francis, Milwaukee

MIDDLEBY

Sustainability Reporting - GHG Emphasis

*Trillium Asset Management Corporation

MOHAWK INDUSTRIES

Board Diversity

*Boston Common Asset Management

MONDELEZ INTERNATIONAL

Exclude Share Repurchase Impacts in Executive Incentives

Nathan Cummings Foundation; *New York State Common Retirement Fund

MONDELEZ INTERNATIONAL

Political Contributions

*Mercy Investment Services

MONDELEZ INTERNATIONAL

Sustainable Forests

*SumofUs

MONSTER BEVERAGE CORP

Report on Human Trafficking in Sugarcane Supply Chain

*As You Sow Foundation; Azzad Asset Management

MORGAN STANLEY

Lobbying Expenditures Disclosure - Climate

*Boston Common Asset Management [11500]

MOTOROLA SOLUTIONS INC

Independent Director with Human Rights Expertise

*Domestic and Foreign Missionary Society of the Episcopal Church; Dominican Sisters of Hope

MOTOROLA SOLUTIONS INC

Lobbying Expenditures Disclosure

*Mercy Investment Services

MYLAN N.V.

Board Oversight – Risks Related to the Opioid Crisis

*Mercy Investment Services, Bon Secours Mercy Health

NEW MEDIA INVESTMENT GROUP

Board Diversity

*Amalgamated Bank's LongView LargeCap 500 Index Fund

NEWELL BRANDS

Executive Leadership Team Diversity

*Trillium Asset Management

NEXTERA ENERGY

Political Contributions

*Investor Voice

NORTHERN TRUST

Political Contributions

*Unitarian Universalist Association

NORTHROP GRUMMAN

Immigration - Human Rights Due Diligence

School Sisters of Notre Dame Cooperative Investment Fund; *Sisters of St. Dominic of Caldwell, NJ [137]

NUCOR

Lobbying Expenditures Disclosure

*Domini Impact Investments LLC

O'REILLY AUTOMOTIVE

Workplace Diversity *(withdrawn by filer)*

*As You Sow Foundation

PACCAR

Sustainability Reporting *(withdrawn by filer)*

*As You Sow Foundation

PATTERSON-UTI ENERGY

Senior Executive Equity Retention

*As You Sow Foundation

PEPSICO

Disclose Metrics for Reducing Synthetic Chemical Pesticides

*As You Sow Foundation

PEPSICO

Environmental Impacts of Non-Recyclable Packaging

Adrian Dominican Sisters Portfolio Advisory Board; *As You Sow Foundation; Mercy Investment Services

PEPSICO

Independent Board Chair

*SumofUs

PFIZER

Board Oversight - Drug Pricing

Dignity Health; Monasterio De San Benito [300]; Sisters of Providence, Mother Joseph Province [29]; Sisters of St. Francis Charitable Trust [109]; *UAW Retiree Medical Benefits Trust; Ursuline Sisters of Tildonk, US Province

PFIZER

Gender and Racial Pay Gap

*Proxy Impact

PFIZER

Independent Board Chair

Dana Investment Advisors; *Sisters of St. Francis of Philadelphia

PFIZER

Lobbying Expenditures Disclosure

*International Brotherhood of Teamsters; Oxfam America

PFIZER

Senior Executive Incentives - Integrate Drug Pricing Risk

Adrian Dominican Sisters Portfolio Advisory Board [87]; American Baptist Home Mission Society; Catholic Health Initiatives; Friends Fiduciary Corporation [12000]; Mercy Investment Services; Sisters of Charity of St. Elizabeth, NJ [400]; Sisters of St. Francis Charitable Trust [109]; *Trinity Health

PHILIP MORRIS

Review Corporate Adherence to Youth Marketing Principles *(withdrawn by filer)*

Benedictine Sisters, Sacred Heart Monastery [149]; Catholic Health Initiatives; Congregation of Divine Providence - San Antonio, Texas; Sisters of Charity of St. Elizabeth, NJ [200]; Sisters of St. Francis of Philadelphia; Sisters of St. Joseph of Carondelet of St. Paul Province; *Trinity Health

PHILLIPS 66

Report on Plastic Pollution

*As You Sow Foundation

PILGRIM'S PRIDE CORP

Human Rights Due Diligence

*Oxfam America

PILGRIM'S PRIDE CORP

Water Impacts of Business Operations

Adrian Dominican Sisters Portfolio Advisory Board; Friends Fiduciary Corporation; Mercy Investment Services; Oblate International Pastoral Investment Trust [20300]

PINNACLE WEST CAPITAL

Link GHG Emissions to Executive Compensation *(withdrawn by filer)*

*As You Sow Foundation

PNM RESOURCES

Financial Impact Analysis of Nuclear Assets

*Sam and Wendy Hitt Family Trust

PNM RESOURCES

Nominate Environmental Expert to Board

*Robert Andrew Davis [100]

PNM RESOURCES

Report on Efforts to Reduce Hazards of Coal Residuals

*Edith P. Homans Family Trust [100]; Max and Anna Levinson Foundation [100]

QUANTA SERVICES

Sustainability Reporting - GHG Emphasis (*withdrawn by filer*)

*Trillium Asset Management Corporation

RESTAURANT BRANDS INTERNATIONAL

Sustainable Forests

Friends Fiduciary Corporation [2300]; *Province of St. Joseph of the Capuchin Order (Midwest Capuchins)

RESTAURANT BRANDS INTERNATIONAL

Environmental Impacts of Non-Recyclable Packaging

*As You Sow Foundation

SAFETY INSURANCE

Board Diversity

*NorthStar Asset Management

SANDERSON FARMS

Phase Out Medically Important Antibiotics in Supply Chain (*withdrawn by filer*)

*As You Sow Foundation

SEI INVESTMENTS

Workplace Diversity

Congregation of the Sisters of St. Joseph of Brighton [1650]; Educational Foundation of America [1600]; Felician Sisters of North America [2900]; Sisters of Charity of the Blessed Virgin Mary, Dubuque [1275]; *Walden Asset Management (Boston Trust & Investment Management Company) [240000]; William A. Gee IV 2000 Trust [1250]

SKECHERS U.S.A.

Board Diversity

*Amalgamated Bank's LongView LargeCap 500 Index Fund

SOUTHWEST AIRLINES

Develop a Human Rights Policy (*withdrawn by filer*)

Benedictine Sisters, Sacred Heart Monastery [73]; Congregation of Divine Providence - San

Antonio, Texas; Daughters of Charity, Province of St Louise; *Mercy Investment Services; Providence Trust

SPRINT CORPORATION

Child Sexual Exploitation

*Christian Brothers Investment Services; Proxy Impact

STARBUCKS

Environmental Impacts of Non-Recyclable Packaging

As You Sow Foundation; *Trillium Asset Management Corporation

STURM RUGER & COMPANY

Adopt Proxy Access Bylaw

Bon Secours Mercy Health; *Catholic Health Initiatives; Sisters of Providence, Mother Joseph Province [30]; Sisters of St. Francis of Philadelphia

STURM RUGER & COMPANY

Develop a Human Rights Policy

Adrian Dominican Sisters Portfolio Advisory Board [61]; Congregation of St. Joseph; Congregation of the Sisters of the Holy Cross, Indiana; Daughters of Charity, Province of St Louise; *Mercy Investment Services; Sisters of Bon Secours USA; Sisters of the Holy Names of Jesus and Mary, US Ontario Province [200]

SUNTRUST BANKS

Create Board Committee on Human Rights

(*withdrawn by filer*)

Felician Sisters of North America [514]; Maryknoll Sisters; Unitarian Universalist Association [173]; *United Church Funds

SVB FINANCIAL GROUP

Political Contributions

*Clean Yield Group

TESLA

Sustainability Reporting

*Trillium Asset Management Corporation

TEVA PHARMACEUTICALS

Board Oversight - Risks Related to the Opioid Crisis

*Mercy Investment Services

TEVA PHARMACEUTICALS

Executive Incentive Pay Clawback

*UAW Retiree Medical Benefits Trust

TEXAS INSTRUMENTS

Identifying Human Rights Risks in Operations and Supply Chain

*Amalgamated Bank's LongView LargeCap 500 Index Fund; *As You Sow Foundation

THE COOPER COMPANIES

Greenhouse Gas Reduction - In Line with Paris Goals

*As You Sow Foundation

TJX

Gender and Racial Pay Gap

Benedictine Sisters of Mount St. Scholastica [1774]; Benedictine Sisters of Virginia; Benedictine Sisters, Sacred Heart Monastery [367]; Friends Fiduciary Corporation [12700]; Proxy Impact; *Zevin Asset Management

TJX

Identifying Human Rights Risks in Operations and Supply Chain

*Priests of the Sacred Heart, US Province; Sisters of St. Dominic, WI (Racine Dominicans)

TRAVELERS

Workplace Diversity

*Trillium Asset Management Corporation

TRIPADVISOR

Business Activities in Conflict-Affected Areas

*Domestic and Foreign Missionary Society of the Episcopal Church; Friends Fiduciary Corporation [1300]

TYSON FOODS

Human Rights Due Diligence

Adrian Dominican Sisters Portfolio Advisory Board; *American Baptist Home Mission Society; As You Sow Foundation; Congregation of Sisters of St. Agnes [110]; Congregation of St. Joseph; Daughters of Charity, Province of St. Louise; Dignity Health; Portico Benefit Services (ELCA) [29000]; Sisters of Providence, Mother Joseph Province [47]; Sisters of St. Francis of Philadelphia; Sisters of the Good Shepherd

TYSON FOODS

Lobbying Expenditures Disclosure

*Mercy Investment Services

UGI

Methane Emissions - Monitor & Minimize *(withdrawn by filer)*

*As You Sow Foundation

UNITED CONTINENTAL HOLDINGS

Lobbying Expenditures Disclosure

*Nathan Cummings Foundation

UNITED PARCEL SERVICE

Lobbying Expenditures Disclosure - Climate

44S Foundation [2400]; Benedictine Sisters of Mount St. Scholastica [461]; Brainerd Foundation [50]; Center for Community Change [300]; Community Church of New York [600]; Congregation of the Sisters of St. Joseph of Brighton [150]; First Parish In Cambridge - Unitarian Universalist [600]; Glenmary Home Missioners (Home Missioners of America) [300]; Grand Rapids Dominicans; Gwendolen Noyes [150]; Haymarket People's Fund [450]; Lemmon Foundation [150]; Max and Anna Levinson Foundation [900]; Mercy Investment Services; Needmor Fund [725]; Sisters of Notre Dame de Namur-Boston [2000]; Sisters of St. Francis of Philadelphia; Sisters of the Holy Family, CA [1775]; Tides Foundation [5000]; *Walden Asset Management (Boston Trust & Investment Management Company) [272000]; Zevin Asset Management [685]

VALERO ENERGY

Political Contributions

*Unitarian Universalist Association

VERIZON COMMUNICATIONS

Child Sexual Exploitation

Benedictine Sisters of Virginia; *Christian Brothers Investment Services [420631]; Maryknoll Sisters; Proxy Impact; Sisters of St. Dominic of Caldwell, NJ [1334]

VERIZON COMMUNICATIONS

Greenhouse Gas Reduction - Renewable Energy

As You Sow Foundation; *Green Century Capital Management, Inc.

VERIZON COMMUNICATIONS

Lobbying Expenditures Disclosure

*Boston Common Asset Management; Daughters of Charity, Province of St Louise; Mercy Investment Services; Monasterio De San Benito [200]; Walden Asset Management (Boston Trust & Investment Management Company) [41500]

VERIZON COMMUNICATIONS

Senior Executive Incentives - Integrate Cyber Security Risks

*Trillium Asset Management Corporation

VERTEX PHARMACEUTICALS INCORPORATED

Greenhouse Gas Reduction - In Line with Paris Goals

Benedictine Sisters of Mount St. Scholastica [25]; *Green Century Capital Management, Inc.

VERTEX PHARMACEUTICALS INCORPORATED

Lobbying Expenditures Disclosure

*Friends Fiduciary Corporation

VERTEX PHARMACEUTICALS INCORPORATED

Senior Executive Incentives - Integrate Drug Pricing Risk

*Trinity Health

WALGREENS BOOTS ALLIANCE

Board Oversight - Risks Related to the Opioid Crisis

Domini Impact Investments LLC [300000]; *Mercy Investment Services; Missionary Oblates of Mary Immaculate; Northwest Women Religious Investment Trust [50]; UAW Retiree Medical Benefits Trust

WALGREENS BOOTS ALLIANCE

Report on Implementation of UN SDGs - Tobacco Emphasis

Catholic Health Initiatives; Gwendolen Noyes [300]; *Sisters of St. Francis of Philadelphia; Sisters of the Humility of Mary, OH; Trinity Health

WALMART STORES

Supply Chain Policy on Prison Labor

Congregation of the Sisters of the Holy Cross, Indiana; Dominican Sisters of Springfield Illinois; *Nathan Cummings Foundation

WELLS FARGO & COMPANY

Reduce Carbon Footprint of Loan and Investment Portfolio

*As You Sow Foundation

WELLS FARGO & COMPANY

Report on Human Rights Risks Related to Immigrant Detention *(withdrawn by filer)*

*Service Employees International Union (SEIU)

WENDY'S INTERNATIONAL

Identifying Human Rights Risks in Operations and Supply Chain

Congregation of St. Joseph; Dominican Sisters of San Rafael, CA (Congregation of the Most Holy Name); Glenmary Home Missioners (Home Missioners of America) [350]; Grand Rapids Dominicans; Portico Benefit Services (ELCA) [14200]; *Province of St. Joseph of the Capuchin Order (Midwest Capuchins); Religious of the Sacred Heart of Mary, Western American Province; Sisters of St. Joseph of Orange; Sisters of the Humility of Mary, OH

WISDOM TREE INVESTMENTS

Board Diversity

*Trillium Asset Management Corporation

WYNDHAM WORLDWIDE

Political Contributions

*Mercy Investment Services

YUM! BRANDS

Environmental Impacts of Non-Recyclable Packaging

*As You Sow Foundation

YUM! BRANDS

Greenhouse Gas Reduction - Renewable Energy

Benedictine Sisters of Baltimore - Emmanuel Monastery [200]; Benedictine Sisters of Mount St. Scholastica [1035]; Congregation of Divine Providence - San Antonio, Texas; Providence Trust; School Sisters of Notre Dame Cooperative Investment Fund [64]; *Sisters of Charity of the Blessed Virgin Mary, Dubuque

YUM! BRANDS

Sustainable Forests

*SumofUs

Contact Details for Filers

444S Foundation — Contact: Fred Ackerman-Munson, P.O. Box 1128, Bellevue, WA, 98009, (phone) 425-454-4441, (email) 444s@kamutlake.net

AFL-CIO — Contact: 815 16th Street NW, Office of Proxy Voting, Washington, DC 20006

AP7 Seventh Swedish National Pension Fund — Contact: Ingrid Albinsson, Executive Vice President and CIO, Vasagatan 16, 10tr, Box 100, 10121, Stockholm, Sweden

Adrian Dominican Sisters Portfolio Advisory Board — Contact: Judy Byron, OP, Coordinator, 1216 NE 65th Street, Seattle, WA, 98115, (phone) 206-223-1138, (fax) 206-223-1139, (email) jbyron@ipjc.org; Mary Minette, Director of Shareholder Advocacy, (phone) 703-507-9651, (email) mminette@mercyinvestments.org; Pat Zerega, SRI Consultant, 1421 Eaton Drive, Oakmont, PA, 15139, (phone) 412-414-3587, (email) pzerega@mercyinvestments.org; (website) www.ipjc.org

Amalgamated Bank's LongView LargeCap 500 Index Fund — Contact: Shelley Alpern, 6 Curtis St., Salem, MA, 01970, (phone) 802-526-2525 x103, (email) salpern@asyousow.org

American Baptist Home Mission Society — Contact: Mary Beth Gallagher, Executive Director, 40 S. Fullerton Ave, Montclair, NJ, 07042, USA, (phone) 973-509-8800, (email) mbgallagher@tricri.org

Arjuna Capital — Contact: Natasha Lamb, Director of Equity Research & Shareholder Eng., 204 Spring Street, Marion, MA, 02738, (email) natasha@arjuna-capital.com

As You Sow Foundation — Contact: Andrew Behar, CEO, 1611 Telegraph Ave., Suite 1450, Oakland, CA, 94612, (phone) 510-735-8151, (email) abehar@asyousow.org; Christy Spees, Environmental Health Program Manager, (phone) 510-735-8149, (email) cspees@asyousow.org; Danielle Fugere, President, (phone) 510-735-8141, (email) dfugere@asyousow.org; Lila Holzman, Energy Program Manager, (phone) 510-735-8153, (email) lholzman@asyousow.org; Rosanna Landis Weaver, (phone) 301-433-2011, (email) rlweaver@asyousow.org; Mr. Conrad MacKerron, Director, Corporate Social Responsibility (phone) 510-735-8140, (email) mack@asyousow.org

Azzad Asset Management — Contact: Joshua Brockwell, Investment Communications Director, 3141 Fairview Park Drive Suite, Falls Church, VA, 22042, (phone) 703-207-7005 x109, (email) joshua@azzad.net

Benedictine Sisters of Baltimore - Emmanuel Monastery — Contact: Sr. Patricia Kirk, Prioress, 2229 West Joppa Road, Lutherville, MD, 21093, (phone) 410-821-5792

Benedictine Sisters of Chicago — Contact: Sr. Mary Ann O’Ryan, OSB, Treasurer, St. Scholastica Monastery, 7430 N. Ridge Blvd., Chicago, IL, 60645, (phone) 773-764-2413 x 207, (email) moryan@osbchicago.org

Benedictine Sisters of Mount St. Scholastica — Contact: Barbara McCracken, Shareholder Advocate, 801 South 8th, Atchison, KS, 66002, (email) bmccracken@mountosb.org; Rose Marie Stallbaumer, OSB, Mount St. Scholastica, (phone) 913-360-6204, (fax) 913-360-6190, (email) rosemarie@mountosb.org

Benedictine Sisters of Virginia — Contact: Sr. Andrea Westkamp, OSB, Treasurer, Saint Benedict Monastery, 9535 Linton Hall Road, Bristow, VA, 20136-1217, (email) awestkamp@osbva.org

Benedictine Sisters, Sacred Heart Monastery — Contact: Sr. Tonette Sperando, President, 916 Convent Road NE, Cullman, AL, 35055, (phone) 256-734-4622

Bon Secours Mercy Health — Contact: Donna Meyer, 4088 Breakwood Dr., Houston, TX, 77025-4033, (phone) 713-667-1715, (fax) 713-667-1715, (email) dmeyer@mercyinvestments.org; Mary Minette, Director of Shareholder Advocacy, (phone) 703-507-9651, (email) mminette@mercyinvestments.org

Boston Common Asset Management — Contact: Lauren Compere, Managing Director, Dir. of Shareowner Engagement, 84 State Street, Suite 1000, Boston, MA, 02109, (phone) 617-960-3912, (email) lcompere@bostoncommonasset.com; Steven Heim, (phone) 617-960-3908, (fax) 617-720-5665, (email) sheim@bostoncommonasset.com

Brainerd Foundation — Contact: Ann Krumboltz, 1601 Second Avenue, Suite 610, Seattle, WA, 98101, (phone) 206-448-0676, (fax) 206-448-7222

Contact Details for Filers

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Center for Community Change — Contact: Ryan Young, Director of Operations and Finance, 1536 U Street, NW, Washington, DC, 20009, (phone) 202-339-9300

Christian Brothers Investment Services — Contact: Ms. Tracey Rembert, 777 Third Avenue, 29th Fl., New York, NY, 10017-1401, (phone) 212-503-1927, (email) trembert@cbisonline.com

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City of Philadelphia Public Employees Retirement System — Contact: Christopher DiFusco, (phone) 215-496-7461

Clean Yield Group — Contact: Molly Betournay, Director of Social Research & Shareholder Advo., 16 Beaver Meadow Rd., Norwich, VT, 05055, (email) molly@cleanyield.com

Community Church of New York — Contact: Jeff Loveland, 40 East 35th Street, New York, NY, 10016

Congregation des Soeurs des Saints Noms de Jesus et de Marie — Contact: Judy Byron, OP, Coordinator, 1216 NE 65th Street, Seattle, WA, 98115, (phone) 206-223-1138, (fax) 206-223-1139, (email) jbyron@ipjc.org

Congregation of Benedictine Sisters, Boerne TX — Contact: Sr. Susan Mika, OSB, P.O. Box 200423, San Antonio, TX, 78220, (phone) 210-348-6704, (fax) 210-341-4519

Congregation of Divine Providence - San Antonio, Texas — Contact: Sr. Patricia Regan, CDP, Treasurer, P.O. Box 37345, San Antonio, TX, 78237-0345, (email) pregan@cdptexas.org

Congregation of Sisters of St. Agnes — Contact: Sr. Ruth Battaglia, 320 County Road K, Fond du Lac, WI, 54935, (phone) 920-907-2315, (email) rbattaglia@csasisters.org; (website) www.csasisters.org

Congregation of St. Joseph — Contact: Caroline Boden, Shareholder Advocacy Manager, 2039 North Geyer Rd, St. Louis, MO, 63131, (phone) 314-909-4650, (email) cboden@Mercyinvestments.org; Mary Minette, Director of Shareholder Advocacy, (phone) 703-507-9651, (email) mminette@mercyinvestments.org; Pat Zerega, SRI Consultant, 1421 Eaton Drive, Oakmont, PA, 15139, (phone) 412-414-3587, (email) pzerega@mercyinvestments.org; Susan Smith Makos, Director of Social Responsibility, 454 Maple Ridge Ct., Cincinnati, OH, 45244, (phone) 513-673-9992, (email) smakos@mercyinvestments.org; Sr. Valerie Heinonen, o.s.u., Consultant, Corporate Responsibility, 205 Avenue C, #10E, New York, NY, 10009, (phone) 212-674-2542, (email) vheinonen@mercyinvestments.org

Congregation of the Sisters of Saint Joseph of Chestnut Hill, Philadelphia — Contact: Sister Colleen Dauerbach SSJ, Social Justice Coordinator, (phone) 215-248-7220, (email) cdauerbach@ssjphila.org

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Dominican Sisters of San Rafael, CA (Congregation of the Most Holy Name) — Contact: Sr. Patricia Boss, OP, Chief Financial Officer, 1520 Grand Avenue, San Rafael, CA, 94901-2236, (phone) 415-453-8303 x105

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Glenmary Home Missioners (Home Missioners of America) — Contact: Michael Schneider, Treasurer/Director of Finance, P.O. Box 465618, Cincinnati, OH, 45246

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Jesuit Conference of Canada and the United States — Contact: Pat Zerega, SRI Consultant, 1421 Eaton Drive, Oakmont, PA, 15139, (phone) 412-414-3587, (email) pzerega@mercyinvestments.org

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Maryknoll Sisters — Contact: Cathy Rowan, Director, Socially Responsible Investments, 766 Brady Avenue, Apt. 635, Bronx, NY, 10462, (phone) 718-822-0820, (fax) 718-504-4787, (email) rowan@bestweb.net

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Max and Anna Levinson Foundation — Contact: Charlotte Levinson, Executive Director, P.O. Box 6309, Santa Fe, NM, 87502-6309, (phone) 505-995-8802

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Mercy Investment Services — Contact: Caroline Boden, Shareholder Advocacy Manager, 2039 North Geyer Rd, St. Louis, MO, 63131, (phone) 314-909-4650, (email) cboden@mercyinvestments.org; Donna Meyer, 4088 Breakwood Dr., Houston, TX, 77025-4033, (phone) 713-667-1715, (fax) 713-667-1715, (email) dmeyer@mercyinvestments.org; Mary Minette, Director of Shareholder Advocacy, (phone) 703-507-9651, (email) mminette@mercyinvestments.org; Pat Zerega, SRI Consultant, 1421 Eaton Drive, Oakmont, PA, 15139, (phone) 412-414-3587, (email) pzerega@mercyinvestments.org; Susan Smith Makos, Director of Social Responsibility, 454 Maple Ridge Ct., Cincinnati, OH, 45244, (phone) 513-673-9992, (email) smakos@mercyinvestments.org; Sr. Valerie Heinonen, o.s.u., Consultant, Corporate Responsibility, 205 Avenue C, #10E, New York, NY, 10009, (phone) 212-674-2542, (email) vheinonen@mercyinvestments.org

Missionary Oblates of Mary Immaculate — Contact: Rev. Seamus Finn, 391 Michigan Avenue, N.E., Washington, DC, 20017, (phone) 202-269-6715, (email) seamus@omiusa.org

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New York State Common Retirement Fund — Contact: Mr. Patrick Doherty, Office of the Comptroller, 633 3rd Avenue, 31st Fl., New York, NY, 10017-6754, (phone) 212-681-4823, (email) pdoherty@osc.state.ny.us

NorthStar Asset Management — Contact: Mari Schwartzler, Coordinator of Shareholder Activism, P.O. Box 301840, Boston, MA, 02130, (email) mschwartzler@northstarasset.com

Northwest Women Religious Investment Trust — Contact: Judy Byron, OP, Coordinator, 1216 NE 65th Street, Seattle, WA, 98115, (phone) 206-223-1138, (fax) 206-223-1139, (email) jbyron@ipjc.org

Noyes — Contact: Gwendolen Noyes, c/o Timothy Smith, Sr. VP, Walden Asset Mgmt., One Beacon Street, Boston, MA, 02108

Oblate International Pastoral Investment Trust — Contact: Rev. Seamus Finn, 391 Michigan Avenue, N.E., Washington, DC, 20017, (phone) 202-269-6715, (email) seamus@omiusa.org

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Presbyterian Church (USA) — Contact: Rob Fohr, 100 Witherspoon St., Rm 3046, Louisville, KY, 40202-1396, (phone) 502-569-5035, (email) rob.fohr@pcusa.org

Priests of the Sacred Heart, US Province — Contact: Mark Peters, Director of Justice, Peace and Reconciliation, 7373 S. Lovers Lane Rd., Hales Corners, WI, 53130, (phone) 414-427-4273, (email) justdir@usprovince.org

Providence Trust — Contact: Sr. Patricia Regan, CDP, Treasurer, P.O. Box 37345, San Antonio, TX, 78237-0345, (email) pregan@cdptexas.org

Province of St. Joseph of the Capuchin Order (Midwest Capuchins) — Contact: Rev. Robert Wotypka, Corporate Responsibility Agent, 1740 Mt Elliott, Detroit, MI, 48207, (email) robertw@thecapuchins.org

Proxy Impact — Contact: Michael Passoff, 1611 Telegraph Ave., Suite 1450, Oakland, CA, 94612, (phone) 510-215-2222, (email) michael@proxyimpact.com

Religious of the Sacred Heart of Mary, Western American Province — Contact: Catherine Minhoto RSHM, Director of Finance, RSHM Provincial Center, 441 North Garfield Avenue, Montebello, CA, 90640-2901, (phone) 323-887-8821 x206, (email) cathymminhoto@earthlink.net

Rockefeller and Co. — Contact: Verdelle Cunningham, 10 Rockefeller Plaza, New York, NY, 10020, (phone) 212-549-5177, (email) vcunningham@rockco.com

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School Sisters of Notre Dame Cooperative Investment Fund — Contact: Ethel Howley, SSND, Social Responsible Resource Person, 345 Belden Hill Road, Wilton, CT, 06897-3898, (phone) 203-762-3318, (email) ehowley@amssnd.org

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Service Employees International Union (SEIU)

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Sisters of Charity of St. Elizabeth, NJ —

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Sisters of Charity of the Blessed Virgin Mary,

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Sisters of the Presentation of the Blessed Virgin

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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 over four decades ago, our principal focus has been on the social impacts of corporate operations and policies and our engagements are often framed within a human rights construct.

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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