

ICCR'S 2022 PROXY RESOLUTIONS AND VOTING GUIDE



February 16th, 2022



Welcome and some housekeeping

Contact for further questions:

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AGENDA

2022 ICCR Member Initiatives

- **Julie Wokaty, ICCR Staff:** Overview of ICCR's 2022 Proxy Resolutions and Voting Guide
- **Diana Kearney, Oxfam America:** COVID-19 vaccine technology transfer
- **Edgar Hernandez, SEIU Pension Plans Master Trust:** Racial equity audits
- **Sarah Couturier-Tanoh, Shareholder Association for Research & Education (SHARE):** Freedom of association, competitive employment standards
- **Jonas Kron, Trillium Asset Management:** Tech sector risks / algorithmic harm
- **Mary Minette Mercy Investment Services:** Climate crisis
- **Q & A**



Julie Wokaty, Associate
Communications Director

Proxy Guide Overview

Background: Full texts of shareholder resolutions across seven areas (climate change, corporate governance, diversity and racial justice, environmental health/sustainability/food, health, human rights/worker rights, lobbying & political contributions. Filing trends and context. Sponsors and contact details.

History: Published annually by ICCR since 1974 (48 years).

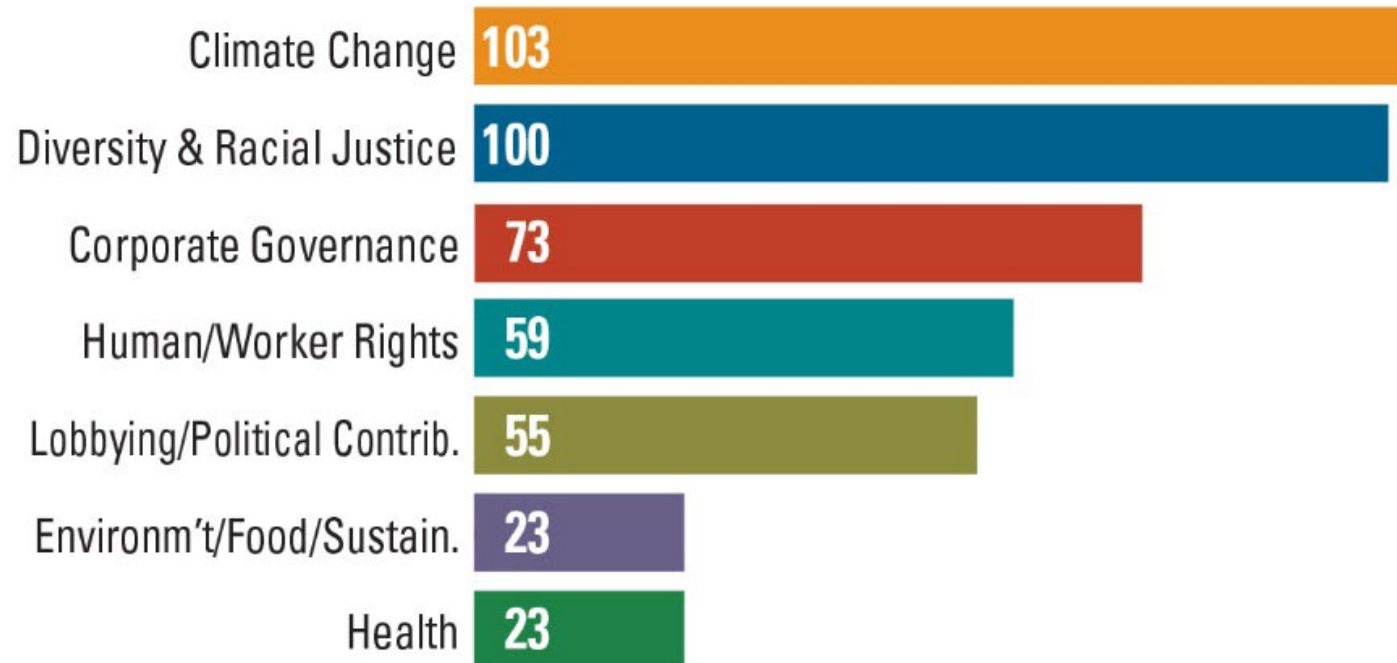
Scope: Resolutions, led and co-filed, by ICCR member organizations as of January 16.

Key Trends this 2022 Proxy Season

- **A sharp increase in proposals** filed in 2022 (436 proposals filed at 246 companies)
- Increasing support for our members' proposals from **mainstream investors**
- **Climate crisis** and **racial justice** dominate investor concerns
- An increased focus on **worker rights**
- The **tech sector** seen as increasingly high-risk
- **Corporate political activities** heavily scrutinized
- More **new themes** and more **diverse approaches**



Resolutions by Issue



New Topics this Year

Address Wealth Inequality via Ownership Culture	Employee Misclassification
Algorithm Disclosures	External Costs of Misinformation
Align Retirement Plan options with Climate Action Goals	Freedom of Association
Asset Management Policies and Diversified Investors	Ghost Guns
Audited Report on Impact of Net-Zero by 2050 Scenario	Human Rights Risks of Financialization of Housing
Covid19 Vaccine Technology Transfer	Lobbying Alignment
Competitive Employment Standards	Mandatory Arbitration
Costs of Low Wages & Inequality	Racial Justice and Food Equity
Curtail Activities that Externalize Social and Environmental Costs	Reincorporate with a Deeper Purpose
Data Centers in Human Rights Hotspots	Right to Repair
Direct Methane Measurement	Risks Associated with Use of Concealment Clauses
Disclose Use of Carbon Credits	Risks from Use of Temporary Workers
	Sexual Harassment
	Shift from Virgin to Recycled Polymer
	Starting Pay & Racial Equity

Voluntary Withdrawals (For Agreements)



ICCR members negotiate over 100 successful corporate commitments each year.
To date for 2022 members have negotiated 46 agreements including:

Apple: Right to repair (*Lead: Green Century Capital Management*)

Costco: Phase out use of medically important antibiotics (*Lead: As You Sow*)

Foot Locker: Net-zero climate targets (*Lead: As You Sow*)

Lowe's: Adopt science-based GHG reduction targets (*Lead: Mercy Investment Services*)

Tyson: Racial equity audit (*Lead: American Baptist Home Mission Society*)

An Increase in SEC Challenges (No Action Requests)

➤ **82** ICCR-member resolutions have received SEC challenges to date.

Issue areas seeing the most challenges:

- Climate Change: **15** resolutions challenged
- Human Rights: **15** resolutions challenged
- Health: **12** resolutions challenged
- Diversity and Racial Justice: **12** resolutions challenged
- Corporate Governance: **11** resolutions challenged



2022 Proxy Resolutions and Voting Guide



Climate Change 103

Proposal Topic **Quantity**

For the full list of investors who filed these resolutions, see p. 281.

Paris-Aligned Climate Lobbying	20
Disclose GHG Reduction Targets - Scopes 1-3	9
Adopt Short, Medium and Long-Term Science-Based GHG Reduction Targets	8
Net Zero Climate Targets	8
Audited Report on Impact of IEA Net Zero Emissions by 2050 Scenario	7
Financing Consistent with IEA Net Zero 2050 Scenario	6
Disclose GHG Reduction Targets	4
Improve GHG Reduction Targets to Include Scope 3 Emissions	4
Direct Methane Measurement	3
Measure, Disclose & Reduce GHG Emissions Associated with Underwriting	3
Adopt GHG Reduction Targets for Scopes 1-3	2
Align Retirement Plan Options with Climate Action Goals	2
Audited Report on Impact of Net Zero Emissions by 2030 Scenario	2
Extend the Horizon: Incorporate Climate Future in Credit Rating	2
Integrity of Sustainable Finance Definition	2

Proposal Topic **Quantity**

No Financing of New Fossil Fuel Supplies in Line with 1.5C Scenario	2
No Underwriting of New Fossil Fuel Supplies	2
Scope 3 Greenhouse Gas Reductions Aligned with Paris Goal	2
Water Management Risks	2
Avoiding Bank Participation in Pollution-Intensive Asset Privatizations	1
Balancing Climate Measures and Financial Returns	1
Climate Transition & Capital Allocation Plan Alignment with 1.5C Target	1
Disclose Use of Carbon Credits	1
Disclosure of Net Zero GHG Indicator Progress	1
External Environmental Costs	1
HFC Refrigerants	1
Increasing Scale, Pace & Rigor of GHG Reductions Efforts - Scopes 1-3	1
Just Transition	1
Low Carbon Business Planning	1
Measure & Begin Reducing Supply Chain GHGs	1
Oil and Gas Exploration in the Arctic	1
Report on If/How Company will Measure, Disclose and Reduce GHGs	1

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Diversity and Racial Justice		100
Proposal Topic		Quantity
<i>For the full list of investors who filed these resolutions, see p. 281.</i>		
Racial Equity Audit		27
Greater Disclosure of Material Corporate Diversity, Equity and Inclusion Data		18
Gender and Racial Pay Gap		9
Risks Associated with Use of Concealment Clauses		8
Disclose Plans and Policies Aligned with Achieving Racial Equality		6
Civil Rights Audit		5
Racial and Gender Board Diversity Report		5
EEO-1 Disclosure		4
Mandatory Arbitration		3
Board of Directors Diversity		2
Report on Outcomes of Company Diversity, Equity, and Inclusion Efforts		2
Report on Steps Taken to Foster Greater Racial Equity on the Board		2
Report on Whether Company Policies Reinforce Racism in Company Culture		2
Respect for Rights of Indigenous Peoples		2
Environmental Justice Audit		1
Negative Impacts of Facility Adjacent to Communities of Color		1
Set Diversity Targets		1
Sexual Harrassment		1
Underwriting Police Insurance		1

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Corporate Governance 73

Proposal Topic	Quantity
<i>For the full list of investors who filed these resolutions, see p. 281.</i>	
Shareholder Proxy Access	17
CEO Compensation to Weigh Workforce Pay and Ownership	10
Annual Board Election	9
Independent Board Chair	7
Address Wealth Inequality Through an Ownership Culture	5
Majority Vote	5
Give Each Share an Equal Vote	3
Right to Repair	3
Right of Shareholders to Call Special Meetings	3
Shareholder Ratification of Termination Pay	3
Asset Management Policies and Diversified Investors	1
Curtail Activities that Externalize Social and Environmental Costs	1
Executive Compensation Tied to Social Factors	1
Executive Incentive Compensation - Compliance Costs	1
Executive Incentive Pay Clawback	1
Reincorporate with Deeper Purpose	1
Strategies to Address Governance Costs	1
Tax Transparency	1

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Human Rights and Worker Rights 59

Proposal Topic

Quantity

For the full list of investors who filed these resolutions, see p. 281.

Low Wages & Inequality	8
Human Rights Impact Assessment	6
Adopt Paid Sick Leave Policy	5
Employee Misclassification	4
Human Rights Risks of Financialization of Housing	3
Inclusion of Employee Voices in Board Level Decisions	3
Customer Due Diligence	2
Algorithm Disclosures	1
Assessing Effectiveness in Preventing Forced/Child/Prison Labor in Supply Chain	1
Assessment of Metaverse User Risk and Advisory Shareholder Vote	1
Board Oversight of Harmful User-Generated Content	1
Child Sexual Exploitation Online	1
Data Operations in Human Rights Hotspots	1
Employee Turnover	1
End Child Labor in Cocoa Production	1
External Costs of Misinformation	1
Freedom of Association	1

Proposal Topic

Quantity

Ghost Guns	1
Government-Mandated Content Removal Requests	1
Human / Civil Rights Expert on Board	1
Human Rights Due Diligence	1
Human Rights in Supply Chain - Farmworkers	1
Human Rights Risks in Conflict-Affected and High-Risk Areas Policies	1
No Business with Governments Complicit in Genocide - Myanmar	1
Performance Review of Audit and Risk Oversight Committee	1
Recognition – Facial Recognition Technology	1
Report on Failures in Content Governance	1
Report on Forced Labor	1
Risk Report on Staffing	1
Risks from Use of Temporary Workers	1
Risks of Financing Nuclear Weapons	1
Third-Party Staffing Agencies and Collective Bargaining	1
Transparency Reports	1
Uyghur Forced Labor Supply Chain Audit	1
Worker Health and Safety Audit	1

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Lobbying and Political Contributions 55

Proposal Topic	Quantity
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For the full list of investors who filed these resolutions, see p. 281.

Lobbying Expenditures Disclosure	31
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Political Contributions	10
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Political Contributions Misalignment	6
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Lobbying Alignment	4
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Political Contributions Misalignment - Racial Justice	3
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Alignment of Stated Corporate Values with Political and Electioneering Expenditures	1
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Environment Health, Food and Sustainability 23

Proposal Topic	Quantity
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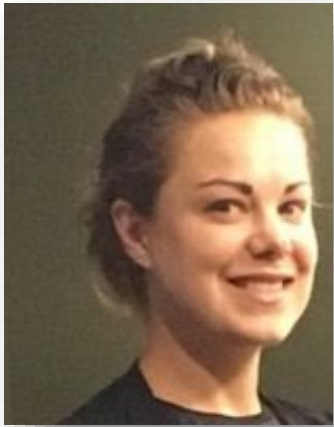
For the full list of investors who filed these resolutions, see p. 213.

Reduce Plastics Use	7
Measuring Pesticide Use in Agricultural Supply Chains	4
Sustainability Reporting	3
Impact of Reduced Plastics Demand on Financial Assumptions	2
Chemical Management	1
Environmental and Social Risk	1
Improving the Company's Chemical Footprint	1
Rapidly Reduce Dependence on Single-Use Plastic Packaging	1
Shift From from Virgin to Recycled Polymer to Reduce Plastic Pollution	1
Sustainable Accounting on Chemicals Policy	1
Titanium Mining Assessment	1

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Health		23
Proposal Topic		Quantity
<i>For the full list of investors who filed these resolutions, see p. 281.</i>		
Access to COVID-19 Products		4
Anticompetitive Practices		4
Public Health Impacts of Antimicrobial Resistance		4
Covid19 Vaccine Technology Transfer		2
AI Fairness, Accountability and Transparency		1
Effect of Junk Food Sales on Diversified Portfolios		1
External Public Health Impact Disclosure		1
Phase Out Production of Health-Hazardous and Addictive Products		1
Phase Out Use of Medically Important Antibiotics		1
Public Health Costs Created by the Sale of Tobacco Products		1
Public Health Costs of Food and Beverage Products		1
Public Health Costs of Protecting Vaccine Technology		1
Racial Justice and Food Equity		1



Diana Kearney Oxfam America COVID-19 Vaccine Technology Transfer

Business Case: Backlash from refusal to share information needed to manufacture vaccines in low- and middle-income countries could tarnish pharmaceutical companies' reputations, threaten their social license to operate, and undermine relations with the U.S. government.

Companies:

- Moderna, Pfizer





Edgar Hernandez Service Employees International Union Racial Equity Audits

Business Case:

- Failure to assess the risks posed by corporate racial inequity can lead to myriad negative impacts, including customer and employee attrition, negative press, significant fines and regulatory inquiries.

Companies:

- 27 companies including Alphabet, Amazon, Apple, Goldman Sachs, Wells Fargo



Sarah Couturier-Tanoh Shareholder Association for Research & Education Worker Rights

Business Case:

- Freedom of Association. Amazon has been subject to overwhelming negative media coverage highlighting its anti-unionization tactics.
- Competitive Employment Standards. The food services and hospitality sector faces significant employee retention challenges that may adversely impact customer satisfaction, operational efficiency and restaurant profitability.

Companies:

- Amazon, Restaurant Brands





Jonas Kron, Trillium Asset Management Tech Sector Risks + Algorithmic Systems/AI

Business Case: Algorithmic systems can lead to discriminatory and other harmful outcomes in education, labor, medicine, criminal justice, and online platforms. Auditing algorithms for discriminatory impact can help promote fairness, accountability, and transparency, and help companies avoid negative press, litigation, and consumer backlash, while staying ahead of regulatory changes.

Company: Alphabet





Mary Minette Mercy Investment Services Climate Crisis

Business Case: The world must reach net-zero GHG emissions by 2050 if we are to limit the most disastrous impacts of climate change. The longer we wait to control greenhouse gas (GHG) emissions, the more difficult and expensive the task will be. Delays in implementing the Paris Agreement exacerbates systemic risks to global economies, and increases the physical damages of climate change.

Companies:

Duke, JPMorgan Chase, UPS, Valero





Thank you for joining us today...

Questions for panelists not addressed during this webinar can be directed to Susana McDermott at smcdermott@iccr.org or Julie Wokaty at jwokaty@iccr.org.

A link to the 2022 Proxy Resolutions and Voting Guide and the recording will be emailed to all participants after the webinar.

The Guide will also be available on our website, www.iccr.org

...and please vote your proxies!

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